

Jeana Feely, et al. v. McMillin
Construction Services, LLC, et al.

Homeowner Documents

**Perkins, Dwain & Tiffany
1765 Jackson St
Chula Vista, CA 91913**

Dwain & Tiffany Perkins
1765 Jackson St
Chula Vista, CA 91913

HOMEOWNERS DOCUMENTS VERIFICATION

Jeana Feely, et al. v. McMillin Construction Services, et al.
Case No.: 37-2016-00042173-CU-CD-CTL

Please mark one box only:

I have conducted a reasonably diligent search to locate and provide all documents in my possession, custody and control and have produced those that I have located.

I have conducted a reasonably diligent search to locate and provide all documents in my possession, custody and control responsive to defendant's request, and **I DO NOT have any documents in my possession.**

I declare under penalty of perjury under the laws of the state of California that the foregoing answer is true and correct.

Executed on November 5, 2017, at **Chula Vista**, California.
(date)


Dwain Perkins
Type or Print Name


Signature

(2nd Owner, if any)

Executed on November 5, 2017, at **Chula Vista**, California.
(date)

Tiffany Perkins
Type or Print Name


Signature

APPRAISAL OF REAL PROPERTY

LOCATED AT

1765 Jackson St
Chula Vista, CA 91913
Lot 43 Tract 15105 Chula Vista Tct 05-07

FOR

Wells Fargo Bank, NA / Dept. of V.A.
2701 Wells Fargo Way, MAC X9901-04A
Minneapolis, MN 55426

OPINION OF VALUE

516,500

AS OF

08/20/2013

BY

Brian K. Bortness / #1329
San Diego Appraisal Works
10956 Corte Playa Barcelona
San Diego, CA 92124
658-395-7816
Brien@sdappraisalworks.com
www.sdappraisalworks.com

FROM:		INVOICE																													
Brian K. Bortness San Diego Appraisal Works 10956 Corte Playa Barcelona San Diego, CA 92124 brian@sdappraisalworks.com Telephone Number: 858-395-7816 Fax Number: 619-374-2090		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center;">INVOICE NUMBER</th> </tr> <tr> <td colspan="2" style="text-align: center;">2013146</td> </tr> <tr> <th colspan="2" style="text-align: center;">DATES</th> </tr> <tr> <td style="width: 60%;">Invoice Date:</td> <td style="text-align: right;">08/20/2013</td> </tr> <tr> <td>Due Date:</td> <td></td> </tr> <tr> <th colspan="2" style="text-align: center;">REFERENCE</th> </tr> <tr> <td>Internal Order #:</td> <td></td> </tr> <tr> <td>Lender Case #:</td> <td></td> </tr> <tr> <td>Client File #:</td> <td></td> </tr> <tr> <td>FHA/VA Case #:</td> <td style="text-align: right;">77-77-6-5185406</td> </tr> <tr> <td>Main File # on form:</td> <td style="text-align: right;">77-77-6-5185406</td> </tr> <tr> <td>Other File # on form:</td> <td></td> </tr> <tr> <td>Federal Tax ID:</td> <td></td> </tr> <tr> <td>Employer ID:</td> <td></td> </tr> </table>		INVOICE NUMBER		2013146		DATES		Invoice Date:	08/20/2013	Due Date:		REFERENCE		Internal Order #:		Lender Case #:		Client File #:		FHA/VA Case #:	77-77-6-5185406	Main File # on form:	77-77-6-5185406	Other File # on form:		Federal Tax ID:		Employer ID:	
INVOICE NUMBER																															
2013146																															
DATES																															
Invoice Date:	08/20/2013																														
Due Date:																															
REFERENCE																															
Internal Order #:																															
Lender Case #:																															
Client File #:																															
FHA/VA Case #:	77-77-6-5185406																														
Main File # on form:	77-77-6-5185406																														
Other File # on form:																															
Federal Tax ID:																															
Employer ID:																															
TO: Vicki Holst Wells Fargo Bank, NA / Dept. of VA. 2701 Wells Fargo Way MAC X9901-04A Minneapolis, MN 55426 E-Mail: vappraisalorders@wellsfargo.com Telephone Number: 877-807-2999 Fax Number: Alternate Number:																															
DESCRIPTION																															
Lender: Wells Fargo Bank, NA / Dept. of VA. Purchaser/Borrower: Perkins, Dwain Property Address: 1765 Jackson St City: Chula Vista County: San Diego Legal Description: Lot 43 Tract 15105 Chula Vista Tct 05-07		Client: Wells Fargo Bank, NA / Dept. of VA. State: CA Zip: 91913																													
FEES			AMOUNT																												
V.A. : U.A.O. / Uniform Residential Appraisal Report - Form 1004 Market Conditions Addendum - Form 1004MC V.A. Addendum: Client Requirements - Form VCR3 Certification of Completion - Form 442 (To Be Completed post completion/installation of customer preference items.) ***Please Note: The V.A. Phoenix Regional Loan Center has authorized, After 30 days, a fee of \$10.00 per month will be assessed.			450.00 0.00 0.00 100.00																												
Thank you for your valued business!			SUBTOTAL 550.00																												
PAYMENTS			AMOUNT																												
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Check #:</td> <td style="width: 20%;">Date:</td> <td style="width: 60%;">Description:</td> </tr> <tr> <td>Check #:</td> <td>Date:</td> <td>Description:</td> </tr> <tr> <td>Check #:</td> <td>Date:</td> <td>Description:</td> </tr> </table>			Check #:	Date:	Description:	Check #:	Date:	Description:	Check #:	Date:	Description:	SUBTOTAL																			
Check #:	Date:	Description:																													
Check #:	Date:	Description:																													
Check #:	Date:	Description:																													
Due upon receipt. Thank you.			TOTAL DUE \$ 550.00																												

Summary Appraisal Report

Uniform Residential Appraisal Report

File # 77-77-6-5185408

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

Property Address 1765 Jackson St City Chula Vista State CA Zip Code 91913
 Borrower Perkins, Dawn Owner of Public Record McMillan Indigo II, LLC. County San Diego
 Legal Description Lot 43 Tract 15105 Chula Vista Trct 05-07
 Assessor's Parcel # 644-250-43-00 Tax Year 2013 R.E. Taxes \$ 6,375
 Neighborhood Name Clay Ranch Map Reference 1331 - E2 Census Tract 0370133.13
 Occupant Owner Tenant Vacant Special Assessments \$ 404 PUD HOA \$ 126 per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe)
 Lender/Client Wells Fargo Bank, NA / Dept of VA Address 2701 Wells Fargo Way, MAC X9901-04A, Minneapolis, MN 55426
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offering price(s), and date(s). DOM 0. Please see the bottom of page #2 under the comparable sales for an explanation of the prior listing, sale and transfer history within the prior 3 years. The title policy not reviewed.

I did I did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. Arms length sale. A copy of the purchase contract was provided via email in PDF for the appraiser to review. The contract was analyzed & reports the purchase price to be \$510,214. Upon completion of the appraisal report, the purchase contract & appraisal report will be uploaded into the VA portal. A copy of the purchase contract has been retained with the appraiser's file.
 Contract Price \$ 510,214 Date of Contract 06/09/2013 Is the property seller the owner of public record? Yes No Data Source(s) SanDiegoMLS/Realt.com
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. \$0. The seller pay \$10,00.00 to go towards the buyer's closing costs.

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

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	84 %		
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input checked="" type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	0 %		
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	215	Low 0	Multi-Family	5 %		
Neighborhood Boundaries Olympic Pkwy to the north, Fwy 125 to the east, open undeveloped land to the south, the adjacent 91911 zip code border to the west of Heritage Rd. The subject's area is a newer developing area within the neighborhood. Other 10% = Vacant.		660	High 20	Commercial	1 %		
		417	Pred. 10	Other	10 %		

Neighborhood Description The subject is located within the city of Chula Vista approximately 20 miles SE of downtown San Diego. The subject's immediate area primarily consist of newer & newly built good to very good quality tract style homes with a mix condominiums with apartment complexes. All supporting amenities, including schools, freeway access area shopping & employment are all located in close proximity to the subject and are adequate to support the area. The neighborhood value range reported above includes all detached properties within the entire 91913 zip code.

Market Conditions (including support for the above conclusions) See the attached Market Conditions Addendum for further comments. VA certification: relevant & competitive listings & or contract offerings in the performance of this appraisal report & in the trend information in this section. If a trend is indicated, an attached addendum providing relevant competitive listing/contract offering data. There is VA & FHA financing with a resurgence in conventional financing. Interest rates have remained low & at historic low. Market Data reported pertains to detached Condos ONLY.

Dimensions 65.50 x 105.82 Area 5873 sf Shape Rectangular View N.R.es;
 Specific Zoning Classification PC14RM1 Zoning Description Planned Community / Zoning confirmed with the city of Chula Vista.
 Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe

Utilities Public Other (describe) Public Other (describe) Off-site Improvements - Type Public Private
 Electricity Water Street Paved Asphalt
 Gas Sanitary Sewer Alley Concrete
 FEMA Special Flood Hazard Area Yes No FEMA Flood Zone X FEMA Map # 0602841938F FEMA Map Date 06/19/1997
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe
 The subject is an interior residential lot that is mostly level and has full utility. It sides and backs to similar use residential lots. It fronts to a residential street. The subject is legal and conforms to the neighborhood. No adverse site conditions known, observed or reported.

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Conc. Slab Foundation	Floors	Tie, carpet - New
# of Stories 2	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Stucco - Good	Walls	Drywall - New
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Alt. <input type="checkbox"/> S-Det./End Unit	Basement Area 0 sqft	Roof Surface	Concrete tile - Good	Trim/Finish	Wood - New
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const	Basement Finish 0 %	Gutters & Downspouts	Yes & Yes - Good	Bath Floor	C/Tile - New
Design (Style) Spanish	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Vinyl - Very Good	Bath Wainscot	Faux Tie - New
Year Built 2013	Evidence of <input type="checkbox"/> Infestation <input type="checkbox"/> None Noted	Storm Sash/Insulated	None / None	Car Storage	None
Effective Age (Yrs) 0 / Never Occupied	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Screens - Good	Driveway # of Cars	3
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	Woodstove(s) # 0	Driveway Surface	Concrete
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other <input type="checkbox"/> Fuel Gas	Fireplace(s) # 1	Fence Wood	Garage # of Cars	3
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	Patio/Deck	None	Carport # of Cars	0
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	Pool	None	Other	None

Appliances Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe) Exhaust hood.
 Finished area above grade contains: 8 Rooms 4 Bedrooms 3.0 Bath(s) 2,840 Square Feet of Gross Living Area Above Grade
 Additional features (special energy efficient items, etc.). The subject improvements are newly constructed in 2013 and have never been occupied and are considered to be New. Builder Options selected = \$10K with Flooring Upgrades = \$12K.
 Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C1 Kitchen-remodeled less than one year ago. Bathrooms-remodeled less than one year ago. The subject is considered to be in New/ Never Occupied / New Construction overall condition with no evidence of deferred maintenance. The subject has been assessed less than average physical depreciation which was based on the estimated effective age. There were no major items of deferred maintenance noted at the time of the property observation. The subject does not suffer from any functional or external depreciation.
 Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe
 Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe

Uniform Residential Appraisal Report

File # 77-77-6-5185406

There are 7 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 479,000 to \$ 649,000	
There are 115 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 315,000 to \$ 555,000	
FEATURE	SUBJECT
COMPARABLE SALE # 1	COMPARABLE SALE # 2
COMPARABLE SALE # 3	
Address 1765 Jackson St Chula Vista, CA 91913	1724 Thompson Ave Chula Vista, CA 91913
1682 Pember Ave Chula Vista, CA 91913	1848 Webber Way Chula Vista, CA 91913
Proximity to Subject 0.26 miles SW	0.40 miles W
0.14 miles E	
Sale Price \$ 510,214	\$ 490,000
\$ 520,000	\$ 490,000
Sale Price/Gross Liv. Area \$ 179.65 sq.ft.	\$ 172.90 sq.ft.
\$ 179.68 sq.ft.	\$ 228.12 sq.ft.
Data Source(s) Sand'cor - MLS #130006767,DOM 17	Sand'cor - MLS #130009646,DOM 9
Sand'cor - MLS #130032167,DOM 8	
Verification Source(s) Realst.com Public Tax Records	Realst.com Public Tax Records
Realst.com Public Tax Records	
VALUE ADJUSTMENTS	DESCRIPTION
DESCRIPTION	+ (-) \$ Adjustment
DESCRIPTION	+ (-) \$ Adjustment
DESCRIPTION	+ (-) \$ Adjustment
Sales or Financing Concessions	Armlth VA:10000 0
Armlth VA:8000	Armlth VA:10000 0
Date of Sale/Time	s03/13,Unk +24,000
s07/13,Unk	s07/13,Unk
Location	N,Res;
N,Res;	N,Res;
Leasehold/Fee Simple	Fee Simple
Fee Simple	Fee Simple
Site	5873 sf
5348 sf	0 2895 sf
0 4334 sf	0
View	N,Res;
N,Res;	N,Res;
Design (Style)	Spanish
Spanish	Spanish
Quality of Construction	Q4
Q4	Q4
Actual Age	0
0	0 0
Condition	C1
C1	C1
Above Grade	Total Bdrms. Baths
Total Bdrms. Baths	Total Bdrms. Baths
Total Bdrms. Baths	Total Bdrms. Baths
Room Count	8 4 3.0
9 5 3.1	-2,500
10 6 3.1	-2,500
Gross Living Area	2,840 sq.ft.
2,834 sq.ft.	0
2,894 sq.ft.	0
Basement & Finished Rooms Below Grade	0sf
0sf	0sf
0sf	0sf
Functional Utility	Average
Average	Average
Heating/Cooling	FAU/CAC
FAU/CAC	FAU/CAC
Energy Efficient Items	None noted
None noted	None noted
Garage/Carport	3 Garage
2 Garage	+5,000
2 Garage	+5,000
Porch/Patio/Deck	Covered Entry
Covered Entry	Covered Entry
Fireplace	1 Fireplace
1 Fireplace	1 Fireplace
Rear yard amenities	None
None	None
Pool and Spa Amenities	None
None	None
Net Adjustment (Total)	None
None	None
Adjusted Sale Price of Comparables	Net Adj. 5.4 %
Net Adj. 0.5 %	Net Adj. 8.7 %
Gross Adj. 6.4 % \$ 516,500	Gross Adj. 1.4 % \$ 522,500
Gross Adj. 8.7 % \$ 532,500	

did did not research the sale or transfer history of the subject property and comparable sales. If not, explain.

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

Data Source(s) Sand'cor - MLS / Realst.com Public Tax Records. Title policy not reviewed.

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

Data Source(s) Sand'cor - MLS / Realst.com Public Tax Records. Title policy not reviewed.

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

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer	07/30/2010	08/24/2012	05/12/2010	04/05/2013
Price of Prior Sale/Transfer	\$0	\$0	\$449,000	\$421,500
Data Source(s)	Sand'cor - MLS / Realst.com	Sand'cor - MLS / Realst.com	Sand'cor - MLS / Realst.com	Sand'cor - MLS / Realst.com
Effective Date of Data Source(s)	08/20/2013	08/20/2013	08/20/2013	08/20/2013

Analysis of prior sale or transfer history of the subject property and comparable sales San Diego County Sand'cor - MLS does not report the subject property's currently purchase transaction as it is New Construction / Never Occupied. It is offered through the Indigo Sales office and is a Pending Sale with a contract purchase price of \$510,214. No other listings, sales or transfers within the prior 36 months. The title policy not reviewed.

Summary of Sales Comparison Approach As mandated by USPAP guidelines, the most recent similar & relevant comparable sales were researched in MLS. The emphasis of the search was placed on the following search parameters in an effort to reflect the subject's most marketable characteristics which encompasses all probable properties which would be deemed comparable given appraisal, VA & USPAP guidelines: all detached, 2 story SFRs, with a minimum bedroom count of 3, with living areas larger than 2,125 sq. ft. & smaller than 3,550 sq. ft., located on lots sizes larger than 1K sq. ft. & smaller than 11K sq. ft., with construction ages newer than the year 2004, located within the subject's defined neighborhood, closed sales for the prior 6 months. The search range for the living area was established by 25% of the subject's reported & measured living area of 2,808 sq. ft. This principle is based upon appraisal standards as governed by USPAP guidelines. The search results was considered to have yielded a sufficient selection for the turnover from the supply & selection of recent similar & relevant comparable sales to match & or bracket the subject's characteristics located within the immediate area/competitive PUDs. Special emphasis on model match floor plans or homes located within the immediate area as they are deemed the very best indicators of value. In accordance with VA & USPAP guidelines, the most recent similar & relevant comparable sales were considered to have been researched, selected & implemented herein.

Indicated Value by Sales Comparison Approach \$ 516,500

Indicated Value by Sales Comparison Approach \$ 516,500 Cost Approach (if developed) \$ 0 Income Approach (if developed) \$ 0

Per V.A. guidelines and as stated in the Appraiser's Handbook on page #32: it is not required to provide the cost approach to value on any V.A. appraisal. The residential real estate market does not base transaction decisions on a property's reproduction or replacement cost. Lender's Handbook, Chapter 11. For most VA appraisals, the Sales Comparison Approach will be the primary, if not exclusive, indicator of final value.

This appraisal is made 'as is', subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair. This property is appraised "subject to" the installation of the customer preference items: flooring, appliances, bathroom fixtures.

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 516,500, as of 08/20/2013, which is the date of inspection and the effective date of this appraisal.

Uniform Residential Appraisal Report

File # 77-77-6-5185406

ADDITIONAL COMMENTS	EXPLANATION OF THE COMPARABLE SALE ADJUSTMENTS:	
	C#1: has a similar floor plan as the subject that is new construction, never occupied with a superior bath count and has inferior garage amenities. It was listed for \$489,900 and sold for more than full list price in 17 days. VA financing with \$10K closing costs which are typical for the market and for new construction incentives.	
	C#2: is a slightly older home than the subject that was built new in the year 2010. However, it has every builder upgrade & option as reported in MLS and is extremely and highly upgraded and considered to be in similar overall condition. It has a similar sized floor plan as the subject with a superior bath count and has inferior garage amenities. It is located within a competitive nearby PUD. It was originally listed for \$570K and was subsequently lowered to a value range of \$520K - \$550K and sold in 17 days. \$8K in concessions for VA financing closing costs.	
	C#3: has a smaller living area than the subject with inferior bath amenities with an inferior garage count. It is new construction, never occupied and is located within a competitive nearby PUD. It was listed for \$470,500 and sold for more than full list price in 8 days. VA financing with \$10K closing costs which are typical for the market and for new construction incentives.	
	C#4: It is new construction, never occupied and is located within the subject's PUD. It has a similar living area as the subject. It closed for \$479K.	
	C#5: is a Pending Sale that was listed in MLS by the Santa Rita sales office for \$508,900 with a market time of 15 days. It is located in a competitive PUD development to the subject located just to the west of the subject. It has a final contract purchase price of \$513,900 and has a superior bath count with an inferior garage count.	
	C#6: is a Pending Sale in MLS that is reported in the Indgo sales office as a resale. It was listed for \$509,608 with a market time of 21 days. It is located within the subject's PUD and has a smaller floor plan and has an inferior garage count.	
	FINAL RECONCILIATION:	
	The most recent similar sales from the subject's neighborhood were provided in this report. From the Direct Sales Comparison Approach the adjusted values of the closed sales is \$487K to \$532,500. Therefore, from this reasonable 9.34% adjusted value range, the best supported value for the subject property as of the appraisal date is \$516,500. The subject's estimated value was extracted from the adjusted comparable sales data.	
	-The subject's final estimate of value is ABOVE the predominant value for the neighborhood, however it is well within the neighborhood range.	
COST APPROACH	-TIME OF SALE ADJUSTMENTS:	
	Upward Time of Sale Adjustments were made to the closed comparable sales with close of escrow dates that exceed 3 months. Thus, C#1 was based upon the market conditions addendum trend for the 12 month time period for the median comparable sale prices: \$415K (7-12 months) - \$495K (current - 3 months). Thus, \$490K - \$420K = +\$70K / \$420K = +0.17% / 12 = 0.02% per month x 180 = 1.39% per month.	
	**The Mel's Roos Fees/CFDs are typical for the area. C.F.D.s are California Facilities District fees which fund the local parks, recreation, schools and fire departments for the neighborhood.	
	-Property Taxes & Mel's Roos/CFDs: were estimated based upon the reported 2.2% of the total purchase price. Typical property taxes are based upon proposition 13 and are generally 1.25% for the purchase price with the remaining 0.95% attributed to the Mel's Roos Fees. Thus, these amounts were estimates and if are not consistent with the actual lender calculated amounts, then these will be reasonably adjusted.	
	-MLS does not report any REALES located within the subject's PUD, thus none were able to be represented herein.	
	COST APPROACH TO VALUE (not required by Fannie Mae)	
	Provide adequate information for the lender/client to replicate the below cost figures and calculations.	
	Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) <i>Per V.A. guidelines and as stated in the Appraiser's Handbook on page #32: it is not required to provide the cost approach to value on any V.A. appraisal. The residential real estate market does not base transaction decisions on a property's reproduction or replacement cost. Lender's Handbook, Chapter 11. For most VA appraisals, the Sale Comparison Approach will be the primary, if not exclusive, indicator of final value.</i>	
	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$
	Source of cost data <i>Not Required For V.A. Appraisals</i>	DWELLING Sq. Ft. @ \$ = \$
Quality rating from cost service Effective date of cost data	Sq. Ft. @ \$ = \$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.) = \$	
<i>Per V.A. guidelines and as stated in the Appraiser's Handbook on page #32: it is not required to provide the cost approach to value on any V.A. appraisal. The residential real estate market does not base transaction decisions on a property's reproduction or replacement cost. Lender's Handbook, Chapter 11. For most VA appraisals, the Sale Comparison Approach will be the primary, if not exclusive, indicator of final value.</i>	Garage/Carport Sq. Ft. @ \$ = \$	
	Total Estimate of Cost-New = \$	
	Less Physical Functional External	
	Depreciation = \$()	
	Depreciated Cost of Improvements = \$	
	As-is Value of Site Improvements = \$	
Estimated Remaining Economic Life (HUD and VA only) 75 Years	INDICATED VALUE BY COST APPROACH = \$ 0	
INCOME APPROACH TO VALUE (not required by Fannie Mae)		
Estimated Monthly Market Rent \$ 0 X Gross Rent Multiplier 0 = \$ 0	Indicated Value by Income Approach	
Summary of Income Approach (including support for market rent and GRM) <i>Per V.A. guidelines and as stated in the Appraiser's Handbook on page #32: it is not required to provide the cost approach to value on any V.A. appraisal. The residential real estate market does not base transaction decisions on a property's reproduction or replacement cost.</i>		
PROJECT INFORMATION FOR PUDS (if applicable)		
Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Unit type(s) <input checked="" type="checkbox"/> Detached <input type="checkbox"/> Attached		
Provide the following information for PUDS ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.		
Legal Name of Project		
Total number of phases	Total number of units	
Total number of units rented	Total number of units for sale	
	Data source(s)	
Was the project created by the conversion of existing building(s) into a PUD? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, date of conversion.		
Does the project contain any multi-dwelling units? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source		
Are the units, common elements, and recreation facilities complete? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe the status of completion.		
Are the common elements leased to or by the Homeowners' Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe the rental terms and options.		
Describe common elements and recreational facilities.		

Uniform Residential Appraisal Report

File # 77-77-6-5185406

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

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

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

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

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

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

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

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

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

Uniform Residential Appraisal Report

File # 77-77-6-5185406

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

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

Uniform Residential Appraisal Report

File # 77-77-6-5185406

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

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

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

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

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

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

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

<p>APPRAISER <u>Brian K. Bortness</u></p> <p>Signature </p> <p>Name <u>Brian K. Bortness / #1329</u></p> <p>Company Name <u>San Diego Appraisal Works</u></p> <p>Company Address <u>10956 Corte Playa Barcelona</u> <u>San Diego, CA 92124</u></p> <p>Telephone Number <u>858-395-7816</u></p> <p>Email Address <u>Brian@sdappraisalworks.com</u></p> <p>Date of Signature and Report <u>08/20/2013</u></p> <p>Effective Date of Appraisal <u>08/20/2013</u></p> <p>State Certification # _____</p> <p>or State License # <u>AL028662</u></p> <p>or Other (describe) _____ State # _____</p> <p>State <u>CA</u></p> <p>Expiration Date of Certification or License <u>01/31/2014</u></p> <p>ADDRESS OF PROPERTY APPRAISED</p> <p><u>1765 Jackson St</u> <u>Chula Vista, CA 91913</u></p> <p>APPRAISED VALUE OF SUBJECT PROPERTY \$ <u>516,500</u></p> <p>LENDER/CLIENT</p> <p>Name <u>No AMC</u></p> <p>Company Name <u>Wells Fargo Bank, NA / Dept. of VA.</u></p> <p>Company Address <u>2701 Wells Fargo Way, MAC X9901-04A, Minneapolis, MN</u> <u>55426</u></p> <p>Email Address <u>yappraisalorders@wellsfargo.com</u></p>	<p>SUPERVISORY APPRAISER (ONLY IF REQUIRED)</p> <p>Signature _____</p> <p>Name _____</p> <p>Company Name _____</p> <p>Company Address _____</p> <p>Telephone Number _____</p> <p>Email Address _____</p> <p>Date of Signature _____</p> <p>State Certification # _____</p> <p>or State License # _____</p> <p>State _____</p> <p>Expiration Date of Certification or License _____</p> <p>SUBJECT PROPERTY</p> <p><input type="checkbox"/> Did not inspect subject property</p> <p><input type="checkbox"/> Did inspect exterior of subject property from street Date of Inspection _____</p> <p><input type="checkbox"/> Did inspect interior and exterior of subject property Date of Inspection _____</p> <p>COMPARABLE SALES</p> <p><input type="checkbox"/> Did not inspect exterior of comparable sales from street</p> <p><input type="checkbox"/> Did inspect exterior of comparable sales from street Date of Inspection _____</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Uniform Residential Appraisal Report

File # 77-77-6-5185406

FEATURE	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Address	1765 Jackson St Chula Vista, CA 91913	1750 Webber Way Chula Vista, CA 91913			1587 Stow Grove Ave Chula Vista, CA 91913			1790 Webber Way Chula Vista, CA 91913		
Proximity to Subject		0.06 miles NW			1.00 miles W			0.04 miles E		
Sale Price	\$ 510,214	\$ 479,000			\$ 513,900			\$ 509,608		
Sale Price/Gross Liv. Area	\$ 179.65 sq.ft.	\$ 170.58 sq.ft.			\$ 181.33 sq.ft.			\$ 203.60 sq.ft.		
Data Source(s)		Indigo Sales Office/DOM 0			Sand/cor - MLS #130032302/DOM 15			Sand/cor - MLS #130035050/DOM 21		
Verification Source(s)		Realist.com Public Tax Records			Pending Sale/Realist.com/Santa Rita			Pending Sale/Realist.com/Indigo		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+	(-) \$ Adjustment	DESCRIPTION	+	(-) \$ Adjustment	DESCRIPTION	+	(-) \$ Adjustment
Sales or Financing Concessions		Arml/Un VA.0			Listing			Listing		
Date of Sale/Time		05/13/Unk		+8,000	Active			Active		
Location	N,Res;	N,Res;			N,Res;			N,Res;		
Leasehold/Fee Simple	Fee Simple	Fee simple			Fee simple			Fee simple		
Site	5873 sf	5019 sf			4600 sf			4439 sf		0
View	N,Res;	N,Res;			N,Res;			N,Res;		
Design (Style)	Spanish	Spanish			Spanish			Spanish		
Quality of Construction	Q4	Q4			Q4			Q4		
Actual Age	0	0			0			0		
Condition	C1	C1			C1			C1		
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths			Total Bdrms. Baths			Total Bdrms. Baths		
Room Count	8 4 3.0	8 4 3.0			8 4 3.1		-2,500	8 4 3.0		
Gross Living Area	2,840 sq.ft.	2,808 sq.ft.		0	2,834 sq.ft.		0	2,503 sq.ft.		+17,000
Basement & Finished Rooms Below Grade	0sf	0sf			0sf			0sf		
Functional Utility	Average	Average			Average			Average		
Heating/Cooling	FAU/CAC	FAU/CAC			FAU/CAC			FAU/CAC		
Energy Efficient Items	None noted	None noted			None noted			None noted		
Garage/Carport	3 Garage	3 Garage			2 Garage		+5,000	2 Garage		+5,000
Porch/Patio/Deck	Covered Entry	Covered Entry			Covered Entry			Covered Entry		
Fireplace	1 Fireplace	1 Fireplace			1 Fireplace			1 Fireplace		
Rear yard amenities	None	None			None			None		
Pool and Spa Amenities	None	None			None			None		
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 8,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 2,500	<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 22,000
Adjusted Sale Price of Comparables		Net Adj. 1.7 % Gross Adj. 1.7 %		\$ 487,000	Net Adj. 0.5 % Gross Adj. 1.5 %		\$ 516,400	Net Adj. 4.3 % Gross Adj. 4.3 %		\$ 531,608
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).										
ITEM	SUBJECT	COMPARABLE SALE # 4	COMPARABLE SALE # 5	COMPARABLE SALE # 6						
Date of Prior Sale/Transfer	07/30/2010	07/30/2010		07/30/2010						
Price of Prior Sale/Transfer	\$0	\$0		\$0						
Data Source(s)	Sand/cor - MLS / Realist.com	Sand/cor - MLS / Realist.com		Sand/cor - MLS / Realist.com						
Effective Date of Data Source(s)	08/20/2013	08/20/2013		08/20/2013						
Analysis of prior sale or transfer history of the subject property and comparable sales San Diego County Sand/cor - MLS does not report the subject property's currently purchase transaction as it is New Construction / Never Occupied. It is offered through the Indigo Sales office and is a Pending Sale with a contract purchase price of \$510,214. No other listings, sales or transfers within the prior 36 months. The title policy not reviewed.										
Analysis/Comments Please refer to page #3 for an explanation of the comparable sale adjustments.										

Supplemental Addendum

File No. 77-77-6-5185406

Borrower/Client	Perkins, Dwan				
Property Address	1765 Jackson St				
City	Chula Vista	County	San Diego	State	CA
Zip Code	91913				
Lender	Wells Fargo Bank NA/Dept. of VA.				

V.A. APPRAISAL GUIDELINES:

For most VA appraisals, the Sale Comparison Approach will be the primary, if not exclusive, indicator of final value. Key points to keep in mind:

1. At least three (3) confirmed sales of comparable properties must be utilized. Ideally, the comparable sales should bracket the subject's Gross Living Area (GLA) and estimate of value.
2. If comparables are located at excessive distances from the subject or market area boundaries, their use in the Sales Comparison Approach must be justified and explained.

Additional current sales data is required (Closed, Pending, Listing) under the following circumstances:
If two of the three sales have close of escrow dates older than six (6) months.

When the adjusted values indicated by the comparable sales are too widespread (total spread, high or low, exceeds 15%), or are inconclusive.

- 1) If two of the three sales required excessive adjustments.
- 2) When the market is declining/increasing, and additional support for a time adjustment is required. We recommend that you include a fourth comp that can be a pending sale where you have verified the sale price with the selling agent. As long as you have three closed sales, you can give the pending fourth sale appropriate weight in your reconciliation. The pending sale may be the best indicator of current value.

COMMENTS/MARKET DATA:

-Dataquick Information Systems housing price survey reports the median resale values for single family homes located within the subject's entire zip code increased +17.1% during the year 2012.

-The San Diego Union Tribune "HOME SECTION" reports the median resale prices for single family homes located within the subject's zip code have increased +24.3% for 07/2013 compared with 07/2012, +11.3% for 06/2013 compared with 06/2012, +19.5% for 05/2013 compared with 05/2012, +8.3% for 04/2013 compared with 04/2012, +25.9% for 03/2013 compared with 03/2012, -4.2% for 02/2013 compared with 02/2012, +17.1% for 01/2013 compared with 01/2012.

-MLS reports the average sales prices for all detached, 2 story single family residences, with a minimum bedroom count of 3, with living areas larger than 2,125 sf. and smaller than 3,550 sf., located on lot sizes between 1K sf. and 11K sf., with construction ages newer than the year 2004, during the prior 6 month time period 02/19/2013 - 08/20/2013 = \$459,615, median price = \$485K, with 39 closed sales and 65 average days on the market, 24 median days.

-MLS reports the average sales prices for all detached, 2 story single family residences, with a minimum bedroom count of 3, with living areas larger than 2,125 sf. and smaller than 3,550 sf., located on lot sizes between 1K sf. and 11K sf., with construction ages newer than the year 2004, during the prior 6 month time period 02/19/2012 - 08/20/2012 = \$412,015, median price = \$421,556, with 57 closed sales and 96 average days on the market, 58 median days.

-Therefore, given the current market data for similar properties located within the subject's neighborhood, property values were considered to be currently increasing overall. The neighborhood property values on page #1 was reported as increasing. It is public knowledge that property values are currently increasing within the subject's neighborhood. To ignore current market conditions and trends is a violation of USPAP guidelines.

PLEASE NOTE:

Page #1 neighborhood value range reflects the value range for all properties located within the subject's defined neighborhood during the prior 12 months. Hence, neighborhood. The top of page #2 and the Market Conditions Addendum reflects the range of values for most recent similar and relevant comparable sales that fell within search parameters for the subject's defined neighborhood during the prior 12 month time period as mandated by the form(s). Hence, comparable sales. Please note there is a difference between a neighborhood value range compared to a value range of comparable sales located within the subject's neighborhood.

SITE COMMENTS:

No adverse easements, encroachments or other adverse conditions exists or were noted during the appraisal by inspection of the subject property. Title policy has not been reviewed.

COMMENTS ON GROSS LIVING AREA:

Gross living area is considered an approximation with minor deviations from actual square footage being of little or no value consequence. The floor plan and building sketch are for demonstration purposes only. The client is advised to consult a qualified expert(s) in the exact measurements of the subject.

-Unless otherwise noted, the appraiser assumes the various elements that constitute the subject property are fundamentally sound and in working order. Statements regarding condition, particularly those heating and cooling systems are based on superficial observations only and testings. The appraiser is not a home inspector and the appraisal report is not a home inspection report. The client, buyers, borrower are invited and encouraged to employ the qualified experts to inspect and address any concerns. If any negative conditions are discovered, the appraiser reserves the right to modify the final opinion of value.

COST APPROACH COMMENTS:

The physical depreciation was calculated using the age-life method, by the following formula: effective age divided by the estimated useful life multiplied by the estimated cost new. Total estimated economic/physical life is based on 75 years. Per V.A. guidelines and as stated in the Appraiser's Handbook on page #32: It is not required to provide the cost approach to value on any V.A. appraisal. The residential real estate market does not base transaction decisions on a property's reproduction or replacement cost. Lender's Handbook, Chapter 11. For most VA appraisals, the Sale Comparison Approach will be the primary, if not exclusive, indicator of final value.

INCOME APPROACH:

The Income Approach was considered although not completed due to lack of available data to estimate a gross rent multiplier. The lack of relevant data weakens the overall reliability of the Income Approach. Per V.A. guidelines and as stated in the Appraiser's Handbook on page #32: It is not required to provide the cost approach to value on any V.A. appraisal. The residential real estate market does not base transaction decisions on a property's reproduction or replacement cost. Lender's Handbook, Chapter 11. For most VA appraisals, the Sale Comparison Approach will be the primary, if not exclusive, indicator of final value.

LEAD BASED PAINT DISCLOSURE:

If the subject property was constructed before 1978, it may or may not contain lead based paint/ or other hazardous substances. The client is hereby notified that the appraiser is not qualified to detect lead based paint and/or other hazardous substances and that it is beyond the scope of this appraisal to ascertain the presence of lead based paint and/or other hazardous substances that may be present in the subject property. The client is advised to consult a qualified expert(s) in the detection of lead based paint and other hazardous substances if further information is desired.

MOLD COMMENTS:

The appraiser is not a home or environmental inspector. The appraiser provides an opinion of value. The appraisal does not guarantee that the

Supplemental Addendum

File No. 77-77-6-5185406

Borrower/Client	Perkins, Dwan			
Property Address	1765 Jackson St			
City	Chula Vista	County	San Diego	State CA Zip Code 91913
Lender	Wells Fargo Bank, NA / Dept of V.A.			

property is free of defects or environmental problems. The appraiser performs an inspection of visible and accessible areas only. Mold may be present in areas the appraiser cannot see. A professional home inspection or environmental inspection is recommended.

ELECTRONIC SIGNATURE:

This report was electronically signed for delivery via email in accordance with USPAP and Federal guidelines. The appraisal software meets industry guidelines for signature security and the report was delivered in a PDF format, which cannot be altered by the receiver of the report.

APPRAISAL DISCLOSURE:

I have not previously performed an appraisal report on the subject property for the reported lender/client within the 3 year period preceding the acceptance of this appraisal assignment as an appraiser or in any other capacity. I have no past, current or prospective interest in the subject property or parties involved.

Market Conditions Addendum to the Appraisal Report

File No. 77-77-6-5185406

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

Property Address 1765 Jackson St City Chula Vista State CA ZIP Code 91913

Borrower Perkins, Dawn

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

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	78	18	19	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	13.00	6.00	6.33	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	9	9	7	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	0.7	1.5	1.1	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	419,450	451,000	490,000	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	57	76	14	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	420,000	500,000	530,000	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	66	39	20	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	100.00	100.00	99.12	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller (developer, builder, etc.) paid financial assistance prevalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). Seller/builder concessions are typically noted on distressed sales and for builder's new construction. The concessions typically are reported to go towards the buyers closing costs, upgrades and concessions. Closing costs, concessions and upgrade amounts range around 1%-3% of the total purchase price. Buyer's closing costs and or repairs for government loans, VA and FHA.

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

Distressed sales continue to be present within the subject's defined neighborhood. However, it is a declining supply although remain attractive to first time buyers and investors. Arms length transactions appear to be the predominant transaction. Short sales and REOs have a range of purchase prices as the terms and circumstances for these properties vary and typically reflect the lower end of the value range.

Cite data sources for above information. San Diego County San/oor - MLS, Realst.com Public Tax Records.

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

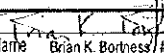
MLS market data reported the active listings, pending sales and closed sales which were utilized in the market analysis for the neighborhood data. The search parameters for the market data results entailed: all detached, 2 story, single family tract style homes, with minimum bedroom count of 3, with living areas larger than 2,125 sf. & smaller than 3,550 sf., with construction ages newer than the year 2004, located on lot sizes larger than 1K sf. & smaller than 11K sf., detached condos were excluded, located within the subject's defined neighborhood during the prior 12 months. The aforementioned search parameters reflect the subject's most marketable characteristics which encompasses all probable properties which would be deemed comparable given appraisal, lender, VA, & USPAP guidelines. The search range for the living area was established by 25% of the subject's reported & measured living area of 2,840 sf. This principle is based upon appraisal standards as governed by USPAP guidelines. The results is reflective of the subject's most comparable market data over the prior 12 months from the date of the appraisal assignment, 08/09/2013. The overall trend for property values for similar properties appear to reflect an overall increasing trend in the market data during the prior 12 months for similar/comparable properties that fell within the aforementioned search parameters as mandated by this form. However, the overall trend for property values located within the subject's entire neighborhood is stable. Please refer to page #3 in the Sale Comparison Approach Comments & the attached Supplemental Addendum for additional market data analysis.

If the subject is a unit in a condominium or cooperative project, complete the following: Project Name: Otay Ranch

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

Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties. N/A - The subject is not located within a condominium or cooperative project.

Summarize the above trends and address the impact on the subject unit and project. N/A - The subject is not located within a condominium or cooperative development.

Signature 	Signature
Appraiser Name Brian K. Bortness / #1329	Supervisory Appraiser Name
Company Name San Diego Appraisal Works	Company Name
Company Address 10950 Corte Playa Barcelona, San Diego, CA 92124	Company Address
State License/Certification # AL028662 State CA	State License/Certification # State
Email Address Brian@sdappraisalworks.com	Email Address

77-77-6-5185406



Addendum to Fee Appraiser's Report: Client Requirements

VA Case #: 77-77-6-5185406

Property Address: 1765 Jackson St, Chula Vista, CA 91913

VA/HUD Condo Approval ID# (Condos only): N/A - Detached Single Family Residence

Subject/Comps Listings History and Data Sources:

Item	Subject	Comp # 1	Comp # 2	Comp # 3	Comp # 4	Comp # 5
Listing	Sales Office	489,900	570,000	470,500	Sales Office	508,900
Sales Price	510,214	490,000	520,000	490,000	479,000	513,900
D.O.M.	0	17	17	8	0	15
Source #1	Prop. Observ.	Sandicor - MLS #130008	Sandicor - MLS #130009	Sandicor - MLS #130032	Indigo Sales Office/DOM	Sandicor - MLS #130032
Source #2	MLS / Realist.com	Realist.com Public Tax R	Realist.com Public Tax R	Realist.com Public Tax R	Realist.com Public Tax R	Pending Sale/Realist.com

Comments on Comps over 6 months old:

N/A

RAM Information:

R (Received): 08/14/2013
 A (Appraised): 08/20/2013
 M (Mailed): 08/20/2013

Comments on RAM dates (if necessary use an addendum):

N/A

VA requires the following Market Analysis Considerations be reported on all appraisals:

- The current sales price to listing price ratio is 99 %
- 12 month(s) ago sales price to listing price ratio was 99 %
- The current Average Marketing Time -for this market is 65 days.
- 12 month(s) ago the Average Marketing Time was 96 days.
- Comments on prevalence of Sales or Financing Concessions:
 Please refer to page #2 in the Sales Comparison Approach section for comments. The Market Conditions addendum has further comments and market analysis regarding the search parameters.

VA Certification:

"I have considered relevant competitive listings and/or contract offerings in the performance of this appraisal and in the trending information reported in this section. *If a trend is indicated, I have attached an addendum providing relevant competitive listing/contract offering data.*"

Appraiser's Signature
 for VA Certification-

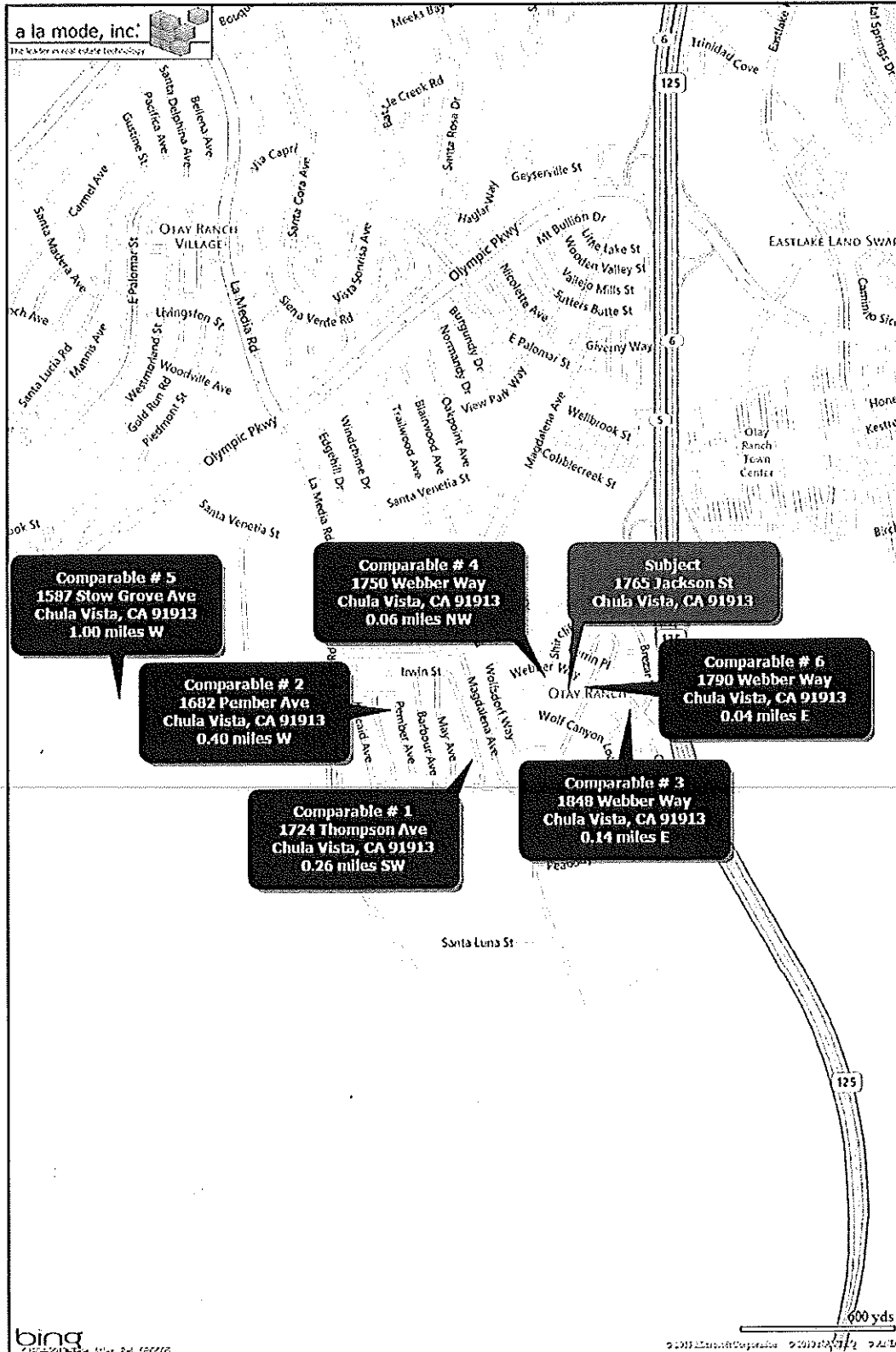
Brian K. Bortness / #1329

Date 08/20/2013

Revised 8/2/05 - Previous editions should not be used.

Location Map

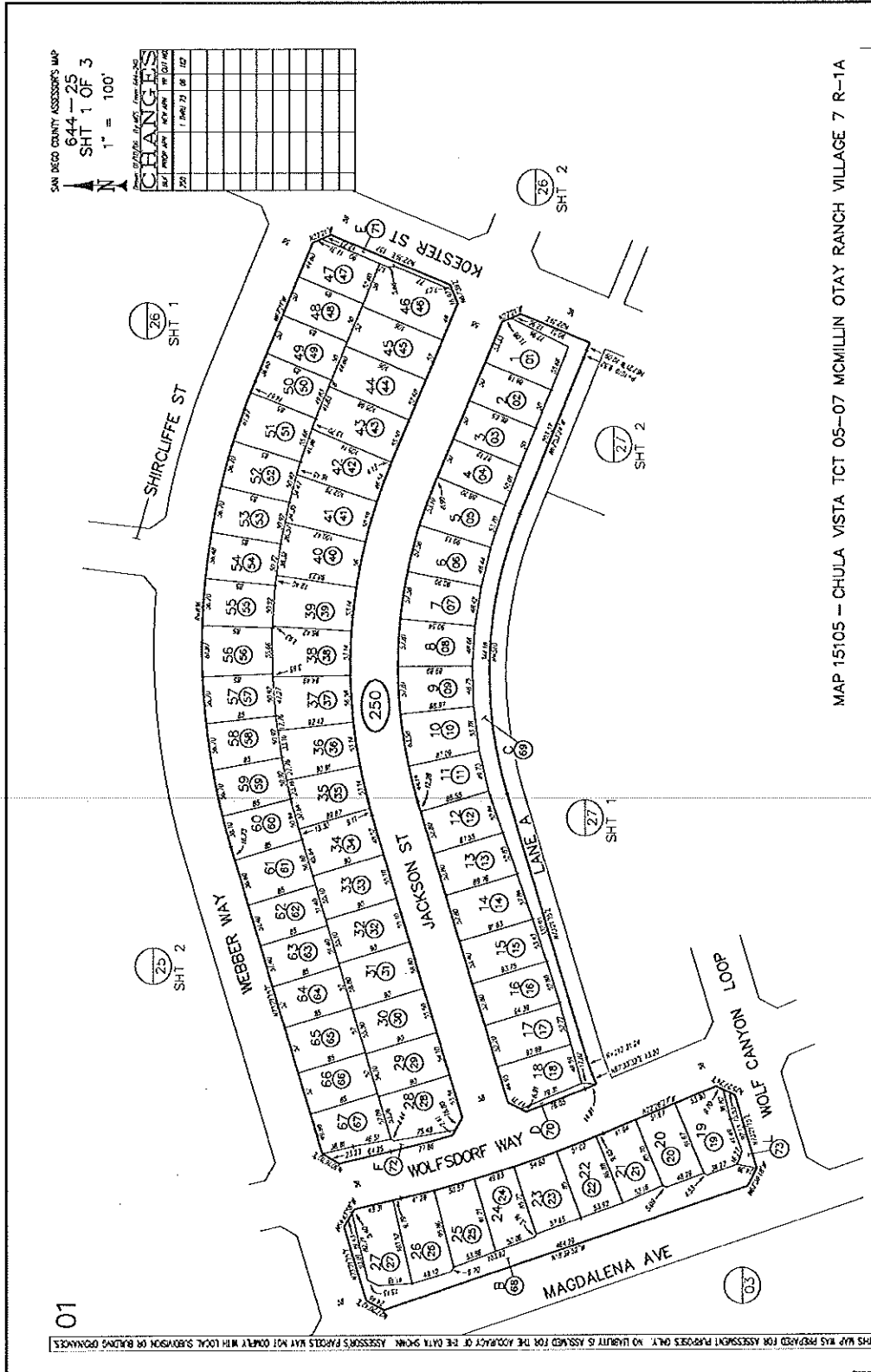
Borrower/Client	Perkins, D'wain			
Property Address	1765 Jackson St			
City	Chula Vista	County	San Diego	State CA Zip Code 91913
Lender	Wells Fargo Bank, NA /Dept. of VA.			



bing

Plat Map


Borrower/Client	Perkins, Dwa'n				
Property Address	1765 Jackson St				
City	Chula Vista	County	San Diego	State	CA
Zip Code	91913				
Lender	Wells Fargo Bank, NA / Dept of VA				



MAP 15105 - CHULA VISTA TCT 05-07 MCMILLIN OTAY RANCH VILLAGE 7 R-1A

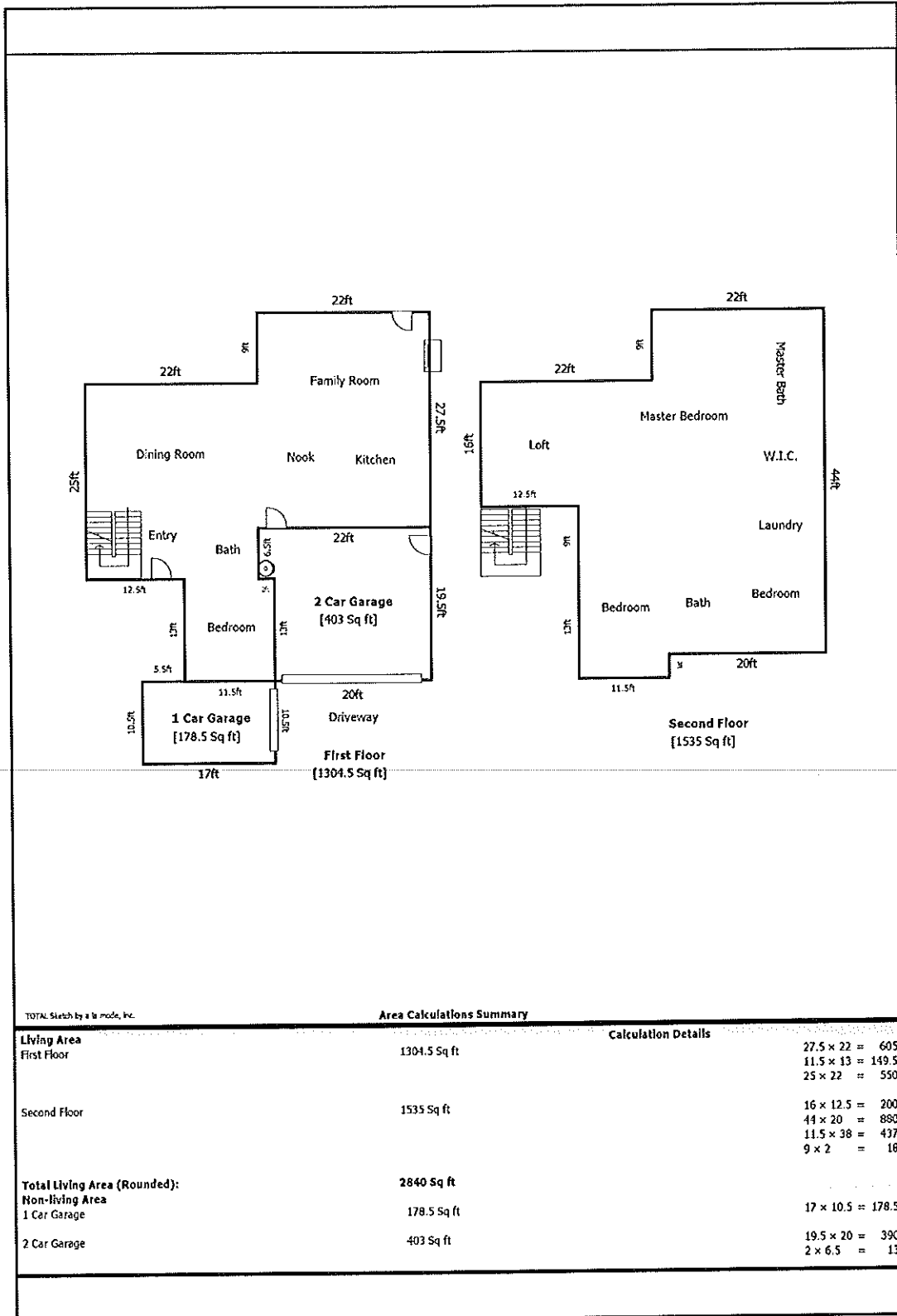
Legal Description Map

Borrower/Client	Perkins, Dwain			
Property Address	1765 Jackson St			
City	Chula Vista	County	San Diego	State CA Zip Code 91913
Lender	Wells Fargo Bank, NA / Dept of VA			

1765 Jackson St Chula Vista, CA 91913-1379 San Diego County 1765 Jackson St Chula Vista, CA 91913-1379 San Diego County			
Owner Info Owner Name Tax Billing Address Tax Billing City & State Tax Billing Zip	Dwain Perkins 2750 Woodside Rd San Diego CA 92106	Member Mortgage Annual Fee County Code Universal Land Use	4114 \$6,909 Value Res. No. 17 4108
Location Info Tract Number Subdivision Zone Census Tract	15225 Street Chula Vista Map 15225 St 651004434 E-Corner 13131	Section Range 13112 4024	
Tax Info Taxes Tax Year Annual Fee Assessment Year Land Assessment	644,253.45 00 Total Assessment 2022 Tax Rate \$6.907 Legal Description 2022 Lot Number 1323440	\$124,442 1269 12743 41	
Market Data Current Value Recording Date Multiple Sale Type Buyer Name Seller Name Document No. Document Type	508,750.00 7/29/2020 Multi Dwain Perkins Dwain Perkins 18845 Deed (Reg)	508,750.00 7/29/2020 Multi Dwain Perkins Dwain Perkins 18845 Deed (Reg)	
Mortgage History Mortgage Date Mortgage Amt Mortgage Lender Borrower	7/29/2020 \$6,799.99 WFMG Wells Fargo Dwain Perkins Dwain Perkins		

Building Sketch

Borrower/Client	Perkins, Dawn				
Property Address	1765 Jackson St				
City	Chula Vista	County	San Diego	State	CA
Zip Code	91913				
Lender	Wells Fargo Bank, NA / Dept. of VA.				



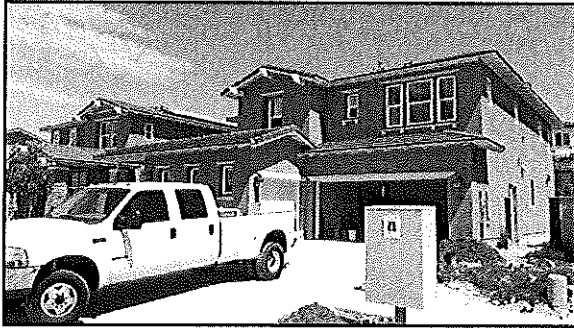
TOTAL Sketch by a la mode, Inc.

Area Calculations Summary

Area	Area Calculations Summary	Calculation Details
Living Area		
First Floor	1304.5 Sq ft	$27.5 \times 22 = 605$ $11.5 \times 13 = 149.5$ $25 \times 22 = 550$
Second Floor	1535 Sq ft	$16 \times 12.5 = 200$ $44 \times 20 = 880$ $11.5 \times 38 = 437$ $9 \times 2 = 18$
Total Living Area (Rounded):	2840 Sq ft	
Non-living Area		
1 Car Garage	178.5 Sq ft	$17 \times 10.5 = 178.5$
2 Car Garage	403 Sq ft	$19.5 \times 20 = 390$ $2 \times 6.5 = 13$

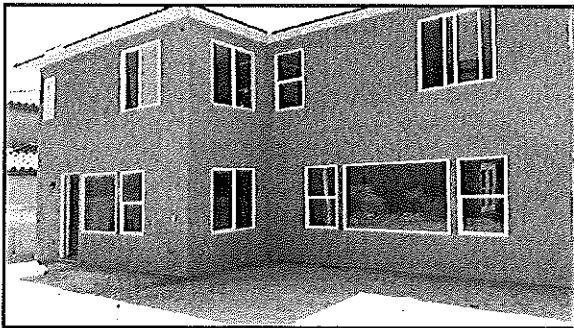
Subject Photo Page

Borrower/Client	Perkins, Dwa'n				
Property Address	1765 Jackson St				
City	Chula Vista	County	San Diego	State	CA
Zip Code	91913				
Lender	Wells Fargo Bank, NA / Dept. of V.A.				

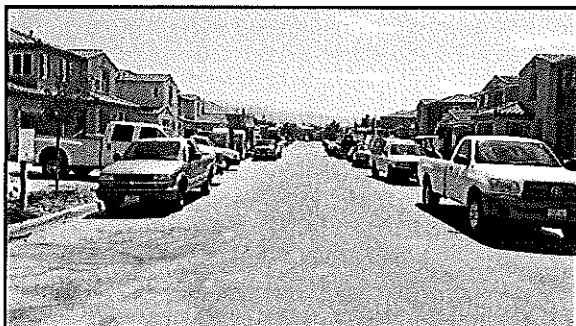


Subject Front

1765 Jackson St
 Sales Price 510,214
 Gross Living Area 2,840
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 3.0
 Location N,Res;
 View N,Res;
 Site 5873 sf
 Quality Q4
 Age 0



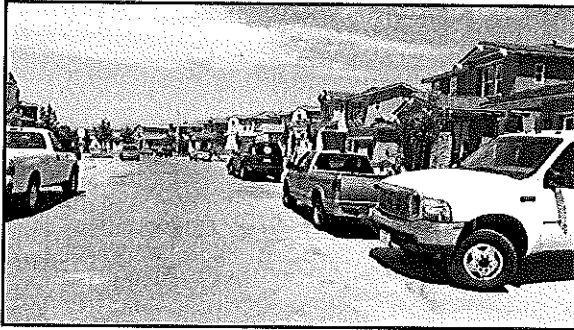
Subject Rear



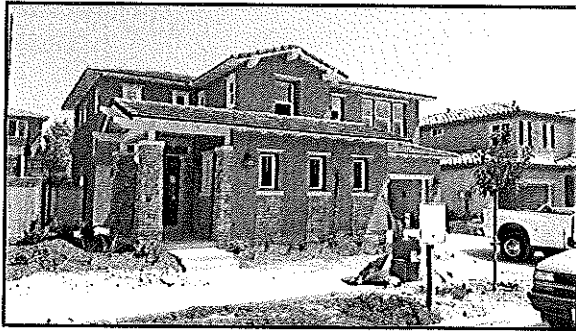
Subject Street

PHOTOGRAPH ADDENDUM

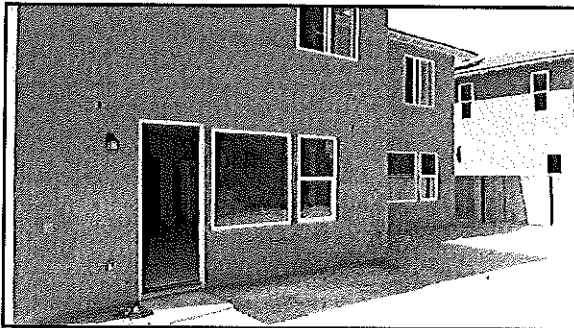
Borrower/Client	Perkins, Dawn				
Property Address	1765 Jackson St				
City	Chula Vista	County	San Diego	State	CA
Lender	Wells Fargo Bank, NA / Dept. of VA.				
Zip Code	91913				



Additional street scene.



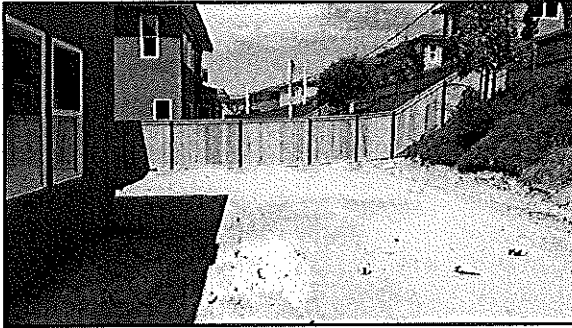
Additional front scene.



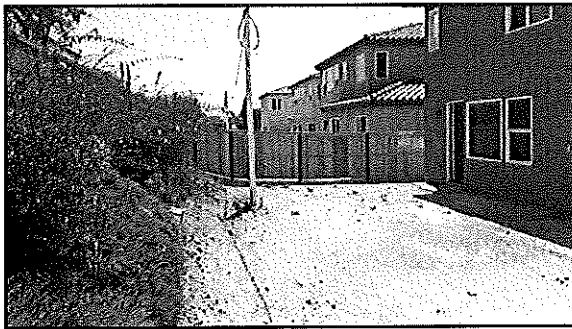
Rear scene.

PHOTOGRAPH ADDENDUM

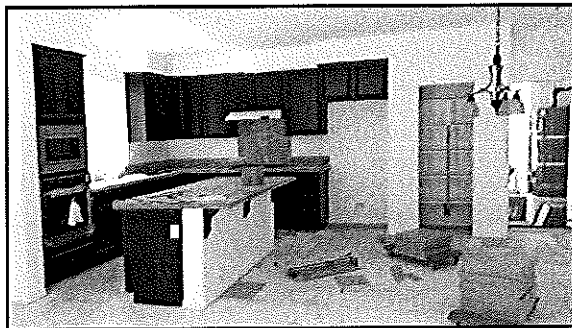
Borrower/Client	Perkins, Dwain				
Property Address	1765 Jackson St				
City	Chula Vista	County	San Diego	State	CA
Zip Code	91913				
Lender	Wells Fargo Bank, NA / Dept. of V.A.				



Rear yard scene.



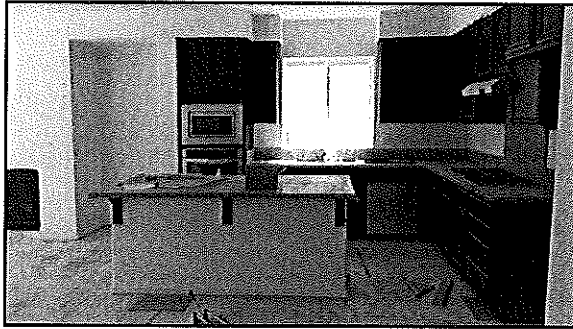
Rear yard scene.



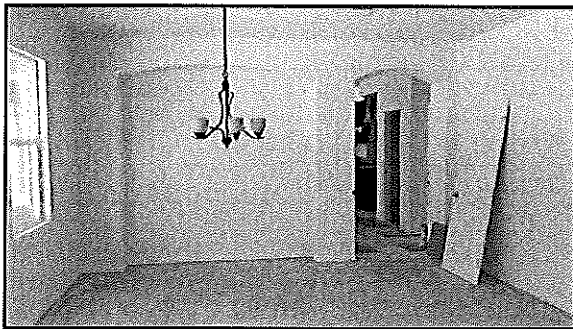
Kitchen and nook.

PHOTOGRAPH ADDENDUM

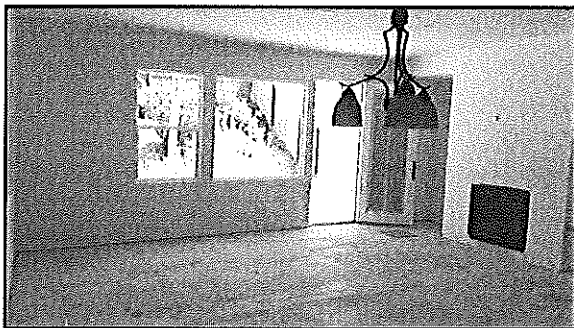
Borrower/Client	Perkins, Dawn				
Property Address	1765 Jackson St				
City	Chula Vista	County	San Diego	State	CA
Lender	Wells Fargo Bank, NA / Dept. of VA.				
Zip Code	91913				



Kitchen and nook.



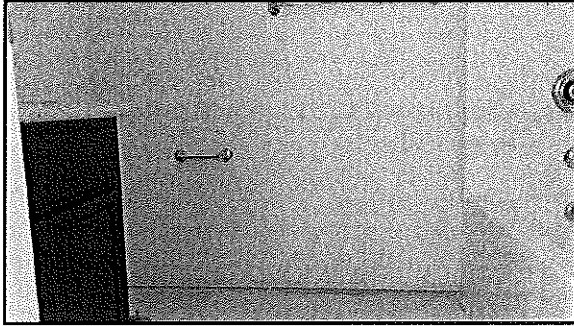
Dining room.



Family room with fireplace.

PHOTOGRAPH ADDENDUM

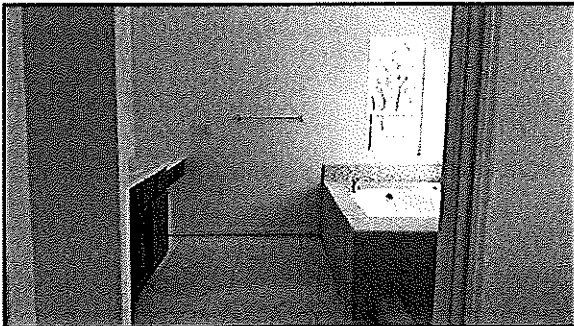
Borrower/Client	Perkins, Dwa'n				
Property Address	1765 Jackson St				
City	Chula Vista	County	San Diego	State	CA
				Zip Code	91913
Lender	Wells Fargo Bank, NA/Dept. of VA.				



Bathroom.



Bathroom.



Master bathroom.

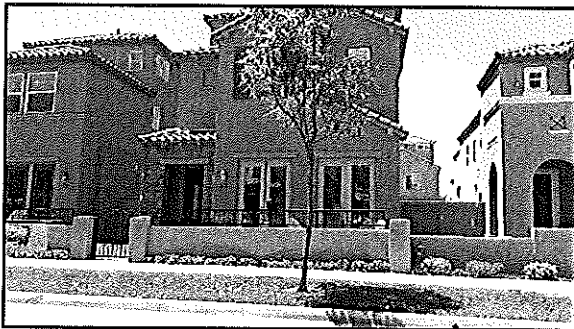
Comparable Photo Page

Borrower/Cient	Perkins, Dawn						
Property Address	1765 Jackson St						
City	Chula Vista	County	San Diego	State	CA	Zip Code	91913
Lender	Wells Fargo Bank, NA / Dept. of V.A.						



Comparable 1

1724 Thompson Ave
 Prox. to Subject 0.26 miles SW
 Sale Price 490,000
 Gross Living Area 2,834
 Total Rooms 9
 Total Bedrooms 5
 Total Bathrooms 3.1
 Location N,Res;
 View N,Res;
 Site 5348 sf
 Quality Q4
 Age 0



Comparable 2

1682 Pember Ave
 Prox. to Subject 0.40 miles W
 Sale Price 520,000
 Gross Living Area 2,894
 Total Rooms 10
 Total Bedrooms 6
 Total Bathrooms 3.1
 Location N,Res;
 View N,Res;
 Site 2895 sf
 Quality Q4
 Age 3



Comparable 3

1848 Webber Way
 Prox. to Subject 0.14 miles E
 Sale Price 490,000
 Gross Living Area 2,148
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 2.1
 Location N,Res;
 View N,Res;
 Site 4334 sf
 Quality Q4
 Age 0

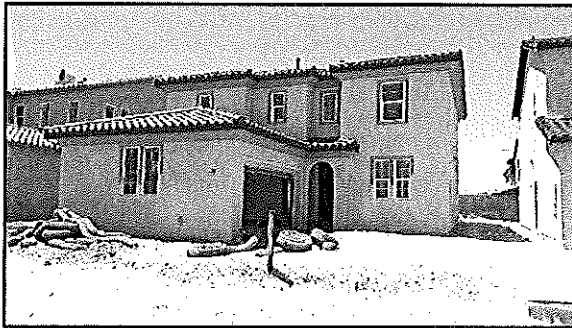
Comparable Photo Page

Borrower/Client	Perkins, Dwain				
Property Address	1765 Jackson St				
City	Chula Vista	County	San Diego	State	CA
Zip Code	91913				
Lender	Wells Fargo Bank, NA / Dept. of V.A.				



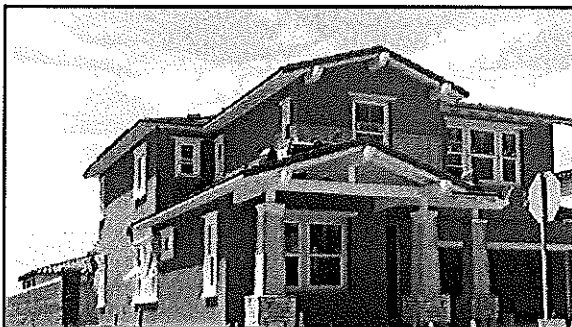
Comparable 4

1750 Webber Way
 Prox. to Subject 0.08 miles NW
 Sales Price 479,000
 Gross Living Area 2,808
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 3.0
 Location N,Res;
 View N,Res;
 Site 5019 sf
 Quality Q4
 Age 0



Comparable 5

1587 Stow Grove Ave
 Prox. to Subject 1.00 miles W
 Sales Price 513,900
 Gross Living Area 2,834
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 3.1
 Location N,Res;
 View N,Res;
 Site 4600 sf
 Quality Q4
 Age 0



Comparable 6

1790 Webber Way
 Prox. to Subject 0.04 miles E
 Sales Price 509,608
 Gross Living Area 2,503
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 3.0
 Location N,Res;
 View N,Res;
 Site 4439 sf
 Quality Q4
 Age 0

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

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

Condition Ratings and Definitions

C1

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

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

C2

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

C3

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

C4

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

C5

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

C6

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

Quality Ratings and Definitions

Q1

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

Q2

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

Q3

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

Q4

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

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

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

Quality Ratings and Definitions (continued)

Q5

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

Q6

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

Definitions of Not Updated, Updated, and Remodeled

Not Updated

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

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

Updated

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

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

Remodeled

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

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

Explanation of Bathroom Count

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

Example:

3.2 indicates three full baths and two half baths.

Buyer: Perkins, Dwain

Phase # Phase 11

0067445

Date: 4/2/2013

Extras Ordered

Indigo II Plan - 3B

Mo	Day	Job #	Lot #
04	02	105511	43

Item # **Cut off** **ADDITIONAL HOSE BIBS/ GAS LINE**

210 A BBQ Gas Stub Out

Price	Qty	C	Buyer Paid	Sales Incentive	Const. Markdn
\$344.	1		\$344	\$0	\$0
Total Cost Of Ordered Extras:			\$344	\$0	\$0

Total Retail Cost Of Extras \$344.00

Amount Deposited Herewith (attach check) _____

DUE From / (Credit To) Buyer _____

Amount To Be Included In Loan _____

Buyers

Date Due _____

Check No. _____

This request and the above costs are not binding on Seller until approved by Seller, and monies as required are deposited. Seller reserves the right to reject any or all requested changes. Approval or acceptance by Seller is not binding on either party if the change will violate any governmental regulations or ordinances. If buyer fails to qualify for the loan, or does not complete the transaction, deposit money paid for extras will not be refunded.

Options require a NON-REFUNDABLE deposit check at time of order. Options may be installed after close escrow based on the construction schedule. (Buyers Initials _____)

Buyer _____ Date _____

4/2/13
Sales _____ Date _____

Buyer: _____

Mo Day Job # Lot #

Date: _____

--	--	--	--

Indigo II Option Pricing List

Phase 11

Plan 3

ORDER CUTOFF B-B

Appliances

PACKAGES

Item#		Price	Qty	COE \$	COS \$
265612	Double Oven Package - Stainless Steel RBD305PVS Plus Microwave hood WMH2175XVS	\$1,244	<input type="text"/>	<input type="text"/>	<input type="text"/>

Cabinets

ENTERTAINMENT CENTERS

Item#		Price	Qty	COE \$	COS \$
264440	Built-in Media Cabinet at Family Room in Paint Grade with revere raised panel paint grade door. Either side	\$1,946	<input type="text"/>	<input type="text"/>	<input type="text"/>
264439	Built-in Media Cabinet at Family Room in Maple with door style and finish color to match Kitchen cabinets Either Side	\$2,716	<input type="text"/>	<input type="text"/>	<input type="text"/>
264438	Built-in Media Cabinet at Family Room in Cherry with door style and finish color to match Kitchen cabinets Either Side	\$3,266	<input type="text"/>	<input type="text"/>	<input type="text"/>
264437	Built-in Media Cabinet at Family Room in Beech with door style and finish color to match Kitchen cabinets. Either side	\$2,372	<input type="text"/>	<input type="text"/>	<input type="text"/>

Electrical

ELECTRICAL PACKAGE

Item#		Price	Qty	COE \$	COS \$
264304	Electrical package A	\$2,376	<input type="text"/>	<input type="text"/>	<input type="text"/>
264305	Electrical package B	\$5,000	<input type="text"/>	<input type="text"/>	<input type="text"/>
264306	Electrical package C	\$5,303	<input type="text"/>	<input type="text"/>	<input type="text"/>

SWITCHES, PLUGS, TV AND PHONES

Item#		Price	Qty	COE \$	COS \$
264317	Upgrade standard switch to dimmer switch (slide) Not available on flourescent cans	\$69	<input type="text"/>	<input type="text"/>	<input type="text"/>
264315	Additional Switch	\$103	<input type="text"/>	<input type="text"/>	<input type="text"/>
264311	Electrical Outlet	\$103	<input type="text"/>	<input type="text"/>	<input type="text"/>
264313	GFI Outlet (off existing circuit) **required in all garages, baths, laundries & kitchens**	\$110	<input type="text"/>	<input type="text"/>	<input type="text"/>
264309	Dimmer Switch (slide) Not available on flourescent cans	\$117	<input type="text"/>	<input type="text"/>	<input type="text"/>
264824	Additional Phone Jack, standard cat. 3 analog wire, looped system (wires go from one phone to the next throughout the house)	\$117	<input type="text"/>	<input type="text"/>	<input type="text"/>
264823	Additional cable T.V. jack	\$117	<input type="text"/>	<input type="text"/>	<input type="text"/>
264316	Upgrade 3-way std. switches to 3-way dimmer switch	\$151	<input type="text"/>	<input type="text"/>	<input type="text"/>
264314	Quad Outlet	\$151	<input type="text"/>	<input type="text"/>	<input type="text"/>
264318	Weather Proof outlet	\$124	<input type="text"/>	<input type="text"/>	<input type="text"/>
264307	3-way switch	\$234	<input type="text"/>	<input type="text"/>	<input type="text"/>

Buyer

Date

Sales

Date

Indigo II Option Pricing List

Phase 11

Plan 3

264310	Dryer Outlet (30amp 240v) **includes 4-prong dryer receptacle**	\$433	<input type="text"/>	<input type="text"/>	<input type="text"/>
264312	Future spa circuit (ext. 50amp 6/3 wire) **rewire only - no hook up or breaker**	\$619	<input type="text"/>	<input type="text"/>	<input type="text"/>

ADDITIONAL CIRCUITS/PREWIRE

Item#		Price	Qty	COE \$	COS \$
264467	Recessed outlet "clock plug"	\$117	<input type="text"/>	<input type="text"/>	<input type="text"/>
264462	Dedicated 15amp outlet 120v	\$199	<input type="text"/>	<input type="text"/>	<input type="text"/>
264463	Dedicated 20amp outlet 120v	\$213	<input type="text"/>	<input type="text"/>	<input type="text"/>
264460	Dedicated 120V convenience outlet 15 amp with single pole switch.	\$303	<input type="text"/>	<input type="text"/>	<input type="text"/>
264461	Dedicated 120V convenience outlet 20 amp with a single pole switch.	\$316	<input type="text"/>	<input type="text"/>	<input type="text"/>
264464	Dedicated 30 amp circuit (240V) **no outlet included**	\$392	<input type="text"/>	<input type="text"/>	<input type="text"/>
264466	Holiday Light Package: 1 w/p outlet underceaves on dedicated 20 amp circuit, 1 switch, 1 GFI, in two gang box.	\$406	<input type="text"/>	<input type="text"/>	<input type="text"/>
264465	Dedicated 40 amp circuit (240V) **no outlet included**	\$461	<input type="text"/>	<input type="text"/>	<input type="text"/>
264468	Whole House Surge protector. (at pre-determined location)	\$516	<input type="text"/>	<input type="text"/>	<input type="text"/>

ADDITIONAL LIGHTING

Item#		Price	Qty	COE \$	COS \$
264482	Upgrade existing can to eyeball trim	\$34	<input type="text"/>	<input type="text"/>	<input type="text"/>
264475	J-Box for Interior Light (fixture supplied by others)	\$110	<input type="text"/>	<input type="text"/>	<input type="text"/>
264471	J-Box for 1 Exterior Light Fixture (J-box is rated for a 35lb fixture)	\$124	<input type="text"/>	<input type="text"/>	<input type="text"/>
264479	Recessed can light 6"	\$124	<input type="text"/>	<input type="text"/>	<input type="text"/>
264477	Recessed can light 4"	\$138	<input type="text"/>	<input type="text"/>	<input type="text"/>
264480	Recessed can light 6" with eyeball trim	\$151	<input type="text"/>	<input type="text"/>	<input type="text"/>
264478	Recessed can light 4" with eyeball trim	\$165	<input type="text"/>	<input type="text"/>	<input type="text"/>
264476	J-Box for Interior Light with 1switch. **Fixture and fixture installation not included** (J-box is rated for a 35 lb. fixture)	\$213	<input type="text"/>	<input type="text"/>	<input type="text"/>
264481	Under cabinet light this price is per light **switched with existing light**	\$234	<input type="text"/>	<input type="text"/>	<input type="text"/>
264472	J-Box for Ceiling Fan with 1 switch (ceiling fan j-box is rated for a 50lb fixture)	\$241	<input type="text"/>	<input type="text"/>	<input type="text"/>
264470	J-Box for 1 Exterior (single or double) Flood light with motion detector with switch override. (includes J-Box switch (J-Box is rated for a 35lb fixture)	\$309	<input type="text"/>	<input type="text"/>	<input type="text"/>
264474	J-Box for Ceiling Fan with light/fan speed control switch. **fan and installation not included** (ceiling fan J-box is rated for a 50lb fixture)	\$323	<input type="text"/>	<input type="text"/>	<input type="text"/>
264651	3) Optional Kitchen Pendants - Model #079-28512-BRZ-CRM (Shown in Plan 3 Model* replaces two can lights*	\$897	<input type="text"/>	<input type="text"/>	<input type="text"/>
264469	2x4 Fluorescent light fixture (fluorescent wrap) **no switch included**	\$172	<input type="text"/>	<input type="text"/>	<input type="text"/>

Low Voltage Systems

SECURITY PREWIRE

Item#		Price	Qty	COE \$	COS \$
264443	Basic Security System Pre-wire: Wiring for (3) keypad locations, (2) PIR motion sensor locations, for (1) interior siren, for RJ-31X Teleco jack, for AC output, for all opening doors/windows.	\$708	<input type="text"/>	<input type="text"/>	<input type="text"/>

Buyer

Date

Sales

Date

Indigo II Option Pricing List

Phase 11

Plan 3

HOME THEATER SYSTEMS

Item#		Price	Qty	COE \$	COS \$
264383	Klipsch CDT 3650 In-Ceiling System Pre-wire & Install: (2) CDT3650 front speakers, (2) CDT3650 rear speakers, (1) CDT 3650 center channel speakers, (1) SW-110 Subwoofer	\$2,269	<input type="text"/>	<input type="text"/>	<input type="text"/>
264384	Klipsch CDT 2650 In-Ceiling System Pre-wire & Install: (2) CDT2650 front speakers, (2) CDT2650 rear speakers, (1) CDT2650 center channel speaker, (1) SW-110 Subwoofer	\$1,856	<input type="text"/>	<input type="text"/>	<input type="text"/>
269786	Plasma TV Pre-pipe: (1) sleeve from Plasma location to Media Area Map of location to be provided 1" smurf tube not to exceed 30' total run Recessed outlet required by High Voltage Electrician.	\$344	<input type="text"/>	<input type="text"/>	<input type="text"/>

MUSIC SYSTEMS AND COMPONENTS

Item#		Price	Qty	COE \$	COS \$
264355	Audio Pre-Wire Opt A: 1 room for (1) pair of speakers, (2) Speaker locations, (1) Volume control location	\$206	<input type="text"/>	<input type="text"/>	<input type="text"/>
264356	Audio Pre-Wire Opt B: 3 rooms for (1) pair of speakers, (6) Speaker locations, (3) volume control locations	\$550	<input type="text"/>	<input type="text"/>	<input type="text"/>
264357	Audio Pre-Wire Opt D: Custom 5.1 or 6.1 Home Theater. (2) Front speaker locations, (2) Rear speaker locations, (1) Center Channel speaker location, (1) Subwoofer location	\$413	<input type="text"/>	<input type="text"/>	<input type="text"/>
264358	Pre-Wire & Install (1) pair of Klipsch CDT-2650 in-ceiling speaker with stereo volume control	\$619	<input type="text"/>	<input type="text"/>	<input type="text"/>
264359	Pre-Wire & Install (1) pair of Klipsch R-1650 in-ceiling speaker with stereo volume control	\$550	<input type="text"/>	<input type="text"/>	<input type="text"/>
264361	Pre-wire & Install (1) pair Klipsch AW-400 all weather Outdoor speaker w/Stereo volume control	\$550	<input type="text"/>	<input type="text"/>	<input type="text"/>
264362	Pre-wire & Install (1) pair Klipsch AW-525 all weather Outdoor speaker w/Stereo volume control	\$722	<input type="text"/>	<input type="text"/>	<input type="text"/>

SECURITY SYSTEMS

Item#		Price	Qty	COE \$	COS \$
264339	Basic 8 Zone Security System: (1) Ademco Vista 20P, (2) Ademco 6150 Fixed display keypad, (1) PIR motion sensor, Siren, Battery Backup	\$1,719	<input type="text"/>	<input type="text"/>	<input type="text"/>
264340	Basic 15 Zone Security System: (1) Ademco Vista 20P Control Panel, (2) Ademco 6160 Alpha Display keypad, (2) PIR motion sensor, (1) Inside Siren, (1) Battery Back-up	\$2,475	<input type="text"/>	<input type="text"/>	<input type="text"/>
264343	Aurora PIR motion sensor	\$103	<input type="text"/>	<input type="text"/>	<input type="text"/>
264353	Additional Dual element/Pet Immune PIR motion detector	\$103	<input type="text"/>	<input type="text"/>	<input type="text"/>
264341	Ademco 6150 fixed display keypad	\$138	<input type="text"/>	<input type="text"/>	<input type="text"/>
264344	Glass Break Detector	\$172	<input type="text"/>	<input type="text"/>	<input type="text"/>
264345	System Sensor 2WT-B Smoke Detector	\$172	<input type="text"/>	<input type="text"/>	<input type="text"/>
264346	Chemtronics Heat detector	\$172	<input type="text"/>	<input type="text"/>	<input type="text"/>
264347	Macurco Carbon Monoxide Detector	\$172	<input type="text"/>	<input type="text"/>	<input type="text"/>
264342	Ademco 6160 Alpha display keypad	\$241	<input type="text"/>	<input type="text"/>	<input type="text"/>

Buyer

Date

Sales

Date

Indigo II Option Pricing List

Phase 11

Plan 3

INTERCOM SYSTEMS

Item#		Price	Qty	COE \$	COS \$
264377	M & S Voice Intercom w/ AM/FM radio. (1) M & S DMC1 Intercom master control, (5) M&S DMC1RS Interior station (1) M&S D3B front door station, (1) M&S MC3 Chime Module	\$2,338	<input type="text"/>	<input type="text"/>	<input type="text"/>
264380	Auxiliary Interface	\$103	<input type="text"/>	<input type="text"/>	<input type="text"/>
264378	Interior Station (Intercom)	\$172	<input type="text"/>	<input type="text"/>	<input type="text"/>
264379	Intercom Patio Station	\$206	<input type="text"/>	<input type="text"/>	<input type="text"/>

HIGH SPEED STRUCTURED WIRING

Item#		Price	Qty	COE \$	COS \$
270777	OnQ Enclosure and Telecom Module, Includes Duplex outlet need 110V wired to box.	\$481	<input type="text"/>	<input type="text"/>	<input type="text"/>

Plumbing

WATER SYSTEM OPTIONS

Item#		Price	Qty	COE \$	COS \$
269787	Tankless Water Heater Rinnai RL751	\$1,148	<input type="text"/>	<input type="text"/>	<input type="text"/>

SINK OPTIONS

Item#		Price	Qty	COE \$	COS \$
264230	Upgrade Kitchen Sink Faucet to Moen Chateau 7434 Brushed Chrome.	\$55	<input type="text"/>	<input type="text"/>	<input type="text"/>
264231	Upgrade Kitchen Sink Faucet to Moen Extensa 7560S Stainless Steel	\$303	<input type="text"/>	<input type="text"/>	<input type="text"/>
264227	Upgrade Standard Kitchen Sink to a CECO Cast Iron, Model # 740, White, Undermount	\$468	<input type="text"/>	<input type="text"/>	<input type="text"/>
264226	Upgrade Standard Kitchen Sink to a CECO Cast Iron, Model # 740, Biscuit, Undermount	\$591	<input type="text"/>	<input type="text"/>	<input type="text"/>
264224	Upgrade Kitchen sink - Moen Stainless steel big/medium 60/40	\$791	<input type="text"/>	<input type="text"/>	<input type="text"/>

BATH/SHOWERS/TOILETS

Item#		Price	Qty	COE \$	COS \$
270540	Master bath Toilet and lavs changet to Biscuit	\$124	<input type="text"/>	<input type="text"/>	<input type="text"/>
270477	Jetted Tub @ Master Bath	\$1,299	<input type="text"/>	<input type="text"/>	<input type="text"/>

KITCHEN FAUCETS

Item#		Price	Qty	COE \$	COS \$
270478	Upgrade Kitchen sink faucet to MOEN ARBOR ITEM # 7594CSL	\$289	<input type="text"/>	<input type="text"/>	<input type="text"/>

Buyer _____ Date _____ Sales _____ Date _____

Indigo II Option Pricing List

Phase 11

Plan 3

Total Cost Of Customer Ordered Extras / Conditions Of Sale: _____

Total Cost Of Extras and Conditions of Sale _____

Amount Deposited Herewith (attach check) _____

DUE From / (Credit To) Buyer _____

Amount To Be Included In Loan _____

Date Due _____

Check No. _____

This request and the above costs are not binding on Seller until approved by Seller, and monies as required are deposited. Seller reserves the right to reject any or all requested changes. Approval or acceptance by Seller is not binding on either party if the change will violate any governmental regulations or ordinances. If buyer fails to qualify for the loan, or does not complete the transaction, deposit money paid for extras will not be refunded.

All options require a NON-REFUNDABLE deposit check at time of order. Options may be installed after close of escrow based on the construction schedule. (Buyers Initials _____)

Buyer _____

Date _____

Sales _____

Date _____

Buyer: Perkins, Dwain

Phase # Phase 11

0067816

Date: 5/18/2013

Extras Ordered Indigo II Plan - 3B

Mo	Day	Job #	Lot #
05	18	105511	43

Item # **Cut off** **CABINET DOOR STYLE & COLOR**
 C Upgrade Cabinets to Beech with Milano Stain, Reimngton Recessed Doors

Price	Qty	C ⁿ	Buyer Paid	Sales Incentive	Const. Markdn
\$1,119	1		\$1,119	\$0	\$0

Item # **Cut off** **COOKTOPS**
 4284 C STANDARD Whirlpool 36" Cooktop: Cast iron grates cover the entire surface, Infinite-Heat Controls with Lift-Off Knobs, Sealed Gas Burners. Color Choice: STAINLESS, Model #W5CG3625XS

Price	Qty	C ⁿ	Buyer Paid	Sales Incentive	Const. Markdn
\$0	1		\$0	\$0	\$0

Item # **Cut off** **DISHWASHERS**
 34286 C STANDARD Whirlpool Dishwasher: Energy Star Qualified, 5 cycle with 5-levels of wash. Model #DU1015XTXS Color stainless steel

Price	Qty	C ⁿ	Buyer Paid	Sales Incentive	Const. Markdn
\$0	1		\$0	\$0	\$0

Item # **Cut off** **ENCLOSURE LOCATION/ GLASS TYPE**
 54321 C Glass Selection at Master Bath Shower Enclosure, CLEAR

Price	Qty	C ⁿ	Buyer Paid	Sales Incentive	Const. Markdn
\$0	1		\$0	\$0	\$0

Item # **Cut off** **GARAGE DOOR OPENERS**
 54280 C Keyless Entry Pad for Garage door Opener

Price	Qty	C ⁿ	Buyer Paid	Sales Incentive	Const. Markdn
\$131	1		\$131	\$0	\$0

Item # **Cut off** **GRANITE - EDGE DETAILS**
 C Upgrade edge to Beveled Edge at Kitchen counter

Price	Qty	C ⁿ	Buyer Paid	Sales Incentive	Const. Markdn
\$241	1		\$241	\$0	\$634

Item # **Cut off** **GRANITE - KITCHEN COUNTERS**
 64934 C Granite Slab @ Kitchen with 6" Backsplash - Group 2 *INCLUDES EDGE SELECTION* Finish for undermount sink Group II Selections: Giallo Santo

Price	Qty	C ⁿ	Buyer Paid	Sales Incentive	Const. Markdn
\$1,515	1	X	\$0	\$0	\$0

SEE REORDER # 0067816

Item # **Cut off** **HANDRAIL FINISH / MATERIAL**

Price	Qty	C ⁿ	Buyer Paid	Sales Incentive	Const. Markdn
\$0	1		\$0	\$0	\$0

64658 C STANDARD - Stained Beech Handrail with Paint grade Newel cap, apron, and paint grade skirt board. Stain Choices: Pecan, Deep Valley, Cherry, Saxony, Milano Stain Selection: Milano

Item # **Cut off** **HOOD VENTS**

Price	Qty	C ⁿ	Buyer Paid	Sales Incentive	Const. Markdn
\$0	1		\$0	\$0	\$0

64289 C STANDARD Whirlpool 36" Convertible Hood Vent: Axial Fan Blower, Variable-Speed Rotary Control. Removable/Washable Grease Filter. Convertible to Non-Vented Operation. Color STAINLESS Model #UXT4236AAS

Item # **Cut off** **INTERIOR DOOR & HARDWARE**

Price	Qty	C ⁿ	Buyer Paid	Sales Incentive	Const. Markdn
\$0	1		\$0	\$0	\$0

64027 C Standard Interior Hardware Selection: Schlage F-Series, Plymouth Knob #625 Bright Chrome

Item # **Cut off** **LAUNDRY APPLIANCES**

Price	Qty	C ⁿ	Buyer Paid	Sales Incentive	Const. Markdn

Buyer _____ Date _____ Sales _____ Date _____

PRICES SUBJECT TO CHANGE WITHOUT NOTICE

Extras Ordered

Indigo II Plan - 3B

Mo	Day	Job #	Lot #
05	18	105511	43

- 9617 C Maytag Performance Series MGDE200 XW front load Gas Dryer - White
- 9618 C Maytag Performance Series MHWE200 XW Horizontal axis Washer - White

Price	Qty	Buyer Paid	Sales Incentive	Const. Markdn
\$688	1	\$688	\$0	\$0
\$671	1	\$671	\$0	\$0

Item # Cut off *MICROWAVES*

- 4297 C Standard Built-in Whirlpool Microwave w/Trim Kit (MK2160): Sensor cooking & 1,200 Watts of cooking power.. Color STAINLESS, Model #WMC30516A

Price	Qty	Buyer Paid	Sales Incentive	Const. Markdn
\$0	1	\$0	\$0	\$0

Item # Cut off *OVENS*

- 4282 C STANDARD 30" Oven: AccuBake heat distribution system, Self-Cleaning Oven w/ Auto Latch, Preheat Countdown Timer & Signal, 5 Rack Guide Positions, Color Stainless Steel Model #RBS305PVS

Price	Qty	Buyer Paid	Sales Incentive	Const. Markdn
\$0	1	\$0	\$0	\$0

Item # Cut off *TILE - "LIKE MODEL" CHOICES*

- C Upgrade Master Bath tile and layout like Model Plan 3 Tub & Shower

Price	Qty	Buyer Paid	Sales Incentive	Const. Markdn
\$2,107	1	\$2,107	\$0	\$0

Total Cost Of Ordered Extras:

		\$4,957	\$0	\$634
--	--	---------	-----	-------

Total Retail Cost Of Extras \$5,591.00

Amount Deposited Herewith (attach check)

DUE From / (Credit To) Buyer

Amount To Be Included In Loan

Buyer C

Date Due

Check No.

This request and the above costs are not binding on Seller until approved by Seller, and monies as required are deposited. Seller reserves the right to reject any or all requested changes. Approval or acceptance by Seller is not binding on either party if the change will violate any governmental regulations or ordinances. If buyer fails to qualify for the loan, or does not complete the transaction, deposit money paid for extras will not be refunded.

All options require a **NON-REFUNDABLE** deposit check at time of order. Options may be installed after close of escrow based on the construction schedule. (Buyers Initials _____)

Buyer _____ Date _____ Sales _____ Date _____

Buyer: Perkins, Dwain

Phase # Phase 11

0067848

Date: 5/21/2013 2:43:36 PM

Extras Ordered Indigo II Plan - 3B

Mo	Day	Job #	Lot #
05	21	105511	43

Item # **Cut off** **GRANITE - KITCHEN COUNTERS**
 C Granite Slab @ Kitchen with 6" Backsplash - Group 2 *INCLUDES EDGE SELECTION* Finish for undermount sink Group II Selections: Gaillo Santo

Price	Qty	C Buyer Paid	Sales Incentive	Const. Markdn
\$1,515	1	\$1,515	\$0	\$0

Total Cost Of Ordered Extras:

\$1,515	\$0	\$0
---------	-----	-----

Total Retail Cost Of Extras \$1,515.00

Amount Deposited Herewith (attach check) _____

DUE From / (Credit To) Buyer _____

Amount To Be Included In Loan _____

Date Due _____

Check No. _____

This request and the above costs are not binding on Seller until approved by Seller, and monies as required are deposited. Seller reserves the right to reject any or all requested changes. Approval or acceptance by Seller is not binding on either party if the change will violate any governmental regulations or ordinances. If buyer fails to qualify for the loan, or does not complete the transaction, deposit money paid for extras will not be refunded.

All options require a NON-REFUNDABLE deposit check at time of order. Options may be installed after close of escrow based on the construction schedule. (Buyers Initials _____)

Buyer _____ Date _____ Sales _____ Date _____

Buyer: Perkins, Dwain

Phase # Phase 11

0067844

Date: 5/20/2013

Extras Ordered Indigo II Plan - 3B

Mo	Day	Job #	Lot #
05	20	105511	43

Cut off # **GRANITE - KITCHEN BACKSPLASH**

4685 C Full height @ Cooktop only. All groups. (Must have previously ordered granite at kitchen counter top) No Electrical Change

Price	Qty	C	Buyer Paid	Sales Incentive	Const. Markdn
\$309	1		\$309	\$0	\$0

Total Cost Of Ordered Extras:

\$309	\$0	\$0
-------	-----	-----

Total Retail Cost Of Extras

\$309.00

Buyer C

Amount Deposited Herewith (attach check) _____

DUE From / (Credit To) Buyer _____

Amount To Be Included In Loan _____

Date Due _____

Check No. _____

This request and the above costs are not binding on Seller until approved by Seller, and monies as required are deposited. Seller reserves the right to reject any or all requested changes. Approval or acceptance by Seller is not binding on either party if the change will violate any governmental regulations or ordinances. If buyer fails to qualify for the loan, or does not complete the transaction, deposit money paid for extras will not be refunded.

Options require a NON-REFUNDABLE deposit check at time of order. Options may be installed after close out based on the construction schedule. (Buyers Initials _____)

Buyer

Date

Sales

Date

May-13 2:25:53 PM

PRICES SUBJECT TO CHANGE WITHOUT NOTICE

Page 1 of 1

PL000061

Buyer: Perkins, Dwain

Phase # Phase 11

0067841

Date: 5/20/2013 4:33:46 PM

Extras Ordered Indigo II Plan - 3B

Mo	Day	Job #	Lot #
05	20	105511	43

Item # **Cut off GLOBAL STONE**

Price	Qty	C	Buyer Paid	Sales Incentive	Const. Markdn
\$413	1		\$413	\$0	\$0

C Upgrade to Group 3 Global Stone at Bath and Laundry Counters (Selection Rustic Stone or Sandy Concrete or Sagestone) Global Stone Group 3: Sandy Concrete

Total Cost Of Ordered Extras:

\$413	\$0	\$0
-------	-----	-----

Total Retail Cost Of Extras \$413.00

Amount Deposited Herewith (attach check) _____

DUE From / (Credit To) Buyer _____

Amount To Be Included In Loan _____

Date Due _____

Check No. _____

This request and the above costs are not binding on Seller until approved by Seller, and monies as required are deposited. Seller reserves the right to reject any or all requested changes. Approval or acceptance by Seller is not binding on either party if the change will violate any governmental regulations or ordinances. If buyer fails to qualify for the loan, or does not complete the transaction, deposit money paid for extras will not be refunded.

All options require a NON-REFUNDABLE deposit check at time of order. Options may be installed after close of escrow based on the construction schedule. (Buyers Initials _____)

Date

Sales

Date

May-13 4:34:27 PM

PRICES SUBJECT TO CHANGE WITHOUT NOTICE

Page 1 of 1

PL000062

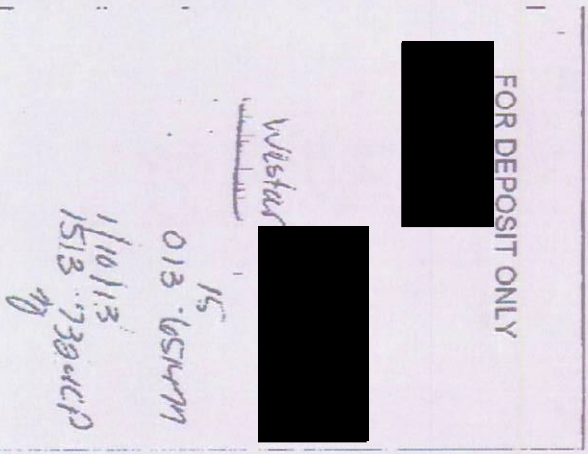
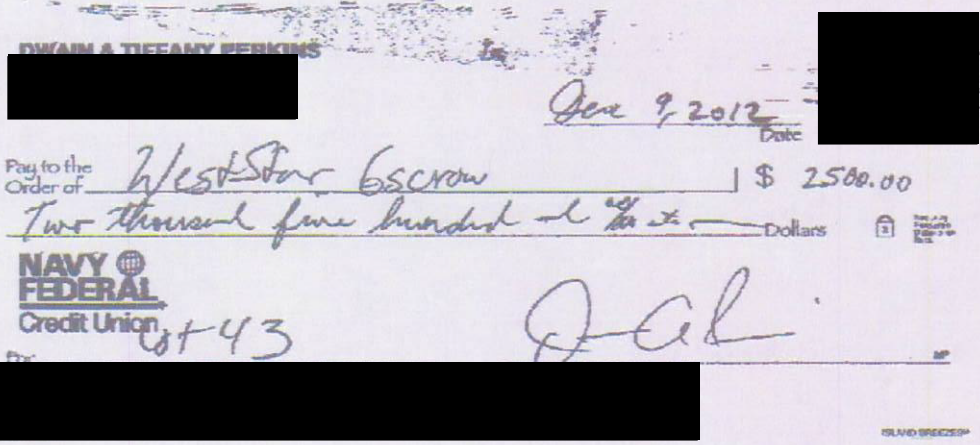
View Checks Online

View Check Image

Account: [REDACTED] Primary Checking

Check Number: [REDACTED]

Date Posted: 01/11/2013



[Request Another Check Image](#) [Print](#)

**Department of Real Estate
of the
State of California**

In the matter of the application of
**MCMILLIN INDIGO II, LLC,
A DELAWARE LIMITED LIABILITY COMPANY**

for a Final Subdivision Public Report on

**CHULA VISTA TRACT NO. 05-07
MCMILLIN OTAY RANCH VILLAGE 7, R-1A
MAP NO. 15105**

"INDIGO II", PHASE 12

SAN DIEGO COUNTY, CALIFORNIA

**FINAL SUBDIVISION PUBLIC REPORT
PLANNED DEVELOPMENT**

FILE NO.: 128160LA-A02

ISSUED: NOVEMBER 27, 2006

**AMENDED &
RENEWED: JULY 23, 2012**

EXPIRES: JULY 22, 2017

DEPARTMENT OF REAL ESTATE

by Corazon M. Canamaso
Signature

CORAZON M. CANAMASO

Printed Name

CONSUMER INFORMATION

- ❖ **This report is not a recommendation or endorsement of the subdivision; it is informative only.**
- ❖ **Buyer or lessee must sign that (s)he has received and read this report.**
- ❖ **A copy of this subdivision public report along with a statement advising that a copy of the public report may be obtained from the owner, subdivider, or agent at any time, upon oral or written request, *must* be posted in a conspicuous place at any office where sales or leases or offers to sell or lease interests in this subdivision are regularly made. [Reference Business and Professions (B&P) Code Section 11018.1(b)]**

This report expires on the date shown above. All material changes must be reported to the Department of Real Estate. (Refer to Section 11012 of the B&P Code; and Chapter 6, Title 10 of the California Administrative Code, Regulation 2800.) Some material changes may require amendment of the Public Report; which Amendment must be obtained and used in lieu of this report.

Section 12920 of the California Government Code provides that the practice of discrimination in housing accommodations on the basis of race, color, religion, sex, marital status, domestic partnership, national origin, physical handicap or ancestry, is against public policy.

Under Section 125.6 of the B&P Code, California real estate licensees are subject to disciplinary action by the Real Estate Commissioner if they discriminate or make any distinction or restriction in negotiating the sale or lease of real property because of the race, color, sex, religion, ancestry, national origin, or physical handicap of the client. If any prospective buyer or lessee believes that a licensee is guilty of such conduct, (s)he should contact the Department of Real Estate.

Read the entire report on the following pages before contracting to buy or lease an interest in this subdivision.

COMMON INTEREST DEVELOPMENT GENERAL INFORMATION

Common Interest Development

The project described in the attached Subdivision Public Report is known as a common-interest development. Read the Public Report carefully for more information about the type of development. The development includes common areas and facilities which will be owned and/or operated by an owners' association. Purchase of a lot or unit automatically entitles and obligates you as a member of the association and, in most cases, includes a beneficial interest in the areas and facilities. Since membership in the association is mandatory, you should be aware of the following information before you purchase:

Governing Instruments

Your ownership in this development and your rights and remedies as a member of its association will be controlled by governing instruments which generally include a Declaration of Restrictions (also known as CC&R's), Articles of Incorporation (or association) and bylaws. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law. Study these documents carefully before entering into a contract to purchase a subdivision interest.

Assessments

In order to provide funds for operation and maintenance of the common facilities, the association will levy assessments against your lot or unit. If you are delinquent in the payment of assessments, the association may enforce payment through court proceedings or your lot or unit may be liened and sold through the exercise of a power of sale. The anticipated income and expenses of the association, including the amount that you may expect to pay through assessments, are outlined in the proposed budget. Ask to see a copy of the budget if the subdivider has not already made it available for your examination.

Common Facilities

A homeowner association provides a vehicle for the ownership and use of recreational and other common facilities which were designed to attract you to buy in this development. The association also provides a means to accomplish architectural control and to provide a base for homeowner interaction on a variety of issues. The purchaser of an interest in a common-interest development should contemplate active participation in the affairs of the association. He or she should be willing to serve on the board of directors or on committees created by the board. In short, "they" in a common interest development is "you". Unless you serve as a member of the

governing board or on a committee appointed by the board, your control of the operation of the common areas and facilities is limited to your vote as a member of the association. There are actions that can be taken by the governing body without a vote of the members of the association which can have a significant impact upon the quality of life for association members.

Subdivider Control

Until there is a sufficient number of purchasers of lots or units in a common interest development to elect a majority of the governing body, it is likely that the subdivider will effectively control the affairs of the association. It is frequently necessary and equitable that the subdivider do so during the early stages of development. It is vitally important to the owners of individual subdivision interests that the transition from subdivider to resident-owner control be accomplished in an orderly manner and in a spirit of cooperation.

Cooperative Living

When contemplating the purchase of a dwelling in a common interest development, you should consider factors beyond the attractiveness of the dwelling units themselves. Study the governing instruments and give careful thought to whether you will be able to exist happily in an atmosphere of cooperative living where the interests of the group must be taken into account as well as the interests of the individual. Remember that managing a common interest development is very much like governing a small community ... the management can serve you well, but you will have to work for its success. [B&P Code Section 11018.1(c)]

Informational Brochure

The Department of Real Estate publishes the *Common Interest Development Brochure*. The information contained in this brochure provides a brief overview of the rights, duties and responsibilities of both associations and individual owners in common interest developments. To obtain a free copy of this brochure, please send your request to:

Book Orders
Department of Real Estate
P.O. Box 187006
Sacramento, CA 95818-7006

SPECIAL NOTES

THIS REPORT COVERS ONLY RESIDENTIAL LOTS 1 THROUGH 5 AND 41 THROUGH 46 OF CHULA VISTA TRACT NO. 05-07, MCMILLIN OTAY RANCH VILLAGE 7, R-1A, MAP NO. 15105.

IF YOU HAVE RECEIVED A PRELIMINARY PUBLIC REPORT FOR THIS SUBDIVISION, YOU ARE ADVISED TO CAREFULLY READ THIS FINAL REPORT SINCE IT CONTAINS INFORMATION THAT IS MORE CURRENT AND PROBABLY DIFFERENT FROM THAT INCLUDED IN THE PRELIMINARY PUBLIC REPORT.

THE REAL PROPERTY COVERED BY THIS REPORT IS SITUATED WITHIN THE MASTER PLANNED COMMUNITY COMMONLY KNOWN AS THE VILLAGE OF VISTA VERDE. THE VILLAGE OF VISTA VERDE IS BEING DEVELOPED BY MCMILLIN OTAY RANCH, LLC, A DELAWARE LIMITED LIABILITY COMPANY ("MASTER DEVELOPER" OR "DECLARANT"). IF DEVELOPED AS PROPOSED, THE VILLAGE OF VISTA VERDE COMMUNITY WILL INCLUDE APPROXIMATELY 443 RESIDENCES. DETACHED SINGLE FAMILY RESIDENCES, A RECREATION FACILITY WITH POOL AND WADING POOL, AS WELL AS A PARK AREA ARE PLANNED FOR THE VILLAGE OF VISTA VERDE. THERE IS, HOWEVER, NO GUARANTEE OR ASSURANCE THAT THE VILLAGE OF VISTA VERDE COMMUNITY WILL BE DEVELOPED AS PLANNED.

THE VILLAGE OF VISTA VERDE IS A COMMON INTEREST SUBDIVISION WHICH IS BEING DEVELOPED AS A MASTER PLANNED COMMUNITY AS DEFINED IN SECTION 2792.32 OF TITLE 10 OF THE CALIFORNIA CODE OF REGULATIONS. IT WILL BE GOVERNED BY AN INCORPORATED HOMEOWNERS ASSOCIATION KNOWN AS "VISTA VERDE MASTER ASSOCIATION" ("MASTER ASSOCIATION"). THE MASTER ASSOCIATION HAS BEEN FORMED PURSUANT TO THE TERMS AND PROVISIONS OF THAT CERTAIN MASTER DECLARATION OF RESTRICTIONS FOR THE VILLAGE OF VISTA VERDE ("MASTER DECLARATION") RECORDED ON JULY 27, 2006 AS DOCUMENT NO. 2006-0531587 IN THE OFFICE OF THE COUNTY RECORDER, AS THE DECLARATION MAY HAVE BEEN OR MAY BE AMENDED FROM TIME TO TIME. THE MASTER ASSOCIATION IS ALSO GOVERNED AND ORGANIZED PURSUANT TO THE BYLAWS OF VISTA VERDE MASTER ASSOCIATION ("BYLAWS") AND ARTICLES OF INCORPORATION OF VISTA VERDE MASTER ASSOCIATION ("ARTICLES"). THE MASTER ASSOCIATION HAS BEEN FORMED TO GOVERN THE REAL PROPERTY WHICH IS SUBJECT TO THE MASTER DECLARATION AND TO MAINTAIN CERTAIN AREAS SITUATED WITHIN THE VILLAGE OF VISTA VERDE.

YOUR RESIDENCE IS SITUATED WITHIN THE NEIGHBORHOOD KNOWN AS "INDIGO II" ("PROJECT") AND IS BEING CONSTRUCTED BY MCMILLIN INDIGO II, LLC, A DELAWARE LIMITED LIABILITY COMPANY. "TERRACOTTA", "JACARANDA/JACARANDA II" AND "INDIGO/INDIGO II" ARE THE THREE NEIGHBORHOODS THAT MAKE UP THE VILLAGE OF VISTA VERDE TOTAL COMMUNITY.

WHEN YOU PURCHASE A RESIDENCE IN THE VILLAGE OF VISTA VERDE, YOU WILL AUTOMATICALLY BECOME A MEMBER OF THE MASTER ASSOCIATION AND YOU WILL BE SUBJECT TO ASSESSMENTS AND THE MASTER DECLARATION, BYLAWS, ARTICLES, LANDSCAPING GUIDELINES AND ANY AMENDMENTS TO THESE DOCUMENTS WHICH MAY OCCUR FROM TIME TO TIME. ADDITIONALLY, YOUR HOME MAY BE COVERED BY AN ADDITIONAL OR SUPPLEMENTAL DECLARATION OF RESTRICTIONS OR NOTICE OF DECLARATION OF ANNEXATION WHICH IMPOSE ADDITIONAL COVENANTS,

RESTRICTIONS AND EASEMENTS. FOR EXAMPLE, EACH NEIGHBORHOOD MAY BE SUBJECT TO A COST CENTER WHICH WILL RESULT IN COST CENTER ASSESSMENTS APPLYING TO THEIR HOMES TO MAINTAIN CERTAIN FACILITIES OR PERFORM CERTAIN MAINTENANCE WHICH BENEFIT THEIR NEIGHBORHOOD.

THE MASTER ASSOCIATION HAS THE RIGHT TO PROMULGATE LANDSCAPING GUIDELINES, ARCHITECTURAL STANDARDS ("ARCHITECTURAL STANDARDS") AND RULES AND REGULATIONS ("RULES AND REGULATIONS") FURTHER GOVERNING THE VILLAGE OF VISTA VERDE AND THE RESIDENCES SITUATED WITHIN THE VILLAGE OF VISTA VERDE AND TO REVIEW AND APPROVE, THROUGH ITS MASTER ARCHITECTURAL COMMITTEE CERTAIN MODIFICATIONS TO THE IMPROVEMENTS WITHIN THE VILLAGE OF VISTA VERDE (HEREIN THE MASTER DECLARATION, BYLAWS, ARTICLES, AND ANY RULES AND REGULATIONS AND ARCHITECTURAL STANDARDS PROMULGATED BY THE MASTER ASSOCIATION ARE REFERRED TO AS THE "GOVERNING DOCUMENTS"). YOU SHOULD REVIEW EACH OF THESE DOCUMENTS CAREFULLY.

THE ASSOCIATION HAS THE RIGHT TO LEVY ASSESSMENTS AGAINST YOU FOR MAINTENANCE OF THE COMMON AREAS, AMENITIES AND FACILITIES, AND OTHER PURPOSES. YOUR CONTROL OF OPERATIONS AND EXPENSES IS LIMITED TO THE RIGHT OF YOUR ELECTED REPRESENTATIVES TO VOTE ON CERTAIN PROVISIONS AT MEETINGS.

THE COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES ARE MAINTAINED BY THE VISTA VERDE MASTER ASSOCIATION. THE HOMEOWNER ASSOCIATION MUST HOLD ELECTIONS OF THE ASSOCIATION'S GOVERNING BODY IN ACCORDANCE WITH ITS GOVERNING DOCUMENTS. THE ASSOCIATION MUST ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT AND A SUMMARY OF THE ASSOCIATION'S RESERVES BASED UPON THE MOST RECENT REVIEW OR STUDY CONDUCTED PURSUANT TO SECTION 1365.5 OF THE CIVIL CODE.

THE SUBDIVIDER MUST PAY ASSESSMENTS TO THE HOMEOWNERS ASSOCIATION FOR ALL UNSOLD LOTS IN THIS PHASE. THE PAYMENTS MUST COMMENCE ON THE FIRST DAY OF THE MONTH AFTER SUBDIVIDER CONVEYS THE FIRST SUBDIVISION INTEREST IN THIS PHASE (REGULATIONS 2792.9 AND 2792.16).

THE SUBDIVIDER MUST MAINTAIN AND DELIVER TO THE HOMEOWNERS ASSOCIATION THE SPECIFIC RECORDS AND MATERIALS LISTED IN REAL ESTATE COMMISSIONER'S REGULATION 2792.23 WITHIN THE STATED TIME PERIOD. THESE RECORDS AND MATERIALS DIRECTLY AFFECT THE ABILITY OF THE HOMEOWNERS ASSOCIATION TO PERFORM ITS DUTIES AND RESPONSIBILITIES (REFER TO SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE AND SECTION 1363 OF THE CIVIL CODE).

THE SUBDIVIDER MUST PROVIDE YOU WITH A COPY OF THE ARTICLES OF INCORPORATION, BYLAWS, AND COVENANTS, CONDITIONS AND RESTRICTIONS PRIOR TO CLOSE OF ESCROW. THESE DOCUMENTS CONTAIN NUMEROUS MATERIAL PROVISIONS THAT SUBSTANTIALLY AFFECT AND CONTROL YOUR RIGHTS, PRIVILEGES, USE, OBLIGATIONS, AND COSTS OF MAINTENANCE AND OPERATION. YOU SHOULD READ AND UNDERSTAND THESE DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A LOT (SECTION 11018.6 BUSINESS AND PROFESSIONS CODE).

THE SUBDIVIDER STATED HE WILL FURNISH THE CURRENT BOARD OF OFFICERS OF THE HOMEOWNERS ASSOCIATION AND EACH INDIVIDUAL PURCHASER WITH THE DEPARTMENT OF REAL ESTATE REVIEWED ASSOCIATION BUDGET.

THE SUBDIVIDER ESTIMATES ALL COMMON AREA IMPROVEMENTS, INCLUDING RESIDENTIAL STRUCTURES IN THIS PHASE WILL BE COMPLETED BY APPROXIMATELY JANUARY 2015.

NO ESCROWS WILL CLOSE IN THIS PHASE UNTIL COMPLETION OF ALL COMMON AREA IMPROVEMENTS IN THIS PHASE OR, AS AN ALTERNATIVE, THE SUBDIVIDER HAS SUBMITTED A BOND OR OTHER SECURITY ACCEPTABLE TO THE DEPARTMENT OF REAL ESTATE UNDER THE PROVISIONS OF SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE TO ASSURE LIEN FREE COMPLETION OF ALL COMMON AREA IMPROVEMENTS IN THIS PHASE.

THE SUBDIVIDER HAS INDICATED THAT HE INTENDS TO SELL ALL OF THE LOTS IN THIS PROJECT; HOWEVER, ANY OWNER, INCLUDING THE SUBDIVIDER, HAS A LEGAL RIGHT TO RENT OR LEASE THE LOTS.

IF YOU PURCHASE FIVE OR MORE SUBDIVISION INTERESTS FROM THE SUBDIVIDER, THE SUBDIVIDER IS REQUIRED TO NOTIFY THE REAL ESTATE COMMISSIONER OF THE SALE. IF YOU INTEND TO SELL YOUR INTERESTS OR LEASE THEM FOR TERMS LONGER THAN ONE YEAR, YOU ARE REQUIRED TO OBTAIN AN AMENDED SUBDIVISION PUBLIC REPORT BEFORE YOU CAN OFFER THE INTEREST FOR SALE OR LEASE.

WARNING: WHEN YOU SELL YOUR LOT TO SOMEONE ELSE, YOU MUST GIVE THAT PERSON A COPY OF THE DECLARATION OF RESTRICTIONS, ARTICLES OF INCORPORATION, THE BYLAWS AND A TRUE STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS, PENALTIES, ATTORNEY'S FEES OR OTHER CHARGES, PROVIDED BY THE RESTRICTIONS OR OTHER MANAGEMENT DOCUMENTS ON THE LOT AS OF THE DATE THE STATEMENT WAS ISSUED.

NOTE: IF YOU FORGET TO DO THIS, IT MAY COST YOU A PENALTY OF \$500.00 - - PLUS ATTORNEY'S FEES AND DAMAGES (SEE CIVIL CODE SECTION 1368).

THE SUBDIVIDER MUST MAKE AVAILABLE TO YOU, COPIES OF THE ASSOCIATION GOVERNING INSTRUMENTS, A STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS AND RELATED CHARGES AS PROVIDED BY THE GOVERNING INSTRUMENTS AND, IF AVAILABLE, CURRENT FINANCIAL AND RELATED STATEMENTS (SEE BUSINESS AND PROFESSIONS CODE SECTION 11018.6).

NOTWITHSTANDING ANY PROVISION IN THE PURCHASE CONTRACT TO THE CONTRARY, A PROSPECTIVE PURCHASER HAS THE RIGHT TO NEGOTIATE WITH THE SELLER TO ALLOW AN INSPECTION OF THE PROPERTY BY THE PURCHASER OR THE PURCHASER'S DESIGNEE UNDER TERMS MUTUALLY AGREEABLE TO THE PROSPECTIVE PURCHASER AND SELLER.

INTERESTS TO BE CONVEYED

You will receive fee title to a specified lot together with a membership in the "Vista Verde Master Association" and rights to use the common area.

LOCATION AND SIZE

This subdivision is located at Magdalena Avenue and Birch Road within the city limits of Chula Vista. Prospective purchasers should acquaint themselves with the kinds of city services available.

This is the twelfth (12th) phase of "Indigo II" which consists of approximately 0.507 acres on which 11 residential lots will be constructed. "Indigo II" is a part of the overall "Village of Vista Verde" project which, if developed as proposed, will consist of a total of approximately 443 residences.

Additional common amenities and/or facilities consisting of a swimming pool, kiddie pool, Jacuzzi, building with restrooms and meeting space, tot-lot, BBQ and landscaping have been constructed in "the Village of Vista Verde" overall project as evidenced by a Notice of Completion recorded on December 10, 2008 as Document No. 2008-0630148 of Official Records.

There is no assurance that the total project will be completed as proposed.

MANAGEMENT AND OPERATION

The Vista Verde Master Association, of which you become a member at time of purchase, manages, maintains, and operates the common area(s) in accordance with the Covenants, Conditions and Restrictions, Articles of Incorporation, and the Bylaws.

MAINTENANCE AND OPERATIONAL EXPENSES

The Subdivider, with approval from the Department of Real Estate has established a "Level Regular Assessment" procedure. Under this procedure, the amount of the level regular assessments levied by the association will either temporarily accrue a surplus or permit a previously accrued surplus to be gradually depleted. The development's first escrow closed in August, 2006. Vista Verde Master Association was formed in September, 2006 and is currently operating under the Phases 22-30 level assessment budget at \$101.00. The level assessment budget for Phases 31-35 is estimated to be at \$85.00, Phases 36-44 at \$77.00 and Phases 45-56 and Built-out at \$68.00.

Indigo II - Phase 12 assessment is currently estimated to be \$68.00 per residence per month of which \$3.08 per residence per month will be a monthly contribution to long-term reserves and is not to pay for current operating expenses.

The amount of the level regular assessment is based upon the budget prepared by the subdivider and reviewed by the Department of Real Estate. The budget was reviewed by the Department of Real Estate in June, 2011.

COST CENTER BUDGET (INDIGO II & JACARANDA II)

Indigo II – Phase 12 has an additional assessment designated as a Cost Center Budget. The Cost Center Budget monthly assessment for your lot is \$36.34, which is primarily for parkway landscaping, tree trimming, basic monumentation and mailboxes.

The utility rates used for the calculations within the above budgets are based on information available at the time of the budget review date (as shown above). Increases in regular assessments or special assessments may be required as a measure to provide adequate funds to compensate for potential utility rate increases. Purchasers should be aware of the possible affect these increases may have on their homeowner assessments.

The association may increase or decrease assessments at any time in accordance with the procedure prescribed in the Restrictions or Bylaws. In considering the advisability of a decrease (or a smaller increase) in assessments, care should be taken not to eliminate amounts attributable to reserves for replacement or major maintenance.

THE BUDGET INFORMATION INCLUDED IN THIS PUBLIC REPORT IS APPLICABLE AS OF THE DATE OF BUDGET REVIEW AS SHOWN ABOVE. EXPENSES OF OPERATION ARE DIFFICULT TO PREDICT AND EVEN IF ACCURATELY ESTIMATED INITIALLY, MOST EXPENSES INCREASE WITH THE AGE OF FACILITIES AND WITH INCREASES IN THE COST OF LIVING.

Monthly assessments will commence on all lots in this phase on the first day of the month following the conveyance of the first subdivision interest in this phase.

The remedies available to the association against owners who are delinquent in the payment of assessments are set forth in the Restrictions. These remedies are available against the subdivider as well as against other owners.

The Subdivider has deposited funds into escrow as partial security for the obligation to pay these assessments. The governing body of the association should assure itself that the subdivider has satisfied these obligations to the association with respect to the payment of assessments before agreeing to a release or exoneration of the security.

EASEMENTS

Easements for utilities and other purposes are shown in the Title Report and on the Subdivision Map filed in the Office of the San Diego County Recorder, as Map No. 15105.

RESTRICTIONS

This subdivision will be subject to Master Declaration of Restrictions for the Village of Vista Verde recorded in the Office of the San Diego County Recorder on July 27, 2006 as Document No. 2006-0531587.

Amendments to the original Declaration of Restrictions may also have been or may be recorded. You may ask the subdivider about such changes.

FOR INFORMATION AS TO YOUR OBLIGATIONS AND RIGHTS, YOU SHOULD READ THE RESTRICTIONS. THE SUBDIVIDER MUST MAKE THEM AVAILABLE TO YOU.

USES AND ZONING

North: Single Family Residence
East: Single Family Residence

South: Single Family Residence
West: Single Family Residence

SURROUNDING PROPERTY USES

The following significant surrounding property uses exist within or near this development:

- Otay Ranch Town Center is located approximately 1 mile northeast of this project.
- Eastlake Village Center is located approximately 2 miles north of this project.
- Heritage Park is located approximately 1 ½ miles west of this project.
- Southwestern College is located approximately 2 miles north of this project.
- Chula Vista Community Park is located approximately 1 ¼ miles north of this project.
- Eastlake Country Club is located approximately 1 ¼ miles north of this project.
- Rice Aqueduct is located approximately 1/8 mile north of this project.
- Poggi Canyon is located approximately ¾ mile north of this project.
- Telegraph Canyon is located approximately 1 ¼ miles north of this project.
- Second San Diego Aqueduct is located approximately 1 mile east of this project.
- Salt Creek is located approximately 1 ¼ miles east of this project.
- Otay River is located approximately 2 miles south of this project.
- Trolley Corridor is located approximately 2 miles from this project.
- Elementary School and Public Neighborhood Park Site. There is an elementary school site located on Peabody Way and Wolf Canyon Loop. According to the City of Chula Vista there is an adopted master plan for a community park site in the vicinity of Magdalena Avenue and Wolf Canyon Loop. Impacts from the school and park including noise, lighting overspill, traffic, parking and other effects resulting from public use may affect the project. Please contact the City Parks and Recreation Department at (619) 691-5071 or the Chula Vista Elementary School District at (619) 425-9600 for further information.
- Public High School. There is a Public High School site operated by the Sweetwater Union High School District located on Magdalena Avenue.
- Private Catholic High School. Mater Dei High School operated by the diocese of San Diego is located on the Northern side of Birch Road.
- Otay Correctional Facilities. The Richard J. Donovan Correctional Facility at Rock Mountain (a minimum and medium security prison); the George F. Bailey Detention Facility (a County of San Diego jail); the East Mesa Detention Facility; and the private Wackenhut Corporation facility are located approximately 5 miles to the southeast of the Project.
- Transportation Systems. Buyer understands that east of the Project, adjacent to lots 135-140 of Indigo (R-1A) and Lots 47-59, 73-83 and 111-116 of Jacaranda (R-1B), is the State Route 125 ("SR 125") transportation corridor. SR 125 is a toll road connecting from Interstate 905 on the south to State Route 54 on the north
- Brown Field is located approximately 4.5 miles south of the Project, in an area known as Otay Mesa. Brown Field is used to service various types of commercial and cargo flights and has been considered for expansion by regional and local agencies. There have also been ongoing discussions regarding the possible development of a multi-national airport in the Otay Mesa area. However, no definitive decisions have been made at this time regarding such issues. Please contact the City of San Diego Planning Department, at (619) 235-5200 to obtain further information regarding Otay Mesa/Brown Field.
- Arco/U.S. Olympic Training Center is located approximately 2 miles east, open to the public, no privileges. Please contact the training center at (619) 656-1500 for more information.
- Tijuana International Airport is located approximately 10 miles south. Please contact the airport switchboard at 011-52-664-607-8200 for more information.
- Cricket Wireless Amphitheater is located approximately 3 miles southwest. Please contact (619) 671-3600 for more information.

- Knott's Soak City U.S.A. Water Park is located approximately 3.5 miles southwest. Please contact the theme park at (519) 661-7373 for more information.
- VOR Transmission Tower is located approximately ½ mile south.
- Otay Landfill is located approximately 1.5 miles southwest. Please contact (619) 421-3773 for more information.
- Otay Lakes Reservoir is located approximately 3.5 miles east of the Project.
- Farming and Grazing. On-going farming, grazing and agricultural uses immediately south of the project.
- Regional Technology Park and University Site is located approximately 1.5 miles southeast of Indigo, Jacaranda and Terracotta the City of Chula Vista is planning the future Regional Technology Park and the University Campus site. Please contact the City of Chula Vista Planning Department at (619) 691-5101 with any further questions.
- Community Park. The City of Chula Vista has identified a portion of Villages 2 and 4 as the site for a large (approx. 55 acre+) Community Park. This anticipated park site will be approximately 1 mile to the west of Indigo (R-1A), Jacaranda (R-1B) and Terra Cotta (R-5), on the west side of La Media Road. Please contact the City of Chula Vista Planning Department at (619) 691-5101 with any further questions.
- Eastern Urban Center. The Village of Vista Verde is one of the 18 villages and planning areas of Otay Ranch. Development in Otay Ranch is regulated by the Otay Ranch General Development Plan, which identifies the type and location of future private development and public facilities and infrastructure and open space areas in Otay Ranch. The Village of Vista Verde will be surrounded on the north by the Village of Santa Venetia, to the south by the development in the future Village 8, and to the west by currently undeveloped portions of the Village of Vista Verde and the future Villages 2 and 4. The Village is bordered on the east by SR125 and development in the future Eastern Urban Center, which is planned to include mid to high-rise residential and non-residential development. Development in these areas will be in accordance with approved Sectional Planning Plans or the Otay Ranch General Development Plan, both as may be amended from time to time.
- Wolf Canyon Open Space and Detention Basins. In between Magdalena Avenue and Wolf Canyon Loop Road directly south of Terra Cotta and north of the neighborhood park is the Wolf Canyon Open Space Area that consists of water quality detention basins and a recreated ephemeral stream. This area should only be accessed by qualified maintenance personnel and is off limits to all residents and their pets.
- Portions of the Village of Vista Verde are subject to a village wide Fire Protection Plan. This plan describes the landscape requirements in the fire zones throughout the Village. The only area subject to the landscaping requirements of the fire protection plan in McMillin's portion of the Village of Vista Verde is a portion of Wolf Canyon. There are no fire zones present on private homeowner property although portions of Terra Cotta do have fencing restrictions on the Lots 45, 46, 101, 102, 103, 106, 107, 110, 111, 114, 115, 118, 119 and 120 directly adjacent to Wolf Canyon. Those fencing restrictions are as follows: Rear yard fences on perimeter lots facing Wolf Canyon shall not be wood. Side yard fences between homes may be wood; however the fence return connecting to the structure must be solid block masonry or steel. No fencing or railing may be plastic or vinyl.
- Agricultural Use of Property. Since at least as far back as 1928, the properties and the balance of Village 7 of Otay Ranch historically were used for agricultural purposes. Pesticides were commonly used in connection with agricultural activities conducted on the land. Sampling in Village 7 of Otay Ranch conducted on behalf of Declarant and by others revealed elevated levels of various pesticides in surface and near-surface soils at various locations throughout the area. Pesticides detected in soil samples included dieldrin, DDE, DDD, DDT, toxaphene and endrin ketone. All such impacted soils were placed a minimum of ten feet below final grade and

covered with clean fill material at least ten feet in thickness. All work was conducted by Declarant's contractors under the oversight of the County of San Diego Department of Environmental Health, and final placement of impacted soils was accomplished in a fashion determined by the County of San Diego Department of Environmental Health to pose no threat to human health or to the environment.

- MSE Walls. Lots 74-82 and 114-116 of Tract 05-07 (Jacaranda), have adjacent MSE walls. Please refer to section 7.5.e of the CC&R's for information and restrictions regarding this wall.

NATURAL HAZARDS

The following hazard(s) exist(s) within or near this development:

At the time this Public Report was issued, information regarding whether all or portions of this subdivision are located within certain natural hazard areas was not yet available to the subdivider. You should ask the subdivider for updated information before obligating yourself to purchase.

Right to Farm. This property is located within one mile of a farm or ranch land designated on the current county-level GIS "Important Farmland Map", issued by the California Department of Conservation, Division of Land Resource Protection. Accordingly, the property may be subject to inconveniences or discomforts resulting from agricultural operations that are a normal and necessary aspect of living in a community with a strong rural character and a healthy agricultural sector. Customary agricultural practices in farm operations may include, but are not limited to noise, odors, dust, light, insects, the operation of pumps and machinery, the storage and disposal of manure, bee pollination, and the ground or aerial application of fertilizers, pesticides, and herbicides. These agricultural practices may occur during any 24-hour period. Individual sensitivities to those practices can vary from person to person. You may wish to consider the impacts of such agricultural practices before you complete your purchase. Please be advised that you may be barred from obtaining legal remedies against agricultural practices conducted in a manner consistent with proper and accepted customs and standards pursuant to Section 3482.5 of the Civil Code or any pertinent local ordinance.

TAXES

The maximum amount of any tax on real property that can be collected annually by counties is 1% of the full cash value of the property. With the addition of interest and redemption charges on any indebtedness, approved by voters prior to July 1, 1978, the total property tax rate in most counties is approximately 1.25% of the full cash value. In some counties, the total tax rate could be well above 1.25% of the full cash value. For example, an issue of general obligation bonds previously approved by the voters and sold by a county water district, a sanitation district or other such district could increase the total tax.

For the purchaser of a lot in this subdivision, the full cash value of the lot will be the valuation, as reflected on the tax roll, determined by the county assessor as of the date of purchase of the lot or as of the date of completion of an improvement on the lot if that occurs after the date of purchase.

Notice of Supplemental Property Tax Bill

"California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes. The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax

Collector. If you have any questions concerning this matter, please call your local Tax Collector's Office."

SPECIAL TAXES AND ASSESSMENTS

This subdivision lies within Chula Vista Elementary Community Facilities District No. 11, Chula Vista Community Facilities District No. 97-2, Chula Vista Community Facilities District No. 12M, Chula Vista Community Facilities District No. 12I, and Sweetwater High Community Facilities District No. 16, and is subject to any taxes, assessments and obligations thereof. The subdivider must provide purchasers with disclosures entitled, "Notice of Special Tax, Chula Vista Elementary Community Facilities District No. 11, Chula Vista Community Facilities District No. 97-2, Chula Vista Community Facilities District No. 12M, Chula Vista Community Facilities District No. 12I, and Sweetwater High Community Facilities District No. 16, County of San Diego, California" ("Notices"), prior to a purchaser entering into a contract to purchase. These Notices contain important information about district functions, purchaser's obligations, rights of the districts, and information on how to contact the districts for additional materials. Purchasers should thoroughly understand the information contained in the Notices prior to entering into a contract to purchase. These special taxes appear on the yearly property tax bill, and are in addition to the tax rate affecting the property described above in the section entitled "TAXES".

The purchaser has five days after delivery of these Notices by deposit in the mail, or three days after delivery of any notice in person, to terminate the purchase agreement/contract by giving written notice of that termination to the owner, subdivider, or agent selling the property.

CONDITIONS OF SALE

Pursuant to Civil Code Sections 2956 through 2967, inclusive, subdivider and purchasers must make certain written disclosures regarding financing terms and related information. The subdivider will advise purchasers of disclosures needed from them, if any.

If your purchase involves financing, a form of deed of trust and note will be used. The provisions of these documents may vary depending upon the lender selected. These documents may contain the following provision(s):

Acceleration Clause. This is a clause in a mortgage or deed of trust which provides that if the borrower (trustor) defaults in repaying the loan, the lender may declare the unpaid balance of the loan immediately due and payable.

Due-On-Sale Clause. If the loan instrument for financing your purchase of an interest in this subdivision includes a due-on-sale clause, the clause will be automatically enforceable by the lender when you sell the property. This means that the loan will not be assumable by a purchaser without the approval of the lender. If the lender does not declare the loan to be all due and payable on transfer of the property by you, the lender is nevertheless likely to insist upon modification of the terms of the instrument as a condition to permitting assumption by the purchaser. The lender will almost certainly insist upon an increase in the interest rate if the prevailing interest rate at the time of the proposed sale of the property is higher than the interest rate of the promissory note.

A Balloon Payment. This means that your monthly payments are not large enough to pay off the loan, with interest, during the period for which the loan is written and that at the end of the loan period you must pay the entire remaining balance in one payment. If you are unable to pay the balance and the remaining balance is a sizeable one, you should be concerned with the possible difficulty in refinancing

the balance. If you cannot refinance or sell your property, or pay off the balloon payment, you will lose your property.

A Prepayment Penalty. This means that if you wish to pay off your loan in whole or in part before it is due, you must, in addition pay a penalty.

A Late Charge. This means that if you fail to make your installment payment on or before the due date or within a specified number of days after the due date, you, in addition, must pay a penalty.

The subdivider may assist you in arranging financing from a federal or state regulated lender which will make loans that allow the interest rates to change over the life of the loan. An interest rate increase ordinarily causes an increase in the monthly payment that you make to the lender. The lender will provide you with a disclosure form about the financing to assist you in the evaluation of your ability to make increased payments during the term of the loan. This disclosure form will be furnished to you at the time you receive your loan application and before you pay a nonrefundable fee.

BEFORE SIGNING, YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL LOAN DOCUMENTS.

PURCHASE MONEY HANDLING

The subdivider must impound all funds (purchase money) received from you in an escrow depository until legal title is delivered to you, except for such amount as the subdivider has covered by furnishing a bond to the State of California (Refer to Sections 11013, 11013.1, 11013.2(a) and 11013.2(c) of the Business and Professions Code).

If the escrow has not closed on your lot within one (1) year of the date of your Joint Purchase Agreement and Escrow Instructions, you may request the return of your purchase money deposit.

NOTE: Section 2995 of the Civil Code provides that no real estate subdivider shall require as a condition precedent to the transfer of real property containing a single family residential dwelling that escrow services effectuating such transfer shall be provided by an escrow entity in which the subdivider has a financial interest of 5% or more.

THE SUBDIVIDER HAS A FINANCIAL INTEREST IN ONE OF THE ESCROW COMPANIES WHICH IS TO BE USED IN CONNECTION WITH THE SALE OR LEASE OF LOTS IN THIS SUBDIVISION.

SOILS CONDITIONS

All lots will contain filled ground. Information concerning soils, geologic and filled ground is available at: Office of the City Engineer, 276 4th Avenue, Chula Vista, CA 91910.

GEOLOGIC CONDITIONS

THE UNIFORM BUILDING CODE, APPENDIX CHAPTER 33, PROVIDES FOR LOCAL BUILDING OFFICIALS TO EXERCISE PREVENTIVE MEASURES DURING GRADING TO ELIMINATE OR MINIMIZE DAMAGE FROM GEOLOGIC HAZARDS SUCH AS LANDSLIDES, FAULT MOVEMENTS, EARTHQUAKE SHAKING, RAPID EROSION OR SUBSIDENCE. THIS SUBDIVISION IS LOCATED IN AN AREA WHERE SOME OF THESE HAZARDS MAY EXIST.

SOME CALIFORNIA COUNTIES AND CITIES HAVE ADOPTED ORDINANCES THAT MAY OR MAY NOT BE AS EFFECTIVE IN THE CONTROL OF GRADING AND SITE PREPARATION.

PURCHASERS MAY CONTACT THE SUBDIVIDER, THE SUBDIVIDER'S ENGINEER, THE ENGINEERING GEOLOGIST AND THE LOCAL BUILDING OFFICIALS TO DETERMINE IF THE ABOVE-MENTIONED HAZARDS HAVE BEEN CONSIDERED AND IF THERE HAS BEEN ADEQUATE COMPLIANCE WITH APPENDIX CHAPTER 33 OR AN EQUIVALENT OR MORE STRINGENT GRADING ORDINANCE DURING THE CONSTRUCTION OF THIS SUBDIVISION.

SCHOOLS

This project is in the Chula Vista Elementary School District, 84 East "J" Street, Chula Vista, CA 91910 (619) 425-9600 and the Sweetwater Union High School District, 1130 Fifth Avenue, Chula Vista, CA 91911 (619) 691-5553. These districts advise the schools initially available to this subdivision are:

Wolf Canyon Elementary School (K-6)
1950 Wolf Canyon Loop
Chula Vista, CA 91913

Rancho Del Rey Middle School (7 & 8)
1174 East J Street
Chula Vista, CA 91910

Olympian High School (9-12)
1925 Magdalena Avenue
Chula Vista, CA 91913

This information was provided prior to the date of issuance of this public report and is subject to change. For the most current information regarding school assignments, facilities and bus service fees purchasers are encouraged to contact the above school district.

CLOSING STATEMENT

If you need clarification as to the statements in this Public Report or if you desire to make arrangements to review the documents submitted by the subdivider which the Department of Real Estate used in preparing this Public Report you may call:

Department of Real Estate Subdivision South
320 West Fourth Street, Suite 350
Los Angeles, CA 90013-1105
(213) 576-6983



UTILITY SYSTEMS, ROOF AND PROTECTIVE DEVICE RATING EXPLANATION

ANPAC® is dedicated to providing you with competitive rates while providing excellent coverage against loss to your dwelling. For this reason, ANPAC® has developed an updated utility system and roof rating plan. Rating adjustments are determined from various risk characteristics specific to your dwelling. The adjustments are added together and the result is applied to your premium. The result of the adjustments can be a premium decrease or increase depending upon (1) whether or not you have updated your heating or air-conditioning system; (2) how long ago the update was made; (3) the age of your dwelling; (4) whether or not you have replaced your roof; (5) how long ago the roof replacement was made; and (6) what material your roof is made from.

If you have completely updated your heating or air-conditioning system, replaced your roof, have a roof composed of loss preventive materials, or have a home protective device, then your dwelling is less likely to experience a loss. ANPAC® wants to reward clients who take such loss preventive action because we value you as one of our clients.

Based on the information we have concerning your dwelling, the summary below shows the amount of adjustment given and the information used for each risk characteristic in the Utility/Roof Rating Plan and Protective Device Credit. For more information on requirements for receiving credit for completely updating your utility system or roof, or having a protective device, refer to the back of this page. If you have any questions, call your American National Representative listed at the bottom of the page.

<u>Description</u>	<u>Year Reported</u>	<u>Documentation Received (Y/N*)?</u>	<u>Amount of Adjustment</u>
Year Dwelling Completed:	2013	N/A	CREDIT 59%
Year Heating System Updated:	2013	N/A	CREDIT 02%
Year Cooling System Updated:	2013	N/A	CREDIT 02%
Year Roof Replaced:	2013	N/A	CREDIT 04%
Roof Construction Material:	Concrete Tile or Fiber Cement		CREDIT 12%
UL/FM Roof Class:	N/A		00%

* Please contact your agent to provide documentation of updates to your heating system, cooling system, or roof. If documentation has not been provided, the Amount of Adjustment is based on the Year Dwelling Completed shown above. You may be eligible for greater premium savings if documentation of updates can be provided.

Protective Device: **CREDIT 40%**
MONITORED SMOKE ALARM
MONITORED BURGLAR ALARM
INTERIOR SPRINKLER
EXTERIOR SPRINKLER

American National Representative: RENNY BOWDEN
(619) 987-8296

To determine if you qualify for any of these credits, please read the description of the credit requirements carefully. Each separate system must be updated precisely as noted in the descriptions. Also, please note the documentation required to permit the credit(s). We want you to receive the credit you deserve, so be sure to provide the required document(s).

If your dwelling qualifies for one of the utility system updates or protective devices listed below, please contact your American National representative.

HEATING UPDATE:

Complete replacement of the entire heating system, not including the ductwork or floor/ceiling registers.

The updates must be installed by a qualified contractor and installed to meet or exceed local building codes.

COOLING UPDATE:

Complete replacement of the entire cooling system, not including the ductwork or floor/ceiling registers.

The updates must be installed by a qualified contractor and installed to meet or exceed local building codes.

ROOF UPDATE:

Complete replacement or overlay of your **entire** roof by a qualified contractor and installed to meet or exceed local building codes.

UNDERWRITERS' LABORATORIES (U.L.) OR FM GLOBAL ROOF CLASS:

The new roof must meet the impact resistance of the Underwriters' Laboratories testing criteria of U.L. 2218 or FM Global's testing criteria of FM 4473.

PROTECTIVE DEVICE:

Protective devices as listed below which are properly installed and maintained.

1. Local burglar alarm covering all windows and exterior doors.
2. Burglar alarm covering all windows and exterior doors, reporting to a central station or police department.
3. Fire alarm reporting to a central station or fire department.
4. Interior Sprinkler System.
5. Exterior Sprinkler System (intended for brush fire suppression).

Properties located in qualifying:

1. Gated Community. Home must be in a community of at least five homes and surrounded by a fully enclosing block wall or fence (not wire) and have a 24-hour guard and/or an electronically-sensored gate.

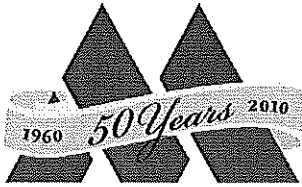
REQUIRED DOCUMENTATION:

1. Contractor's invoice detailing the materials and labor.
2. Paid receipt from the building materials supplier.
3. Work order from the contractor.
4. Cancelled checks made to the building contractor or building materials supplier.
5. Real Estate Disclosure Statement verifying any updates and the cause for those updates.



Pacific Property And Casualty Company

This notice contains only a general description of the changes in coverage and is not a statement of contract. All coverages are subject to the insuring agreements, exclusions and conditions of the policy, and applicable endorsements.



McMillin Communities

McMillin Communities
 Customer Service
 PO Box 85104
 San Diego, CA 92186-5104
 Phone (619) 421-5311
 Fax (619) 421-1461
 sandiegocs@mcmillin.com

Purchaser's Name: Dwain + Tiffany Perkins Date: 8 1 13 Representative: AL
 Address: 1765 JACKSON ST (Street) CV (City) 91913 (Zip)
 Project Name: Indigo II Lot #: 43 Phase #: 11 Plan #: 3B
 Phone #: Hom [REDACTED] Wk / (Cell) (Mr.): [REDACTED] Wk / (Cell) (Mrs.): [REDACTED]
 EST MOVE-IN DATE: 9 16 13 Request #: _____ (Office use) Flooring: _____

Inspection and Acceptance Agreement

Room	Item #	Issue needing attention	Accepted By
KIT	1	CROWN MOLDING Go's up Hill over microwave Paint on CAB	
FAMILY	2	SCRATCHES ON CAB'S, COLOR OF CAB OVER Hoodrest	
FRONT DOOR	3	BENT SCREEN	
	4	CLEAN PAINT OFF ON GLASS DOOR	
	5	HOUSE WEARS ANOTHER WIFE DOWN	
Hall 2nd Floor →	6	UP STAIRS HALL HARD SURFACE UNDER CARPET	
	7	CLEAN CAB FINISH OUT	
EXTERIOR	8	OUTSIDE LIGHTS Broken Glass	

ACCEPTANCE

I hereby declare that in the presence of a representative of said builder I/we have inspected the residential property at the above mentioned address and that with only those exceptions noted above, I/we hereby accept the property as to condition of the house, other improvements, fixtures, equipment, decoration, suitability, and readiness for use as my home which I am purchasing of intend to purchase.
 I/we understand that all work performed will take place between the hours of 7:00 am to 3:30 pm Monday through Friday.

Owner's Signature: [Signature] Owner's Signature: [Signature] Date: 9, 4, 13

PERMISSION IS HEREBY GRANTED FOR AUTHORIZED REPRESENTATIVE TO ENTER THE ABOVE ADDRESSED PREMISES FOR THE PURPOSE OF INSPECTING AND/OR MAKING NECESSARY REPAIRS.

{ } MAY ENTER INITIAL

{ } MAY NOT ENTER INITIAL

Owners Signature _____ DATE 1 1

Do you have instructions regarding: PETS ALARM

Customer Service Rep.
 Acknowledges receipt of owner's house key.
 X _____
 Signature Date

COMPLETION: The above items have been satisfactorily explained or completed.

Owners Signature _____ DATE 1 1

Homeowner
 Acknowledges return of house key.
 X _____
 Signature Date

PL000079

WELLS FARGO BANK, NA
 2701 WELLS FARGO WAY
 MAC X9999-11H
 MINNEAPOLIS, MN 55467

LENDER'S NOTICE OF VALUE

08/23/2013

LENDER LOAN NO: 0356673145

VA CASE NO: 77-77-6-5185406

APPRAISAL REVIEWER: BARBARA BOGNER

PROPERTY ADDRESS: 1765 JACKSON STREET
 CHULA VISTA, CA 91913

MR. DWAIN PERKINS

Dear MR. PERKINS :

The above property has been appraised by a fee appraiser assigned by the VA Regional Loan Center in PHOENIX, AZ.

On 08/23/2013, our VA-authorized appraisal reviewer personally reviewed the fee appraiser's report and determined the property's estimated reasonable value to be \$516,500. The maximum repayment period for a loan to purchase this property is 30 years.

The VA appraisal was made to determine the reasonable value of the property for loan purposes. It must not be considered a building inspection. Neither VA nor the lender can guarantee that the home will be satisfactory to you in all respects or that all equipment will operate properly. A thorough inspection of the property by you or a reputable inspection firm may help minimize any problems that could arise after loan closing. In an existing home, particular attention should be given to plumbing, heating, electrical and roofing components. The VA recommends testing your new home for radon, which the government has determined can cause lung cancer.

REMEMBER: VA GUARANTEES THE LOAN, NOT THE CONDITION OF THE PROPERTY.

1. **ENERGY CONSERVATION IMPROVEMENTS.** You may wish to contact the utility company or a reputable firm for a home energy audit to identify needed energy efficiency improvements to this previously occupied property. Lenders may increase the loan amount to allow buyers to make energy efficiency improvements such as: Solar or conventional heating/cooling systems, water heaters, insulation, weather-stripping/caulking and storm windows/doors. Other energy-related improvements may also be considered. The mortgage may be increased by up to \$3,000 based solely on documented costs; or up to \$6,000 provided the increase in monthly mortgage payment does not exceed the likely reduction in monthly utility costs; or more than \$6,000 subject to a value determination by VA.

(x) 2. **WOOD-DESTROYING INSECT INFORMATION**

a. **Inspection Report (Existing Construction).** The property must be inspected at no cost to you by a qualified pest control operator using Form NPMA-33, or other form acceptable to VA. Any reported infestation or structural damage affecting the value of the property must be corrected to VA's satisfaction prior to loan settlement. You must acknowledge receipt of a copy of the inspection report in the space provided on the form.

(x) b. **Soil Treatment Guarantee (Proposed or Under Construction).** A properly completed Form NPCA-99a is required. If the soil is treated with a termiticide, a properly completed Form NPCA-99b is also required. The lender will provide you with a copy.

PROPERTY ADDRESS: 1765 JACKSON STREET
CHULA VISTA, CA 91913

VA CASE NO: 77-77-6-5185406

- (x) 3. **LIEN-SUPPORTED ASSESSMENT.** This property is located in a development with a mandatory membership in a homeowner's association. The lender is responsible for ensuring that title meets VA requirements for such property and that the homeowner association assessments are subordinate to the VA-guaranteed mortgage.
- (x) a. **Homeowner Association Fee.** Estimated fee of \$126.00 per month.
b. **Other.**
- _____ 4. **CONDOMINIUM REQUIREMENTS.** The lender is responsible for ensuring that this condominium is acceptable to the VA and that any condominium-related special conditions or requirements have been met. There may be additional information in "Other Conditions/Requirements" below.
- _____ 5. **WATER/SEWAGE SYSTEM ACCEPTABILITY.** Evidence from the local health authority or other source authorized by VA that the individual _____ water supply, _____ sewage disposal system(s) is/are acceptable.
- _____ 6. **CONNECTION TO PUBLIC WATER/SEWER.** Evidence of connection to _____ public water, _____ public sewer, if available, and that all related costs have been paid in full.
- _____ 7. **PRIVATE ROAD/COMMON-USE DRIVEWAY.** Evidence that use of the private road or common-use driveway is protected by a recorded permanent easement or recorded right-of-way from the property to a public road, and that a provision exists for its continued maintenance.
- _____ 8. **FLOOD INSURANCE.** Since improvements on this property are located in a FEMA Special Flood Hazard Area, flood insurance is required.
- _____ 9. **"AIRPORT" ACKNOWLEDGEMENT.** Your written acknowledgement that you are aware that this property is located near an airport and that aircraft noise may affect the livability, value and marketability of the property.
- (x) 10. **REPAIRS.** The _____ lender (x) fee appraiser BRIAN K BORTNESS is to certify that the following repairs have been satisfactorily completed. See the above second paragraph about your responsibility concerning the condition of the property.
1. Install flooring
 2. Install appliances
 3. Install bathroom fixtures
- _____ 11. **LOCAL HOUSING/PLANNING AUTHORITY CODE REQUIREMENTS.** Evidence that local housing or planning authority code requirements, if any, have been met.
- (x) 12. **"NOT INSPECTED" ACKNOWLEDGEMENT.** Your written Acknowledgement that, you are aware that since this new property was not inspected during construction by VA,
- (x) a. VA assistance with construction complaints will be limited to defects in equipment, material and workmanship reported during the one-year builder's warranty period.
b. VA will not intercede on your behalf in the processing of any construction complaints.

PROPERTY ADDRESS: 1765 JACKSON STREET
CHULA VISTA, CA 91913

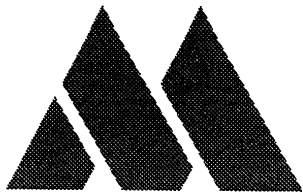
VA CASE NO: 77-77-6-5185406

- _____ 13. **TEN-YEAR INSURED PROTECTION PLAN.** Evidence of enrollment of this new property in a 10-year insured protection plan acceptable to the Department of Housing and Urban Development (HUD).
- (x) 14. **ENERGY EFFICIENT CONSTRUCTION.** Builder's certification which identifies this new dwelling and states that it was constructed to meet the energy conservation standards of the Council of American Building Officials (CABO) 1992 Model Energy Code (MEC).
- (x) 15. **LEAD/WATER DISTRIBUTION SYSTEM.** Builder's certification which identifies this new dwelling and states that the solders and flux used in construction did not contain more than 0.2 percent lead and that the pipes and pipe fittings used did not contain more than 8.0 percent lead.
- _____ 16. **OFFSITE IMPROVEMENTS.** Evidence that the streets, sidewalks, drains, water, sewer, etc. have been completed and accepted for maintenance by the local authority.
- _____ 17. **PROPOSED CONSTRUCTION.** To be completed based on construction exhibits identified as
- _____ 18. **CONSTRUCTION INSPECTIONS.**
- _____ a. Local authority to perform construction inspections at the foundation, framing and final stages and issue a Certificate of Occupancy (CO), final approval, or equivalent.
- _____ b. Local authority does not perform construction inspections, therefore the property must be covered by both a 10-year insurance-backed protection plan that is acceptable to the Department of Housing and Urban Development (HUD), and a 1-year VA builder's warranty. The lender is to certify that the property is 100 percent complete (both on-site and off-site improvements) and that it meets VA Minimum Property requirements for existing construction.
- (x) 19. **CONSTRUCTION WARRANTY.** One-year VA builder's warranty on a fully completed VA Form 26-1859, Warranty of Completion of Construction.
- _____ 20. **OTHER CONDITIONS/REQUIREMENTS**

Expiration Date: 02/17/2014

Sincerely,

BARBARA BOGNER (002379)



McMillin Communities

Indigo II

Buyer: Perkins

ADDENDUM TO JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS: 1

THE UNDERSIGNED, identified as BUYER and SELLER, agree to amend and modify by addition of the following, that original Purchase Agreement dated 11/5/13 between them for the purchase of Lot: 43; Tract: 15105 Indigo II in the County of San Diego also known as 1765 Jackson Street Chula Vista, CA 91913.

SELLER herein agrees to credit or pay BUYER for lender allowable closing costs and or VA or FHA seller required fees, or HOA dues, up to, but not to exceed, \$12,000 provided buyer obtains their financing through Wells Fargo Home Mortgage.

All other provisions of the original Purchase Agreement shall remain in force and effect and this amendment shall be incorporated therein and made part of.

McMillin Indigo II, LLC,
a Delaware limited liability company

By: [Signature]

Seller D. Wan

Date 1/7/13

[Signature]

Buyer [Signature]

Buyer 01/05/13

Date

JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

Indigo II

Name of Neighborhood

Dwain A. Perkins and Tiffany A. Perkins (collectively and individually "Buyer") makes to McMillin Indigo II LLC ("Seller") an offer to purchase the Property described below. Upon Seller's acceptance, Buyer agrees to purchase and Seller agrees to sell the Property to Buyer on the terms and conditions set forth below in this agreement and all attached addenda ("Agreement").

1. Property. The real property (the "Property") which is the subject of this Agreement is located in the City of Chula Vista, County of San Diego and is commonly known as:

1765 Jackson St
(Property Street Address)
Chula Vista CA 91913
(City, State and Zip Code)

The Property plan type and elevation shall be 3B, subject to the right of Seller to make changes as set forth below. The Property is more particularly described as:

Lot No. 43 of Indigo II, as shown on a Map recorded as/in 15105 Official
Records (or Maps) San Diego County, California.

2. Purchase Price And Estimated Cash Due At Closing. Buyer shall pay the following purchase price for the Property:

Table with 2 columns: Description and Amount. Rows include Base Purchase Price (\$487,990), Estimated Buyer Closing Costs, Prepaid Expenses and Impounds Due at Closing (\$11,000), Initial Deposit (\$2,500), Second Deposit (\$0), Estimated New Loan Amount (\$487,990), and Estimated Cash Required Down Payment and Buyer Closing Costs (\$11,000).

3. Payment of Purchase Price. Buyer shall pay the purchase price as follows:

a. Receipt of Initial Deposit. Seller acknowledges receiving from Buyer the sum of \$2,500 ("Initial Deposit") being a check made payable to [check one]:

Escrow Holder (named in Paragraph 7 below); or

Seller (a bond meeting the requirements of Business and Professions Section 11013.2(c) or 11013.4(b) is required for a direct payment of the deposit to Seller).

b. Second Deposit. Buyer shall make a second deposit ("Second Deposit") in the amount of \$0 no later than: N/A, being a check made payable to Escrow Holder or Seller as specified in Paragraph 3(a) above. The Initial Deposit and Second Deposit are collectively referred to as the "Purchase Deposit." Buyer's failure to make the Second Deposit on or before date so required shall be material default of Buyer's obligations under this Agreement allowing Seller to terminate this Agreement pursuant to Paragraph 21(a) below.

c. Balance. Buyer shall deposit with Escrow Holder the balance of the Purchase Price, in immediately available funds (i.e., wired funds), Buyer's closing costs, prepaid expenses and impounds, estimates of which are indicated above, not later than three (3) business days prior to the "Closing Date", as defined in Paragraph 4 below; however, if Buyer will be obtaining a New Loan, the New Loan Amount shall be deposited into escrow in immediately available funds not more than twenty-four (24) hours prior to close of escrow.

4. Closing Date. Escrow shall close on or before the date (the "Closing Date") which is five (5) days after Seller notifies Buyer that the Property has been completed pursuant to the terms of Paragraph 18 below. Seller estimates that the Closing Date will occur on or about July 31, 2013 Seller makes no representation that the estimated Closing Date will be the actual Closing Date, and Buyer acknowledges that due to the variables in the development of the Property and the Project, the date on which escrow will actually close may differ substantially from the estimated Closing Date and may occur before or after the estimated date.

Buyer's Initials [Signature] Buyer's initials [Signature] Buyer's Initials Buyer's Initials

5. **Failure to Close.** If escrow is unable to close on or before the Closing Date designated by Seller pursuant to Paragraph 4 above (or a later closing date mutually agreed upon by Seller and Buyer), or as soon as possible after the Closing Date (or mutually agreed date) not to exceed **fifteen (15) days** ("**Outside Closing Date**"), for any reason other than a default by Buyer, then **fifteen (15) days** after the Outside Closing Date, Buyer may elect to terminate this Agreement. In the event Buyer elects to so terminate, Seller shall order all of Buyer's deposits to be refunded to Buyer, without deduction except for disbursements made or payable therefrom to third parties in accordance with **Paragraph 29(e)** below, escrow shall be canceled at Seller's expense and the parties shall have no further rights or obligations with respect to the Property under this Agreement. If escrow does not close due to a failure of Buyer to perform his or her obligations under this Agreement, the Buyer shall be in default and Seller may terminate this Agreement and cancel the escrow as provided in **Paragraph 21(a)** below.

6. **Financing.** [Check One]:

- Financing Required:** Buyer will apply, qualify for and obtain financing sufficient to close escrow in the approximate sum stated in **Paragraph 2** above (the "**New Loan**" or the "**New Loan Amount**"); or
- Financing Not Required:** Buyer will provide verification of cash funds within seven (7) days of acceptance and close escrow without obtaining a loan.

If "Financing Required" has been checked, Buyer shall use his or her best efforts to qualify for and obtain institutional financing. In particular:

a. **Buyer Must Apply For The New Loan Within Seven (7) Days.** Within **SEVEN (7) days** after Buyer signs this Agreement, Buyer shall submit to Symbolic Financial, LLC dba McMillin Home Mortgage, LLC ("**McMillin Mortgage**") a completed loan application for the New Loan together with all other information and all fees required by such lender.

b. **Buyer to Pursue Obtaining the Loan.** Buyer shall take all steps appropriate to allow prompt processing of the application for the New Loan. For example, and without limitation, Buyer shall fully respond to any requests by the applicable lender(s) for documents or additional information within **THREE (3) calendar days** after such request is made.

c. **Buyer to Obtain Loan Approval.** [check appropriate box]:

[Check if the Closing Date is **less than sixty (60) days** after the date Buyer signed this Agreement]. Buyer shall deliver to Seller, within **fifteen (15) days** after the date Buyer has signed this Agreement, evidence satisfactory to Seller that Buyer has obtained final loan approval (subject only to appraisal of the Property and other conditions acceptable to Seller) for the New Loan Amount from McMillin Mortgage;

[Check if the Closing Date is **more than sixty (60) days** after the date Buyer signed this Agreement]. Buyer shall deliver to Seller: (i) evidence satisfactory to Seller that Buyer has qualified and been approved by McMillin Mortgage for an amount equal to **one hundred and ten percent (110%)** of the New Loan within **fifteen (15) days** after the date Buyer has signed this Agreement and (ii) final unconditional loan approval for the New Loan Amount from McMillin Mortgage within **forty-five (45) days** prior to the Closing Date.

d. **Additional Lenders.** Should Buyer wish to apply to a lender in addition to McMillin Mortgage, Buyer may do so provided that Buyer also complies with the requirements set forth in this **Paragraph 6** with respect to McMillin Mortgage. The lender who will actually make the New Loan is referred to as the "**Lender**".

e. **Diligence after Loan Approval.** After approval of Buyer's loan application by the Lender, Buyer shall diligently comply with each of the requirements of the Lender necessary to close escrow by the Closing Date or Buyer shall be in default hereunder and Seller may terminate this Agreement and cancel escrow in accordance with **Paragraph 21(a)** below. Should the Lender designated by Buyer (i) not be McMillin Mortgage and (ii) should the Lender designated by Buyer fail or refuse to make the New Loan, Buyer agrees to designate McMillin Mortgage to replace the Lender designated by Buyer and Buyer shall thereafter comply with each requirement of McMillin Mortgage necessary to close escrow by the Closing Date.

f. **Thirty Day Loan Qualification Contingency.** Within the **thirty (30) day** period after Buyer signs this Agreement, if Buyer has used his or her best efforts to qualify for and obtain financing as required in this Agreement and is not otherwise in default under this Agreement, and either Buyer or Seller determines that it is unlikely that Buyer will be able to obtain financing to complete this purchase on terms and conditions acceptable to Buyer, either Seller or Buyer may terminate this Agreement and cancel escrow. Such cancellation shall be in accordance with **Paragraphs 21(b) or 22(b)** below (as applicable), in which event the Purchase Deposit shall be returned to Buyer less sums payable to third parties as provided in such Paragraphs. No "reasonableness" standard shall apply to such determination by Seller within the **thirty (30) day** period after Buyer signs this Agreement.

g. **No Loan Contingency In Favor of Buyer After Thirty Days.** From and after expiration of the **thirty (30) day** period after Buyer signs this Agreement, Buyer will be obligated to complete this purchase regardless of the terms, conditions or availability of the New Loan.

h. **Seller's Unilateral Right to Terminate.** Buyer will be in default under this Agreement, and Seller shall have the unilateral right to terminate this Agreement and cancel escrow in accordance with **Paragraph 21(a)** in the event:

Buyer's Initials

JMP

Buyer's Initials

JP

Buyer's Initials

Buyer's Initials

fw

i) Buyer fails to use his or her best efforts to qualify for and obtain financing as described above or fails to comply with the above time limits or takes any act to prevent loan approval. No act or omission by Seller shall be deemed a waiver of its right to later terminate this Agreement for Buyer's failure to diligently pursue or obtain financing within the time periods described in this Paragraph.

ii) Seller reasonably determines that Buyer is unable to qualify for and obtain financing as required in this agreement any time after the initial **thirty (30) day** period after Buyer signs this Agreement. Any such cancellation after the initial **thirty (30) day** period after Buyer signs this Agreement shall be in accordance with **Paragraph 21(a)** below. Seller shall have the right to rely upon information from McMillin Mortgage in making this determination. Buyer shall be obligated to promptly respond to any requests made by Seller for additional information to assist Seller in making this determination.

i. Authorizations Given By Buyer. Buyer gives Seller or Seller's designated agent permission to investigate Buyer's credit (including obtaining a credit report on Buyer). Additionally, Buyer authorizes Seller to disclose to the applicable lender(s) information about Buyer known to Seller and to obtain information from the lender(s) regarding the New Loan. Buyer further authorizes the applicable lender(s) to disclose to Seller all information about Buyer known to such lender(s). Such information may include exchanging copies of completed applications and other documents given by Buyer. Buyer shall execute such further forms of written authorization for Seller or the lender(s) to obtain other relevant information.

Buyer has read and understands this **Paragraph 6(i)**, and by placing his or her initials below expressly authorizes such disclosures.

BUYER'S INITIALS GP BUYER'S INITIALS JP BUYER'S INITIALS _____ BUYER'S INITIALS _____

j. Delay in Closing. If Buyer fails to close escrow on the Closing Date, through no fault of Seller, and if Seller notifies Buyer in writing that Seller agrees to extend the date for close of escrow, Buyer shall pay to Seller at close of escrow and through escrow (in addition to and not in lieu of all other amounts due from Buyer under this Agreement) consideration for an extension of time for the close of escrow. The amount of such additional consideration shall be in an amount equal to \$100.00 per day for each day from and including the Closing Date, to, but excluding, the day escrow closes. Any such consideration for extension for the close of escrow shall be deemed separately earned for the extension so agreed to by Seller and shall not be deemed additional purchase price. This provision shall not apply to a VA Buyer. Nothing stated in this Paragraph shall require that Seller agree to any such extension.

7. **Escrow Holder.** The escrow company ("**Escrow Holder**") shall be Westar Escrow.
(Name of Escrow Company)

8. **Buyer Must Disclose Contingent Purchase.** If Buyer must sell another property in order to close the escrow for the purchase of the Property, **Buyer acknowledges that Buyer must disclose this fact to Seller's sales representative and must complete and sign a Contingent Sale Addendum before Buyer signs this Agreement.** Seller shall have the right to terminate this Agreement and seek damages against Buyer for material misrepresentations, should Buyer give false information regarding the need to sell another property or status of any such sale.

Buyer and Seller agree that the purchase of the Property by Buyer is: [check one]

- NON-CONTINGENT.** Buyer's obligation to purchase and Seller's obligation to sell the Property **IS NOT CONTINGENT** on the sale of another property.
- CONTINGENT IN ESCROW.** Buyer's obligation to purchase and Seller's obligation to sell the Property **IS CONTINGENT** on the sale of another property, which is currently in escrow. (See attached Addendum "C".)
- CONTINGENT NOT IN ESCROW.** Buyer's obligation to purchase and Seller's obligation to sell the Property **IS CONTINGENT** on the sale of another property, which is not currently in escrow. (See attached Addendum "C".)

9. **Contingencies If Common Interest Development.** If the Property is located within a "**Common Interest Development**" as defined in California Civil Code Section 1351(c), the purchase of the Property by Buyer shall be subject to the terms and provisions of **Addendum "A"** attached to this Agreement.

10. **Addenda.** The Addenda listed below which Buyer and Seller are concurrently signing with this Agreement are incorporated into this Agreement and a part of this Agreement:

- Addendum "A" – Common Interest Development Addendum
 Addendum "B" – Escrow Holders Standard Form, Printed General Escrow Instructions
 Addendum "C" – Contingent Sale Addendum
 Addendum "D" – Disclosure Addendum
 Addendum "E" – Construction Standards and Non-Adversarial Procedures for Statutory Construction Claims
 Addendum "F" – Alternative Dispute Resolution Addendum
 Addendum "G" – Fit & Finish Warranty
 Option Addendum

Buyer's Initials GP Buyer's Initials JP Buyer's Initials _____ Buyer's Initials _____

11. **Title.** Buyer will receive a preliminary title report covering the Property from a title company licensed to do business in the State of California ("**Title Company**") prior to the close of escrow. The fee, if any, for the preliminary title report shall be paid by Seller. At the close of escrow, title to the Property shall be conveyed to Buyer free of liens and encumbrances other than the following: (A) Standard exceptions and exclusions of the Title Policy, (B) current real property taxes, special taxes and any assessments levied by any Community Facilities District, Community Services District, Lighting and Landscape District and/or other special district or taxing authority; (C) any declaration of covenants, conditions and restrictions ("**Declaration**") prepared for the project ("**Project**") of which the Property is a part; (D) all other covenants, conditions, restrictions, easements, rights and rights of way of record; (E) the New Loan in favor of Buyer's lender; (F) all other matters approved in writing by Buyer or caused by Buyer; and (G) any other matters which do not materially impair the use of the Property for residential purposes. The Property shall be conveyed subject to reservations in favor of Seller or others of all oil, minerals, natural gas and other hydrocarbons, geothermal steam and water rights. At the close of escrow, Buyer will receive an Owner's standard form CLTA or ALTA Residential policy (with Western Regional Exceptions) of title insurance ("**Title Policy**") issued by the Title Company, showing title vested in Buyer as provided above. The Title Policy shall be in the amount of the Purchase Price for the Property. Buyer agrees that Seller may reasonably amend the Declaration prior to close of escrow.

12. **Vesting.** Buyer shall notify Escrow Holder and Seller in writing not more than **ten (10) days** after Buyer signs this Agreement of the manner in which Buyer wishes to take title (examples: Community property, joint tenancy, living trust, etc.) THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND/OR TAX CONSEQUENCES. BUYER IS ENCOURAGED TO DISCUSS THIS SUBJECT WITH BUYER'S LEGAL AND/OR TAX ADVISOR. Nothing stated in this Paragraph is intended to allow Buyer to assign Buyer's rights under this Agreement.

13. **Flooring Selections; Option Selections.** Unless already chosen and/or installed by Seller as of the date both parties have signed this Agreement:

a. **Flooring Selections.** Buyer shall make flooring selections from the choices provided by Seller, as follows: (i) if the Closing Date is within **thirty (30) days** or less from the date Buyer executed this Agreement, Buyer shall make the selections within **five (5) days** of Buyer's execution of this Agreement, (ii) if the Closing Date is more than **thirty (30) days** but within **sixty (60) days** from the date Buyer signed this Agreement, Buyer shall make the selections within **ten (10) days** of Buyer's signed Agreement; and (iii) if the Closing Date is more than **sixty (60) days** from the date Buyer executed this Agreement, Buyer shall make the selections within **forty-five (45) days** prior to the Closing Date. If the unavailability of Buyer's selections will prevent installation of the selections in the Property by Seller prior to the Closing Date, Buyer shall, within **three (3) days** after Seller's written request, provide Seller with an alternate selection. If Buyer does not make selections within the foregoing time frames, Seller shall have the right to make the selections for Buyer or to declare Buyer in default.

b. **Option Selections.** All option selections must be set forth in an Options Addendum or Options Amendment, signed by Buyer and Seller. Buyer shall make all option selections within the construction cut-off time frames provided in the Options Addendum or Options Amendment. Payment in full or deposits in an amount to be determined by Seller are required at the time selections are made and all selections shall be final. If the unavailability of Buyer's selections will prevent installation of the selections in the Property by Seller prior to the Closing Date, Buyer shall, within **three (3) days** after Seller's written request, provide Seller with alternate selections from the list provided by Seller. Buyer also understands that although Buyer may desire to obtain financing for the cost of any selections through the New Loan, the Lender may or may not allow Buyer to finance any or the entire cost of such items. If for any reason the Lender does not allow Buyer to fully finance such costs, Buyer agrees to deposit the amount Seller requires of the unfinanced portion of such costs into escrow at the time of Buyer's option selection.

14. **Assignment.**

a. **No Assignment by Buyer without Seller's Consent.** This Agreement and the escrow established under this Agreement may not be assigned or otherwise transferred, **voluntarily** or by operation of law, by Buyer without the prior written consent of Seller, which consent may be withheld for any reason. Any attempt by Buyer to assign his or her rights under this Agreement shall be void and of no effect.

b. **Seller's Right to Transfer.** Seller shall have the right to transfer the Property and Seller's rights and obligations under this Agreement. Seller shall give written notice to Buyer and Escrow Holder of any such transfer. The transferee shall be deemed the "Seller" from and after any such transfer and the original Seller shall have no further obligations under this Agreement from and after the date of such transfer.

15. **Buyer's Duty to Cooperate.** Buyer understands and acknowledges that upon Seller's acceptance of this Agreement, Seller will incur carrying and other costs attributable to Seller's holding the Property off the market, which costs will increase if Buyer fails to perform all actions necessary to close escrow. Accordingly, Buyer agrees to cooperate with Seller and shall use its best efforts and diligently take any action necessary to timely close escrow, including, without limitation, promptly cooperating in good faith with the Lender, Escrow Holder and the Title Company, and promptly providing all information requested by Seller, the Lender, Escrow Holder or the Title Company. Buyer acknowledges that Buyer's failure to so cooperate shall constitute a default.

Buyer's Initials JP Buyer's Initials W Buyer's Initials _____ Buyer's Initials _____

16. **Insurance.** Buyer shall procure, prior to the close of escrow, such insurance for the Property as the Lender may require as a condition to extending credit to Buyer. Buyer shall, at least **ten (10) days** prior to the Closing Date, provide the name, address and phone number of Buyer's insurance agent to Escrow Holder. In the event Seller determines, in its sole discretion, that Buyer is not procuring such insurance in a timely manner, Seller may but shall not be obligated to procure any such insurance at any time prior to the Closing Date as the agent of Buyer, and Buyer hereby authorizes Seller to obtain such insurance. Buyer shall reimburse Seller for the actual cost of any such insurance purchased by Seller. In the event Seller procures such insurance, Buyer shall indemnify and hold Seller harmless against any and all losses arising from the selection of such insurance policies.

17. **Soils/Geology.** A soils and geological report for this subdivision is on file with the County or City in which the Property is located, and upon request, a copy will be made available in the sales office for Buyer's review. In order to minimize the possibility of moisture intrusion into the soils of the Property, Buyer agrees not to alter the grading and any drainage devices on the Property. Before constructing any improvements on the Property (including, without limitation, additions, retaining and other walls, landscaping, exterior concrete flat work, swimming pools and spas), Buyer agrees to obtain the recommendations and guidance of appropriate qualified experts as to whether any special design and construction criteria should be employed. Buyer agrees to hold Seller harmless from such improvements or any damage resulting from such improvements.

18. **Completion of Construction.** Seller shall improve the Property substantially in accordance with plans and specifications on file at the City or County (as applicable) in which the Property is located as such plans may be revised by Seller from time to time pursuant to **Paragraph 20** below. The improvement of the Property shall be deemed completed and to fully comply with the terms of this Agreement when the City or County (whichever has jurisdiction) permits occupancy of the Property. In determining whether the Property has been completed, the Escrow Holder shall rely on the certificate of Seller to that effect which shall be binding. Provided Buyer shall have satisfied all contingencies and fulfilled all obligations required of Buyer under this Agreement, Seller shall complete the Property within twelve (12) months after the date Seller signs this Agreement. Notwithstanding the foregoing, if Seller is delayed at any time in completing the Property for any reason beyond the reasonable control of Seller, then the time for completion of construction shall be extended for the period of delay. In any event, the Property will be completed within two (2) years after the date Seller signs this Agreement, unless delayed by conditions or circumstances that are legally supportable under the laws of the State of California as an impossibility of performance for reasons beyond the control of Seller, such as Acts of God. If Seller fails to complete the Property within this two-year period, Buyer may (i) terminate this Agreement and cancel the Escrow, in which case all sums Buyer has deposited shall be refunded to Buyer within **fifteen (15) days** after Escrow Holder's receipt of Buyer's written cancellation request, or (ii) seek any available remedy at law or in equity against Seller.

19. **Buyer Orientation and Inspection.** Buyer and Seller or Seller's representative shall meet for an orientation and inspection of the Property prior to the Closing Date. Buyer shall make himself or herself available within forty-eight (48) hours after Seller's request to meet. Failure of Buyer to meet with Seller after Seller's request shall not delay the close of escrow. During the walk through inspection, any corrective work which Seller reasonably agrees is appropriate shall be noted on a list. Any such corrective work shall not delay the close of escrow. Seller will complete all corrective work listed on the list of corrective work and agreed to by Seller within a reasonable period after close of escrow.

20. **Buyer's Representations and Acknowledgments.** In addition to any other representations and acknowledgments of Buyer in this Agreement, the matters set forth in this Paragraph constitute representations and acknowledgments by Buyer which are true and correct as of the date of this Agreement and which Seller requires to remain true and correct as of the close of escrow. If prior to the close of escrow, Buyer learns, or has reason to believe, that any of the following representations or acknowledgments have ceased or may cease to be true, then Buyer shall immediately give written notice to Seller of such change.

a. Buyer has Freely Chosen Lender. Although Buyer is required to submit a loan application to McMillin Mortgage, Buyer acknowledges his or her understanding that Seller has not required Buyer to obtain Buyer's loan from any particular lender, and that Buyer has chosen a lender of Buyer's own choice. Buyer acknowledges that Seller makes no representations or warranties with regard to any lender, including, without limitation, the ability of any lender to provide Buyer's financing. Buyer further represents that Seller has not in any manner coerced Buyer to seek any particular loan or agree to any particular loan terms.

b. Availability of Property. Buyer understands that certain other properties of Seller's may be on or off the market and may not have been shown to or otherwise made available for purchase by Buyer. Buyer acknowledges that Seller has no obligation to notify Buyer if any particular property is available or becomes available.

c. Changes in Construction. Buyer acknowledges that Seller is building the Property as one production home within the overall Project. Buyer further acknowledges that Seller is not building the Property to Buyer's specifications or to the precise specifications or design of any model home. Subject to approval of the applicable governmental agencies, Seller reserves the right, at any time and without notice, to make changes to the plans or specifications for the Property, to change the color scheme and to make substitutions as Seller deems reasonably necessary or desirable to the building materials, fixtures, appliances and other components of the Property of equal utility and quality (but not necessarily of equal price) to those specified in the plans and specifications and/or non-upgrade items displayed in any model. Locations of electrical switches, outlets, receptacles and lights in the Property may be different than in any model. It is specifically agreed that substitute items need not be of the same cost. Seller further reserves the right to make changes in construction as may be required from time to time by any governmental agency having jurisdiction over the Property, by any lender making loans on the Project or by any entity or agency insuring, guaranteeing, purchasing or otherwise assisting in the financing of the Project, or as may be required due to shortages,

Buyer's Initials DP Buyer's Initials JP Buyer's Initials _____ Buyer's Initials _____

stoppages or unavailability of labor or materials. Buyer's deposit into escrow of funds needed to close escrow shall constitute Buyer's full and complete acceptance of the Property.

d. Variations from the Models. Buyer acknowledges that the model homes, when available, reflect typical exterior elevations, floor plans, workmanship and methods of construction, and also illustrate possibilities for future interior decoration and exterior landscaping and hardscape items. The Property will not necessarily conform with any model. The exterior elevations, architectural treatments, floor plans and colors are shown on the master plot plans on display at the office of the Seller and those elevations, architectural treatments, floor plans and colors may be different than as displayed in the models. Additionally, window locations, window types, rooflines, architectural projections and other similar features vary by elevation and lot location, and not all of such features displayed in the models may be included in the Property. Buyer acknowledges that the models have been professionally decorated to show various decor ideas to personalize the homes in the Project. Items such as furnishings, draperies and other window treatments, wallpaper, custom carpet, coordinated paint, built-in shelves, beams, certain lighting fixtures, special ceiling treatments and some mirrors are for display purposes only, and are not included in the purchase price for the Property. Entries, walkways and driveways may be shown in a variety of materials to show design ideas, however, for the Property, they will be constructed using standard concrete only. Additionally, the models have been professionally landscaped. The type of plants, size and density of the landscaping in the rear yards of the models are merely intended to suggest ideas to buyers. Certain models may also include hardscape items (such as patio slabs, patio covers, pools, spas, etc.) which are not included in the purchase price for the Property. The hardscape shown in the model complex may not depict what may be constructed in all locations. All such options and upgrades displayed by the models (including, decorator items, landscaping and hardscape) are not included in the purchase price for the Property unless expressly agreed to in writing by Seller. The garage portion of models may be larger than in production homes including the Property (particularly when the garage of the model is used as a sales office) and it is specifically understood and agreed that a standard size car and even some sub-compact sized cars may not fit in some garage spaces of production homes. For example, "three car garages" in many projects do not accommodate three standard sized vehicles.

e. Changes in Product and Development Plan. Buyer acknowledges that Seller reserves the right, at any time and without notice, to modify its development plan for the Project, including, but not limited to, changing the style, square footage, density, exterior elevations, color schemes, construction schedule, phasing and pricing of the residences in the Project. Without limiting the generality of the foregoing, Seller may, in its sole discretion, elect to improve the residences with more or less expensive architectural features and amenities and/or to build larger or smaller residences or different product types. Additionally, Seller reserves the right to not build residences on each lot and/or not to develop future phases of the Project.

f. Changes in Prices and Marketing Methods. Buyer acknowledges that Seller reserves the right, at any time and without notice, to increase or decrease the sales prices and to adjust the terms and conditions of sale of the homes in the Project. Buyer further acknowledges that the sales price and the terms and conditions of the sale of the Property are not necessarily related to the sales price or terms and conditions of sale which have previously been offered or which may subsequently be offered to other buyers in the Project. Seller has neither offered nor agreed to any price protection or other similar commitment to Buyer regarding the value or resale value of the Property (or any other property), and Seller shall not have any obligation or liability whatsoever to Buyer in the event any price changes directly or indirectly affect the value of the Property. Buyer also acknowledges that Seller reserves the right, at any time and without notice, to change its marketing methods, including, but not limited to, selling residences (or lots) in bulk to another developer, or to sell residences (or lots) by auction or by lottery.

g. Construction Schedule. Buyer acknowledges that the various stages of construction shall be deemed to have been satisfactorily performed when approved by the appropriate governmental agencies in compliance with existing laws, regulations and codes. Scheduling of construction is difficult and delays in completion are common. Seller shall use reasonable efforts to keep Buyer informed of delays in the construction schedule. However, Buyer acknowledges that Seller makes no representation as to the actual date of completion and that Seller shall not be responsible for inconvenience, loss or expense to Buyer resulting from delays in completion of construction.

h. Alterations Prior to Closing. Buyer acknowledges that all portions of the Property and materials located on the Property are the property of the Seller or persons other than the Buyer and Buyer has no right to utilize in any way any such materials. Buyer also acknowledges that Buyer may not make any changes of any kind to the Property during construction and prior to the close of escrow (e.g., alarm systems, home intercoms, stereo wiring, etc.) Any changes and non-approved options found on the Property during the construction period will be removed by Seller and the cost of removal and any necessary repairs to the Property shall be paid by Buyer.

i. Construction and Sales Activity. Buyer understands that, as presently planned, the Project may be developed in a series of phases, and additional phases may be completed after Buyer closes escrow. The construction and sales of homes in subsequent phases may result in some inconvenience to Buyer due to increased noise and dust from construction traffic and the operation of a model complex and sales office. Buyer agrees to exercise extreme caution and to observe all signs while driving through the temporary closure of streets and rerouting of traffic in any construction area. Buyer further assumes all risk of liability for any injuries to persons and property which may be sustained by Buyer, the members of Buyer's family and Buyer's guests and invitees by reason of such person's presence in the construction area. Buyer agrees to reasonably cooperate with Seller should Seller require temporary construction access across the Property to construct another residence(s) or related improvements following close of escrow.

j. Financing. Buyer understands that the interest rate and loan fees for the loan applied for will be determined at the time of loan approval and may be higher or lower than at the date of the sale. Buyer also

Buyer's Initials JAP Buyer's Initials XP Buyer's Initials _____ Buyer's Initials _____

acknowledges that the interest rate and loan fees referenced on the loan application are for illustrative purposes only and do not constitute a binding commitment.

k. Schools. Buyer acknowledges that Buyer has conducted his or her own investigation of the present and future availability of school facilities, and has made his or her decision to purchase the Property in reliance on such investigation, and not upon any representation made by Seller.

l. Fill Soil and Soils Conditions. The Property may be located on fill soils, in which case the residence will be constructed substantially in accordance with the recommendations and inspections of licensed civil and soils engineers. [Check if applicable] A report certifying the compaction of the fill soils is available for review in the sales office. Buyer acknowledges that many areas in Southern California have soil types which are known to be expansive in nature, and agrees that if the Property is located on expansive soil, Buyer will take the soil type into consideration when designing and installing hardscape and landscape improvements and take necessary precautions in the installation of such improvements to avert causing damage to existing improvements (e.g., Buyer's residence) as well as to any improvements installed by Buyer. Buyer further understands that in some cases soils may contain sandstone or a high level of subterranean rocks such that the installation of pools, spas, landscaping and other improvements which require digging, trenching or other excavation may be more difficult, expensive and sometimes not possible. The foundations of some residences may be so-called "post-tension foundations". Penetration or cutting of a post-tension foundation can cause serious injury and ruin the foundation.

m. Agency Confirmation. Buyer acknowledges that the real estate agent identified on the last page of this Agreement is the agent of the Seller exclusively. Buyer understands and agrees that all sales agents and representatives employed by Seller are and shall be agents and representatives of Seller exclusively and will not be the agents or representatives of Buyer.

n. Hazardous Substances. Buyer represents that Buyer shall not permit or suffer any toxic or hazardous substances or materials (as defined by federal, state or local laws and regulations) to be transported, generated, stored, released, emitted, discharged, processed, removed, disposed or handled on, to, from or under the Property or any portion of the Project in violation of any federal, state or local law, ordinance, regulation or order. Buyer agrees to indemnify, defend with counsel approved by Seller, and hold harmless Seller and Seller's divisions, subsidiaries, and related entities, and all of their employees, officers, directors, shareholders, contractors, agents, representatives, professional consultants, and their respective successors and assigns, from and against all claims, orders, suits, arbitrations, demands, losses, liabilities, costs, expenses (including attorneys' fees) and penalties arising from Buyer's violation of any law, ordinance, regulation or order and from any violation of the provisions of this Paragraph.

o. No Guarantee of View. Regardless of any existing view or view potential from the Property and regardless of the pricing of the Property, Buyer acknowledges that there are no express or implied easements for views or for the passage of light and air to the Property. Seller does not guarantee or make any representation whatsoever concerning the view, if any, that the Property will enjoy regardless of whether there may be provisions in the Declaration pertaining to view. Buyer further acknowledges that any view which the Property may currently enjoy may be impaired or obstructed by further construction or landscaping within the Project and/or on property near the Project. As one example only, the natural growth of landscaping often impairs existing views. Buyer further understands that provisions of the Declaration (if any) which establish architectural or landscaping controls might not be enforced or enforceable.

p. Adjoining Land Uses. Buyer may have received written disclosures which depict the current and proposed land uses for the properties which adjoin the Project. Land uses are subject to change, and consequently, Seller cannot guarantee whether any information so disclosed is current. Also, land planning and zoning matters are complex and therefore the information which may have been supplied by Seller is not complete. If Buyer is concerned about the type of development that may occur on the adjoining properties, Buyer should discuss nearby land uses with the City/County Planning Department and otherwise conduct his or her own investigation of those matters.

q. Certification of Water Heater Strapping. Seller hereby certifies that any water heater installed by Seller in the Property has been braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion in accordance with the provisions of Sections 19210 et seq. of the California Health and Safety Code.

r. Insulation. The insulation in the Property complies with R-value standards prescribed by manufacturers for an energy efficient home in the area in which the Property is located. R-value measures resistance to heat flow. The higher the R-value, the greater the insulating power. Different types of insulation having different R-values will be used in various places in the Property.

s. Non-Authority of Sales Personnel. Buyer acknowledges and agrees that Seller's sales agents and representatives do not have the authority to interpret, change or modify the terms of any documents whatsoever, including, but not limited to, this Agreement, the Declaration, any disclosure statement executed by Seller and/or any Seller warranties. Additionally, no representation, promise or warranty, whether oral or in writing, made by any sales agent or representative shall be binding on Seller, unless set forth in writing and signed by an authorized officer of Seller.

t. Property Disclosure Report. Buyer has been provided or will in the future be provided a report regarding certain natural hazard zones (commonly referred to as a "**Property Disclosure Report**" or "**PDR**"). Buyer should consider the following when reviewing any such PDR:

i. Report is Limited. A PDR is responsive to specific natural hazard zones recognized by specific State statutes and therefore a PDR is very limited in its coverage. There may be other natural hazard zones in addition to

Buyer's Initials DAP Buyer's Initials JK Buyer's Initials _____ Buyer's Initials _____

the zones described in a PDR. For example, it is not unusual for local governments to recognize additional or different zones such as local flooding zones, fire zones or seismic zones. **It is Buyer's responsibility to conduct his or her own investigation of these matters before entering into this Agreement.**

ii. Zones Are Subject To Change. The zones which are covered by a PDR are subject to change. For example, the mapping for one or more of the zones may have not have been completed. Seller shall have no obligation or responsibility to provide Buyer with any updates to a PDR.

iii. No Independent Investigation. Seller does not independently investigate or verify the subject matter of PDRs.

iv. Common Areas May Not Be Covered. If the Property is in a common interest development there may be common area in the project, but a PDR does not cover common area. It is not unusual for certain slopes and other open space areas in projects to be covered by fire and other zones.

21. **Termination by Seller.** Seller shall have the right to unilaterally terminate this Agreement in the following circumstances:

a. Upon Buyer's Default. If Buyer fails to complete the purchase of the Property by reason of any default of Buyer under this Agreement (including, without limitation, Buyer's failure to obtain financing as more particularly described in **Paragraph 6** above), Seller may terminate this Agreement and cancel the escrow by giving written notice of such termination ("**Termination Notice**") to Escrow Holder and Buyer by registered or certified mail, return receipt requested or by personal service. The Termination Notice shall contain a statement that Seller has determined that Buyer is in default hereunder, that Seller is terminating this Agreement and canceling the escrow, whether Seller is electing to retain liquidated damages in accordance with the provisions of **Paragraph 23** below, and shall otherwise comply with the requirements of **Paragraph 23** below. Thereafter, Seller, Buyer and Escrow Holder shall proceed as provided in **Paragraph 23** below.

b. Upon Failure of Condition. Seller may terminate this Agreement and cancel the escrow by giving a Termination Notice to Escrow Holder and Buyer by registered or certified mail, return receipt requested or by personal service in the event (i) a condition precedent has not occurred by the date required by this Agreement or (ii) Seller, in its sole discretion, determines in accordance with **Paragraph 6(f)** above, at any time prior to the expiration of **thirty (30) day** period after Buyer's execution of this Agreement, that it is improbable that Buyer will be able to obtain financing in a timely manner. If Seller elects to so terminate this Agreement and Buyer is not in default under this Agreement, all of Buyer's deposits shall be refunded to Buyer within **fifteen (15) days** of such notice without deduction except disbursements made or payable therefrom to third parties in accordance with **Paragraph 29(e)** below, escrow shall be canceled at Seller's expense, and the parties shall have no further rights or obligations with respect to the Property under this Agreement.

22. **Termination by Buyer.** Buyer shall have the right to unilaterally terminate this Agreement in the following circumstances:

a. Failure of Escrow to Close in One Year. If through no fault of Buyer the close of escrow has not occurred within one (1) year after the date Seller executes this Agreement, then Buyer may terminate this Agreement and cancel the escrow by giving written notice to Seller and Escrow Holder by registered or certified mail, return receipt requested, except that such one (1) year period shall be extended for any periods mutually agreed upon by Buyer and Seller and for the period of any delays caused by Buyer. If Buyer elects to terminate this Agreement, Buyer's deposits shall be refunded in full to Buyer within **fifteen (15) days** of such notice, escrow shall be canceled at Seller's expense, and the Parties shall have no further rights or obligations with respect to the Property under this Agreement.

b. Upon Failure of Thirty Day Loan Qualification Contingency. Buyer may terminate this Agreement and cancel within the thirty day period after Buyer signs this Agreement pursuant to the provisions of **Paragraph 6(f)** above. Any such termination shall be by Buyer giving a Termination Notice to Escrow Holder and Seller by registered or certified mail, return receipt requested or by personal service. If Buyer elects to so terminate this Agreement, all of Buyer's deposits shall be refunded to Buyer within **fifteen (15) days** of such notice without deduction except disbursements made or payable therefrom to third parties in accordance with **Paragraph 29(e)** below, escrow shall be canceled at Seller's expense, and the parties shall have no further rights or obligations with respect to the Property under this Agreement.

23. **LIQUIDATED DAMAGES. IF BUYER DEFAULTS UNDER ANY TERMS OR PROVISIONS UNDER THIS AGREEMENT, SELLER SHALL BE RELEASED FROM ITS OBLIGATION TO SELL THE PROPERTY TO BUYER, AND SELLER MAY PURSUE ANY REMEDY AT LAW OR IN EQUITY THAT IT MAY HAVE AGAINST BUYER ON ACCOUNT OF SUCH DEFAULT; PROVIDED, HOWEVER, WITH RESPECT TO SELLER'S DAMAGES, BY PLACING THEIR INITIALS BELOW BUYER AND SELLER AGREE THAT:**

a. **REASONS FOR LIQUIDATED DAMAGES. IF BUYER BREACHES THIS AGREEMENT, SELLER WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THESE DAMAGES, BUT SUCH DAMAGES WILL BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN AND THE PARTIES WISH HEREBY TO AGREE TO A LIQUIDATED DAMAGES AMOUNT.**

b. **AMOUNT OF LIQUIDATED DAMAGES. IN THE EVENT OF A DEFAULT OR BREACH OF THIS AGREEMENT BY BUYER, SELLER SHALL HAVE A RIGHT TO RETAIN AS LIQUIDATED DAMAGES ALL DEPOSITS MADE BY BUYER UNDER THIS AGREEMENT AND ANY ADDENDA OR AMENDMENTS TO THIS AGREEMENT INCLUDING, BUT NOT LIMITED TO, DEPOSITS FOR OPTIONAL IMPROVEMENTS, AND SELLER MAY INSTRUCT ESCROW HOLDER, AS MORE PARTICULARLY SET FORTH BELOW, TO RELEASE TO SELLER**

Buyer's Initials JP Buyer's Initials XP Buyer's Initials _____ Buyer's Initials _____

OUT OF BUYER'S DEPOSITS TO ESCROW HOLDER THE AGGREGATE DEPOSITS MADE BY BUYER UNDER THIS AGREEMENT AND UNDER ANY AGREEMENTS FOR OPTIONAL IMPROVEMENTS. THE AMOUNTS TO BE SO RELEASED TO SELLER SHALL BE NET OF THE THIRD PARTY CHARGES AUTHORIZED BY PARAGRAPH 29(e) BELOW. THE LIQUIDATED DAMAGES AMOUNT SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 ET SEQ. OF THE CALIFORNIA CIVIL CODE. SELLER, IN ITS SOLE DISCRETION, SHALL HAVE THE RIGHT TO LIMIT THE LIQUIDATED DAMAGES TO NOT MORE THAN THREE PERCENT (3%) OF THE PURCHASE PRICE OF THE PROPERTY. IF THE TOTAL DEPOSITS EXCEED THREE PERCENT (3%) OF THE TOTAL PRICE AND SELLER DECIDES TO NOT LIMIT THE LIQUIDATED DAMAGES TO THREE PERCENT (3%) OF THE PURCHASE PRICE, THEN, PURSUANT TO SECTION 1675(d) OF THE CALIFORNIA CIVIL CODE, SELLER MUST ESTABLISH THAT THE LIQUIDATED DAMAGES ARE REASONABLE AS LIQUIDATED DAMAGES SHOULD BUYER DELIVER AN OBJECTION NOTICE IN A TIMELY MANNER PURSUANT TO THIS PARAGRAPH 23.

c. RETENTION OF LIQUIDATED DAMAGES. LIQUIDATED DAMAGES SHALL BE REMITTED TO SELLER OR RETAINED BY SELLER ONLY IF ONE OF THE FOLLOWING APPLIES: (1) PURSUANT TO THE DETERMINATION OF A COURT OF LAW OR AN ARBITRATOR (AS APPLICABLE), (2) IF BUYER AND SELLER HAVE ENTERED INTO AN AGREEMENT WHICH PROVIDES FOR LIQUIDATED DAMAGES TO BE REMITTED TO OR RETAINED BY SELLER, OR (3) PURSUANT TO THE FOLLOWING PROCEDURES:

i. SELLER'S TERMINATION NOTICE. SELLER MAY GIVE WRITTEN NOTICE TO ESCROW HOLDER AND TO BUYER OF SELLER'S DETERMINATION THAT BUYER IS IN DEFAULT UNDER THIS AGREEMENT, AND DEMANDING THAT ESCROW HOLDER REMIT TO SELLER THE DEPOSITS HELD BY ESCROW HOLDER. SUCH WRITTEN NOTICE SHALL BE BY MEANS OF ANY OF THE FOLLOWING METHODS: (a) PERSONAL SERVICE, (b) ANY FORM OF MAIL (SUCH AS CERTIFIED MAIL) WHICH PROVIDES FOR A RETURN RECEIPT OR (c) SUBSTITUTED SERVICE IN ACCORDANCE WITH SECTION 415.20 OF THE CODE OF CIVIL PROCEDURE. UPON THE GIVING OF SUCH TERMINATION NOTICE, SELLER SHALL DEPOSIT INTO ESCROW ALL OF BUYER'S DEPOSITS HELD BY SELLER PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 11013.2(c) OR SECTION 11013.4(b).

ii. BUYER'S OBJECTION NOTICE. BUYER SHALL HAVE TWENTY (20) DAYS AFTER SELLER'S NOTICE IS DELIVERED PURSUANT TO SUBSECTION (i) ABOVE TO DELIVER WRITTEN NOTICE TO ESCROW HOLDER ("OBJECTION NOTICE") OBJECTING TO SELLER'S RIGHT TO RETAIN BUYER'S DEPOSITS OR RECEIVE BUYER'S DEPOSITS FROM ESCROW HOLDER AS LIQUIDATED DAMAGES. UNLESS BUYER GIVES AN OBJECTION NOTICE WITHIN SUCH TWENTY (20) DAY PERIOD, SELLER SHALL HAVE THE RIGHT TO RETAIN AS LIQUIDATED DAMAGES BUYER'S DEPOSITS PAID OUTSIDE OF ESCROW AND ESCROW HOLDER SHALL RELEASE TO SELLER AS LIQUIDATED DAMAGES ANY OF BUYER'S DEPOSITS HELD BY ESCROW HOLDER AND BUYER SHALL BE DEEMED TO HAVE WAIVED ITS RIGHT TO A DETERMINATION OF DEFAULT. BUYER SHALL BE DEEMED TO WAIVE ANY RIGHT TO PURCHASE THE PROPERTY OR OTHER INTEREST IN THE PROPERTY UNLESS AN OBJECTION NOTICE IS SO DELIVERED BY BUYER AND IN THE OBJECTION NOTICE BUYER SPECIFICALLY CLAIMS A CONTINUED RIGHT TO PURCHASE THE PROPERTY. ANY WRITTEN NOTICE DELIVERED BY BUYER PURSUANT TO THIS SUBSECTION SHALL BE BY MEANS OF EITHER OF THE FOLLOWING METHODS: (a) PERSONAL SERVICE OR (b) ANY FORM OF MAIL (SUCH AS CERTIFIED MAIL) WHICH PROVIDES FOR A RETURN RECEIPT.

iii. IF OBJECTION NOTICE IS GIVEN. UPON RECEIPT OF THE OBJECTION NOTICE, ESCROW HOLDER SHALL IMMEDIATELY NOTIFY SELLER IN WRITING AND THE CONTROVERSY REGARDING THE DISPOSITION OF FUNDS DEPOSITED BY BUYER AND ANY OTHER ISSUES RAISED BY BUYER SHALL BE SETTLED BY ANY COURT HAVING PROPER JURISDICTION; PROVIDED HOWEVER, ALL SUCH DISPUTES SHALL BE RESOLVED BY BINDING ARBITRATION IF BUYER AND SELLER HAVE INITIALED THE PARAGRAPH OF THIS AGREEMENT ENTITLED "ARBITRATION OF PRE-CLOSING DISPUTES". UNLESS A PARTY EXPRESSLY INSTRUCTS ESCROW HOLDER OTHERWISE, ESCROW HOLDER SHALL THEREAFTER CANCEL THE ESCROW. HOWEVER, ESCROW HOLDER SHALL RETAIN THE MONIES WHICH CONSTITUTE LIQUIDATED DAMAGES PENDING A DETERMINATION OF DEFAULT BY THE COURT OR ARBITRATOR, WHICHEVER IS APPLICABLE, SHOULD ESCROW HOLDER HOLD DEPOSITS. EACH PARTY WILL SIGN ESCROW CANCELLATION INSTRUCTIONS IF SO REQUESTED BY ESCROW HOLDER.

BY PLACING THEIR INITIALS HERE, BUYER AND SELLER AGREE TO THE LIQUIDATED DAMAGES PROVISIONS OF THIS PARAGRAPH 23:

BUYER'S INITIALS QWP BUYER'S INITIALS kp BUYER'S INITIALS _____ BUYER'S INITIALS _____
SELLER'S INITIALS pw SELLER'S INITIALS (DW)

24. ARBITRATION OF DISPUTES. ANY CONTROVERSY BETWEEN BUYER AND SELLER WHICH ARISES BEFORE CLOSE OF ESCROW, INCLUDING THE CONTROVERSY CREATED BY THE CONFLICTING NOTICES BY SELLER AND BUYER, AND THE DISPOSITION OF FUNDS HELD BY ESCROW HOLDER ("PRE-CLOSING DISPUTES"), SHALL BE SETTLED BY ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("AAA RULES"). ANY "POST-CLOSING DISPUTES" SHALL BE GOVERNED BY THE PROCEDURES SET FORTH IN THE ALTERNATIVE DISPUTE RESOLUTION ADDENDUM TO THIS AGREEMENT. THE FOLLOWING SUPPLEMENTAL RULES SHALL APPLY TO ALL ARBITRATION PROCEEDINGS RESPECTING PRE-CLOSING DISPUTES AND SHALL GOVERN IN THE EVENT OF A CONFLICT BETWEEN THE RULES SET FORTH BELOW AND THE AAA RULES.

Buyer's Initials QWP Buyer's Initials kp Buyer's Initials _____ Buyer's Initials _____

a. **SELLER TO ADVANCE FEES.** THE FEES NECESSARY TO INITIATE THE ARBITRATION SHALL BE ADVANCED BY SELLER, WITH COSTS AND FEES (INCLUDING ONGOING COSTS AND FEES) TO BE PAID AS AGREED BY THE PARTIES. IF THE PARTIES CANNOT AGREE ON THE PAYMENT OF SUCH COSTS AND FEES, ALL COSTS AND FEES OF ARBITRATION SHALL ULTIMATELY BE BORNE AS DETERMINED BY THE ARBITRATOR.

b. **IMPARTIAL ARBITRATOR.** A NEUTRAL AND IMPARTIAL INDIVIDUAL(S) SHALL BE APPOINTED TO SERVE AS ARBITRATOR(S) WITHIN A SPECIFIED PERIOD OF TIME, WHICH SHALL IN NO EVENT BE MORE THAN SIXTY (60) DAYS FROM THE ADMINISTRATOR'S RECEIPT OF A WRITTEN REQUEST FROM A PARTY TO ARBITRATE THE CLAIM OR DISPUTE. THE PROVISIONS OF SECTION 1297.121 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE SHALL APPLY TO THE SELECTION OF THE ARBITRATOR(S). AN ARBITRATOR MAY BE CHALLENGED FOR ANY OF THE GROUNDS LISTED IN SECTION 1297.121 OR 1297.124 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE.

c. **VENUE.** THE VENUE OF THE ARBITRATION SHALL BE IN THE COUNTY WHERE THE PROPERTY IS LOCATED UNLESS BUYER AND SELLER AGREE TO SOME OTHER LOCATION.

d. **DATE OF ARBITRATION.** THE ARBITRATION SHALL BE COMMENCED PROMPTLY AND TIMELY IN ACCORDANCE WITH THE RULES OF THE ARBITRATION. IF THE RULES OF THE ARBITRATION DO NOT SPECIFY A DATE BY WHICH THE ARBITRATION MUST COMMENCE, THEN IT SHALL COMMENCE ON A DATE AGREED TO BY THE PARTIES. IF THE PARTIES CANNOT AGREE ON AN ARBITRATION COMMENCEMENT DATE, IT SHALL COMMENCE ON A DATE DETERMINED BY THE ARBITRATOR(S).

e. **AAA RULES.** THE ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH RULES AND PROCEDURES WHICH ARE REASONABLE AND FAIR TO BUYER AND SELLER. THE AMERICAN ARBITRATION ASSOCIATION COMMERCIAL RULES OF ARBITRATION IN EFFECT AS OF THE DATE OF THIS AGREEMENT SHALL BE DEEMED IN COMPLIANCE WITH THIS REQUIREMENT.

f. **TIMELY ARBITRATION.** THE ARBITRATION SHALL CONCLUDE PROMPTLY AND TIMELY.

g. **AUTHORITY OF ARBITRATORS.** THE ARBITRATOR(S) ARE AUTHORIZED TO PROVIDE ALL RECOGNIZED REMEDIES AVAILABLE IN LAW OR EQUITY FOR ANY CAUSE OF ACTION THAT IS THE BASIS OF THE ARBITRATION.

h. **JUDGMENT UPON DECISION.** JUDGMENT UPON THE DECISION RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED INTO ANY COURT HAVING PROPER JURISDICTION.

i. **FEDERAL ARBITRATION ACT.** BUYER AND SELLER ACKNOWLEDGE THAT BECAUSE MANY OF THE MATERIALS AND PRODUCTS INCORPORATED INTO THE HOME ARE MANUFACTURED IN OTHER STATES, THE PURCHASE AGREEMENT EVIDENCES A TRANSACTION INVOLVING INTERSTATE COMMERCE AND THE FEDERAL ARBITRATION ACT (9 U.S.C. §1, ET SEQ.) NOW IN EFFECT AND AS IT MAY BE HEREAFTER AMENDED WILL GOVERN THE INTERPRETATION AND ENFORCEMENT OF THE ARBITRATION PROVISIONS OF THE PURCHASE AGREEMENT. NOTWITHSTANDING THE REFERENCES IN THE NEXT PARAGRAPH OR ELSEWHERE IN THIS AGREEMENT TO CALIFORNIA LAW AND THE CALIFORNIA CODE OF CIVIL PROCEDURE, IN THE EVENT OF ANY INCONSISTENCY BETWEEN CALIFORNIA LAW (INCLUDING THE CALIFORNIA CODE OF CIVIL PROCEDURE) AND THE FEDERAL ARBITRATION ACT, THE FEDERAL ARBITRATION ACT SHALL PREVAIL.

THE FOLLOWING NOTICE IS REQUIRED BY SECTION 1298 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE:

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

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

BUYER'S INITIALS DP BUYER'S INITIALS TP BUYER'S INITIALS _____ BUYER'S INITIALS _____
SELLER'S INITIALS fw SELLER'S INITIALS DN

Buyer's initials DP Buyer's Initials TP Buyer's Initials _____ Buyer's Initials _____

25. **Delivery of Possession.** Except as provided in this Agreement, possession of the Property shall be delivered to Buyer upon confirmation by Seller that escrow has closed and the deed by which the Property has been conveyed to Buyer has been recorded in the Office of the County Recorder of the county in which the Property is located.

26. **Destruction of the Property Prior To Close Of Escrow.** If the Property is destroyed or materially damaged (other than by Buyer's act or omission) prior to the close of escrow, and has not been rebuilt prior to the maximum escrow period stated in **Paragraph 22(a)** above, then, on demand by Seller or Buyer, all of Buyer's deposits shall be returned to Buyer within **fifteen (15) days** after the date of such demand, without deduction, and the parties shall have no further rights or obligation under this Agreement.

27. **Entry into Construction Areas and Indemnification.** Buyer shall not enter any construction area without a Construction Pass issued by Seller and Buyer acknowledges his or her understanding that no entry will be allowed prior to 3:30 P.M. on Monday through Friday. Entry will generally be allowed on Saturdays and Sundays from 10:00 A.M. to 5:00 P.M. Buyer acknowledges and agrees that if Buyer enters into the Property or other construction areas, with or without Seller's permission: (i) Buyer assumes all risks of any and all injuries (including death) to any person and/or damage to any property arising from or in any way related to Buyer's entry into the Property or other construction area; (ii) Buyer waives any and all claims of any kind or nature against Seller, Seller's subsidiaries and related entities, and all of their employees, officers, directors, shareholders, contractors, subcontractors, vendors, agents, representatives, consultants, and their respective successors and assigns (collectively, the "**Releasees**"); (iii) Buyer agrees to indemnify, defend and hold the Releasees free and harmless from and against any and all claims, injuries, losses, damages, costs, expenses and any other liability whatsoever (including attorney's fees) arising from or in any way related to Buyer's or Buyer's family or friends' entry onto the Property or other construction areas; and (iv) Buyer acknowledges that Seller strongly discourages Buyer from taking children onto the Property or other construction areas; however, if Buyer elects to take children into the construction areas, Buyer agrees to indemnify, defend and hold the Releasees free and harmless from and against any and all claims, injuries, losses, damages, costs, expenses and any other liability whatsoever (including attorney's fees) arising from or in any way related to any injury (including death) to such child.

28. **Right of Entry.** Buyer shall permit Seller to enter onto the Property upon reasonable notice during normal business hours after the close of escrow if any corrective or additional work is required by any governmental agency, is specified on Buyer's and Seller's joint inspection corrective list described in **Paragraph 19** above, or is required under the limited warranties given by Seller for the Property.

29. **Escrow Provisions.**

a. **Opening of Escrow.** Seller and Buyer agree to use Escrow Holder as the escrow agent for the purchase and sale of the Property. Escrow shall be deemed opened with Escrow Holder upon Seller's delivery to Escrow Holder of a fully executed copy of this Agreement. This Agreement, together with Escrow Holder's standard form printed general escrow provisions attached hereto as **Addendum "B"** shall constitute the complete escrow instructions to Escrow Holder. In the event of a conflict between Escrow Holder's standard form printed general escrow provisions and this Agreement, this Agreement shall control.

b. **Delivery of Grant Deed.** Seller shall deliver to Escrow Holder on or before the Closing Date a duly executed Grant Deed in recordable form sufficient to convey good title to the Property to Buyer, subject to the matters referenced in **Paragraph 11** of this Agreement.

c. **Conditions to Close of Escrow.** Upon the performance of each of their respective obligations stated in this Agreement which are to be performed prior to the close of escrow, and in addition to all other conditions stated in this Agreement, escrow shall not close until all of the following conditions are satisfied:

i. **Title Insurance.** Escrow shall not close until receipt by Escrow Holder of written advice by Title Company that it will issue, in the sole discretion of Seller, either a standard form CLTA or ALTA residential title insurance policy (with Western Regional Exceptions) in favor of Buyer and the Lender with liability equal to the Purchase Price insuring that title to the Property is vested in Buyer, subject to the matters referenced in **Paragraph 11** above;

ii. **Blanket Encumbrance.** The escrow shall not close, funds shall not be released from escrow, and title shall not be conveyed to Buyer until any and all blanket encumbrances (as defined in Business and Professions Code Sections 11013 and 11013.1) encumbering the Property have been released in compliance with Business and Professions Code Section 11013.2(a); provided that, in lieu of such a release from the lien or charge of a deed of trust, all of the following conditions shall have been met: (A) the holder of the Deed of Trust has executed a release agreement per Department of Real Estate Regulation 2791(b)(2)(A); (B) said agreement has been deposited with Escrow Holder and Buyer is notified that it is available upon request; (C) each Buyer is provided with a policy of title insurance against loss by reason of the Deed of Trust; and (D) legal title is conveyed to Buyer;

iii. **Mechanic's Liens.** Escrow shall not close until the statutory period for the recordation of mechanic's liens against the Property have expired or Buyer's policy of title insurance shall include an endorsement or other coverage insuring Buyer against unrecorded mechanic's liens;

iv. **Satisfaction of Conditions for Common Interest Development.** If the Property is located in a Common Interest Development as noted on page 1, escrow shall not close until satisfaction of the Conditions to Close of Escrow set forth in the Common Interest Development Addendum attached hereto as **Addendum "A"**.

Buyer's Initials *JWP* Buyer's Initials *JK* Buyer's Initials _____ Buyer's Initials _____

d. Closing Costs, Prepaid Expenses and Impounds. Regardless of the amount of estimated closing costs stated in this Agreement, Buyer agrees to deposit into escrow not later than **three (3) days** prior to the Closing Date, in immediately available funds, and to pay at the close of escrow, the actual costs of the following: (i) all escrow fees and related charges of Escrow Holder, including, without limitation, Escrow Holder's document preparation fees, messenger expenses, express mail charges, bank wire charges and any other costs incurred by Escrow Holder necessary to complete this transaction; (ii) a prorated portion of all real property taxes, special taxes and assessments for the applicable fiscal year; (iii) a prorated portion of any homeowner association assessments, any capital contributions and homeowner association transfer fees; (iv) all prepaid expenses, including, without limitation, extended coverage fire and hazard insurance, if any; (v) all fees for recording the conveying the Property to Buyer; (vi) all charges set forth in the Lender's instructions, including, without limitation, the Lender's title insurance policy and all costs of any extended coverage, prepaid interest, credit report fee, appraisal fee, tax service fee, loan origination fee, processing fee, funding fee, initial mortgage insurance premium, if required, initial impounds, if required, all County and/or City recording fees for the Lender's deed of trust, and notary fees; (vii) the premium for Buyer's CLTA or ALTA Owners policy of title insurance if payment of such premium by Buyer is the customary practice in the County in which the Property is located; Seller shall pay the premium for the Owners title policy if it is the customary practice in the County where the Property is located for sellers do so; (viii) up to \$35.00 of the costs of a Property Disclosure Report (see **Paragraph 20(t)** above) ordered by Seller for the Property; Seller shall pay the cost of any Property Disclosure Report in excess of \$35.00; and (ix) Buyer shall pay all other expenses, impounds and closing costs not expressly payable by Seller under the terms of this Agreement. The estimated total amount of such closing costs, prepaid expenses and impounds is stated in this Agreement. If the actual amount of closing costs, prepaid expenses and impounds exceeds the estimate indicated in this Agreement, upon receipt of notification of the actual amount, Buyer shall immediately deposit with Escrow Holder the additional funds required. Notwithstanding the above, if Buyer is obtaining a VA loan, the amount deposited by Buyer under this Paragraph shall not exceed the amounts permitted by applicable regulations of the VA. Any documentary transfer tax levied by the City or County upon the transfer of title to the Property to Buyer shall be allocated to Buyer or Seller based on the custom in the County where the Property is located.

e. Third Party Charges against Deposits. In the event of cancellation of this Agreement for any reason other than cancellation pursuant to **Paragraph 22(a) or Paragraph 26**, Buyer hereby authorizes Escrow Holder and/or Seller, as the case may be, to pay from Buyer's deposits under this Agreement, all charges and fees due from Buyer to the appropriate third parties who have provided the following services at the following estimated costs: (i) credit reports: \$50 each; (ii) escrow services: \$400; (iii) preliminary title reports: \$50; (iv) appraisals: \$ 400; (v) loan processing services: \$400; (vi) blue book fees: \$250; and (vii) copying charges for homeowners association documents: \$250.

BUYER'S INITIALS JP BUYER'S INITIALS NO BUYER'S INITIALS _____ BUYER'S INITIALS _____
 SELLER'S INITIALS JP SELLER'S INITIALS DW

f. Prorations. All prorations or adjustments to be made shall be made as of the close of escrow on the basis of a thirty (30) day calendar month. Taxes will be prorated by Escrow Holder on the best figures available from the County Tax Collector and/or Seller. The parties acknowledge that the Property may not be separately assessed from other lots/units within the project and, in such event, tax figures shall be computed on a proportionate basis each lot/unit bears to the total Property based on information supplied by Seller. The parties further acknowledge that during the period of July 1st until the annual tax bills are issued, taxes may be estimated by the Seller in accordance with the most recently ascertainable tax bill or assessment and Escrow Holder is authorized to use the figures so provided by Seller without further approval and prorate accordingly, including credit to Seller, if prepaid. The Property will be subject to reassessment following the close of escrow by the County Tax Assessor and such reassessments occurring subsequent to the close of escrow will result in a supplemental tax bill and Buyer is solely responsible for the payment of such supplemental tax bill. Neither Seller nor Escrow Holder has any obligation for the payment of such supplemental tax bill.

g. No Withholding. Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor (i.e., Seller) is a foreign person. Similarly, Sections 18662 and 18668 of the California Revenue and Taxation Code provide that a transferee of a California real property interest must withhold tax if the funds from the transferee are to be disbursed either to a transferor with a last known address outside of the State of California or to the financial intermediary of the transferor, if the transferor is a non-resident of California. To inform Buyer that withholding of tax is not required in connection with this transaction, Seller certifies that (a) Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate, and (b) Seller's known street address and its principal place of business are both within the State of California. Buyer and Seller acknowledge that Escrow Holder has hereby provided notice of these provisions, and, in light of the representations of Seller made herein, that Escrow Holder will take no action regarding the withholding.

30. **General Escrow Provisions.** Escrow Holder's general provisions set forth on **Addendum "B"** are incorporated in this Agreement.

31. **Proposition 65 Disclosure.** Materials included in the construction of this house may contain chemicals known to the State of California to cause cancer or birth defects. For example, formaldehyde, a substance known to cause cancer. Further information may be obtained from the Seller. The following information is intended to explain the warning furnished by Seller of this home for exposures to formaldehyde a substance known to the State of California to cause cancer. The exposures are caused by materials of which the house is or will be built.

Buyer's Initials JP Buyer's Initials NO Buyer's Initials _____ Buyer's Initials _____

The United States Environmental Protection Agency, the California Air Resources Board, and other agencies have measured the presence of formaldehyde in the indoor air of homes in California. Levels of formaldehyde that present a significant cancer risk have been measured in most homes. Formaldehyde is present in the air because it is emitted by a variety of building materials and home products purchased by Seller from materials suppliers. These materials include carpeting, pressed wood products, insulation, plastics, and glues.

This home, if constructed prior to entering into this Agreement, has not been tested, and if constructed after entering into this Agreement, will not be tested. Given the cost of testing, it is not feasible to test every home to ascertain the level of formaldehyde present. Most homes that have been tested elsewhere do contain formaldehyde, although the concentrations vary from home to home with no obvious explanation for the differences. One of the problems is that many suppliers of building materials and home products do not provide information on chemical ingredients to builders. In the absence of specific information on these homes, and in light of the materials used in their construction, Seller believes that a warning is necessary.

Buyer may have further questions about these issues. Seller is willing to share any further information Seller has obtained and will provide upon request a list of known suppliers which may be contacted for further information, and whether any inquiry has been made by Seller.

32. General Provisions.

a. Severability. In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Agreement, and the remaining parts of this Agreement shall remain in full force and effect.

b. Broker's Commission. All fees, commissions and other amounts due or payable in connection with the sale of the Property to the sales agents and representatives who are appointed by Seller shall be paid by Seller. Seller shall not have any obligation to pay any fees, commissions or other amounts to any other broker, sales agent or finder unless expressly set forth in writing and signed by Seller. Each party agrees to indemnify, defend and hold harmless the other from and against any and all costs, liabilities, losses, damages, claims, causes of action or proceedings which may result from any broker, sales agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in connection with this transaction.

c. No Waiver. The waiver by Seller of any term or provision of this Agreement shall not be construed as a waiver of any other term or provision of this Agreement, or of any subsequent performance required under this Agreement.

d. Notices. Unless specifically stated otherwise in this Agreement, all notices, instructions, demands and other communications given hereunder shall be set forth in writing and shall be personally served or delivered by facsimile or by United States Mail, registered or certified, return receipt requested, postage prepaid, addressed to the party's and/or Escrow Holder's designated address set forth on the signature page of this Agreement. All such written notices, instructions, demands and other communications shall be deemed delivered upon personal delivery, delivery by facsimile, or **three (3) days** after deposit in the United States Mail. Delivery shall be to Seller's and Buyer's designated address indicated in this Agreement. If Escrow Holder has attempted to deliver a notice and Buyer and/or Seller refuses to accept same, such party shall be deemed to have received such notice.

e. Counterparts. This Agreement may be signed in one or more counterparts, each of which independently shall have the same effect as if it were the original, and all of which together shall constitute one and the same Agreement.

f. Survival. All obligations referred to herein to be performed at a time or times after the close of escrow, all provisions hereof relating to a time after the close of escrow, and all representations and acknowledgments contained herein, shall survive the close of escrow and the delivery of Seller's grant deed.

g. Definitions. The term "**party**" or "**parties**" shall mean Buyer and/or Seller, as the context may require. The term "**escrow**" shall mean the escrow created under this Agreement, and "**close of escrow**", "**closing of the escrow**" and similar terminology shall refer to recordation of Seller's grant deed in the Official Records of the County in which the Property is located. The term "**days**" shall mean calendar days, unless otherwise indicated to mean business days. The use herein of (i) the neuter or male gender includes the masculine and the feminine as appropriate and (ii) the singular number includes the plural as appropriate. Captions in this Agreement are inserted for convenience of reference only and do not define, describe or limit the scope or intent of this Agreement or any of the terms hereof. Any box checked or otherwise marked to indicate its applicability to a particular provision shall designate that such provision is incorporated into this Agreement. This Agreement shall be construed and any ambiguities contained herein shall be resolved equally as between the parties, and not against the party responsible for the preparation of this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

h. No Recordation. Neither this Agreement, nor any reference thereto, nor any short form or memorandum thereof shall be recorded in the office of any County Recorder.

i. Entire Agreement. This Agreement (including all Addenda to this Agreement) contains the entire agreement between the parties and the entire escrow between Escrow Holder and the parties hereto. All prior statements and representations, if any, whether oral or written, are hereby superseded by this Agreement. The terms of this Agreement may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. Buyer and

Buyer's Initials *JP* Buyer's Initials *JP* Buyer's Initials _____ Buyer's Initials _____

JP

Seller further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any arbitration or other legal proceedings, if any, involving this Agreement. **No addition or modification of any terms of this Agreement shall be effective unless set forth in writing and signed by Buyer and by an authorized officer of Seller. No sales agent or representative of Seller has authority to modify the terms of this Agreement.**

j. Offer and Acceptance. Buyer acknowledges that Buyer has carefully read and understands each and every provision of this Agreement. By execution of this Agreement, Buyer acknowledges his informed and voluntary consent hereto, and Buyer agrees that the provisions of this Agreement are commercially reasonable and effectuate the intent of the parties with respect to the Property. Buyer acknowledges that he has had sufficient opportunity to consult with his or her legal counsel with respect to this Agreement. Execution of this Agreement by Buyer and by Seller's sales agent or representative shall constitute only an offer to purchase, which shall not be binding unless accepted by Seller, as evidenced by the execution of this Agreement by a duly authorized officer of Seller, and Seller reserves the right to refuse to accept such offer for any reason whatsoever, at its sole and absolute discretion. Buyer acknowledges that Seller's sales agents and representatives are not authorized to accept this offer and that receipt of Buyer's deposit by Seller's sales agent or representative shall not constitute an acceptance of this offer by Seller. Seller, or Seller's sales agent or representative, may hold Buyer's deposit check uncashed until such time as Seller accepts this offer. If Seller fails or refuses to accept such offer, all funds deposited by Buyer shall be promptly refunded to Buyer.

k. No Representations. **BUYER ACKNOWLEDGES AND AGREES THAT NO REPRESENTATION OR PROMISE THAT IS NOT SET FORTH IN THIS AGREEMENT, THE DECLARATION OR A DISCLOSURE STATEMENT EXECUTED BY SELLER HAS BEEN MADE TO BUYER BY ANY EMPLOYEE, SALES AGENT OR REPRESENTATIVE OF SELLER UPON WHICH BUYER IS RELYING IN CONNECTION WITH THE PURCHASE OF THE PROPERTY.**

l. Buyer Sole Remedy Regarding Disclosures. Seller may in good faith after acceptance of this Agreement provide additional disclosures or correct disclosures regarding this sale, the Project or nearby areas. Should any such additional or corrected disclosure be material to Buyer's decision to purchase, Buyer may, prior to close of escrow, terminate this Agreement and receive a refund of his or her deposit, provided Buyer gives Seller written notice of termination within **three (3) days** after delivery in person, by facsimile, or **five (5) days** after mailing, of such additional or corrected disclosure. This remedy shall be Buyer's sole remedy and Buyer waives any other claim provided Seller acted in good faith. Buyer acknowledges that in entering into this Agreement, Seller has relied on Buyer's agreement that Buyer will pursue no other claim, action, or remedy (e.g., a lawsuit for negligent misrepresentation or negligent failure to disclose) against Seller arising out of any such good faith additional or corrected disclosure. Should Buyer decide to close escrow, doing so shall evidence that Buyer did not deem the additional or corrected disclosure to be material and that Buyer has waived any claim against Seller regarding such additional or corrected disclosure.

Buyer's Initials QJP Buyer's Initials XQ Buyer's Initials _____ Buyer's Initials _____

TIME IS OF THE ESSENCE OF THIS AGREEMENT AND FAILURE OF BUYER TO PERFORM WITHIN THE TIME LIMITS DESCRIBED ABOVE WILL ALLOW SELLER TO TERMINATE THIS AGREEMENT.

BUYER'S INITIALS QWP BUYER'S INITIALS tp BUYER'S INITIALS _____ BUYER'S INITIALS _____

IN WITNESS WHEREOF, the parties have executed this Agreement and make it effective as of the Date of Seller's Acceptance indicated below.

AGENT'S RECEIPT FOR BUYER'S "PURCHASE DEPOSIT" (AGENT'S SIGNATURE DOES NOT CONSTITUTE SELLER'S SIGNATURE OR ACCEPTANCE OF THIS AGREEMENT)

Date: 1/5, 2013 _____
(Sales Agent's Signature)

BUYER'S OFFER TO PURCHASE

"BUYER" QWP BUYER'S PHONE NUMBERS _____
(Signature) (Home) _____
tp (Signature) (Home) _____

(Signature) (Home) () (Work) () Ext _____

(Signature) (Home) () (Work) () Ext _____

Date: January 5, 2013 (Buyer's Fax No.) () _____

BUYER'S DESIGNATED ADDRESS

4070 Kansas St # 312
(Street Address, No. P.O. Boxes)

San Diego CA 92104
(City, State and Zip Code)

"SELLER"

McMillin Indigo II, LLC,
a Delaware limited liability company
By: McMillin Real Estate Services, L.P.
a California limited partnership
Its: Administrative Manager
By: MCM Real Estate Group, Inc
a California corporation
Its General Partner

By: KWald
Name: _____
Position: _____

Phone: (619) _____
FAX: (619) _____

Acceptance Date: 1/7, 2013

SELLER'S DESIGNATED ADDRESS

2750 Womble Road
(Street Address, No. P.O. Boxes)

San Diego, CA 92106
(City, State and Zip Code)

"ESCROW HOLDER"

By _____
(Authorized Representative)
_____, 20____
(Date Received in Escrow)

THIS ESCROW COMPANY IS LICENSED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS OR CALIFORNIA DEPARTMENT OF INSURANCE (PLEASE CIRCLE ONE) UNDER LICENSE NO. _____

Buyer's Initials QWP Buyer's Initials tp Buyer's Initials _____ Buyer's Initials _____

ADDENDUM "A"

COMMON INTEREST DEVELOPMENT ADDENDUM

PROJECT Indigo II LOT/UNIT NO. 43 TRACT NO. 15105
PHASE NO. 12 BUYER'S NAME Perleins (Print Buyer's Last Name)

This Addendum supplements that certain Joint Purchase Agreement and Escrow Instructions dated January 5, 2013 by and between Seller and Buyer ("Agreement") regarding the purchase by Buyer of the Property described in the Agreement.

The Property is located in a "Common Interest Development" (as defined in California Civil Code Section 1351(c)), and is subject to the following association(s) and "Project Documents":

Check One

A Planned Development with one Association

The Association is commonly known as Village of Vista Verde, Master Association (Name of Association) ("Association"), and the Property is subject to the following Project Documents:

The Articles of Incorporation and Bylaws of the Association; A declaration of covenants, conditions and restrictions; (and, if applicable, an amendment or supplement thereto; and if applicable, a Notice of Annexation; and, if applicable, an amendment thereto).

A Planned Development with two Associations

The Master Association is commonly known as (Name of Association) ("Master Association") and the Property is subject to the following Project Documents:

The Articles of Incorporation and Bylaws of the Master Association; A declaration of covenants, conditions and restrictions; (and, if applicable, an amendment or supplement thereto; and if applicable, a Notice of Annexation; and, if applicable, an amendment thereto).

A Sub-Association commonly known as (Name of Association) ("Sub-Association") and the Property is subject to the following additional Project Documents:

The Articles of Incorporation and Bylaws of the Sub-Association; A declaration of covenants, conditions and restrictions; (and, if applicable, an amendment or supplement thereto; and if applicable, a Notice of Annexation; and, if applicable, an amendment thereto).

Additional Association

The Additional Association is commonly known as (Name of Association) and the Property is subject to the following Project Documents:

The Articles of Incorporation and Bylaws of the Additional Association; A declaration of covenants, conditions and restrictions (and, if applicable, an amendment or supplement thereto; and if applicable, a Notice of Annexation; and, if applicable, an amendment thereto).

1. Membership in the Association(s). Buyer understands and agrees that upon the recordation of the conveying the Property to Buyer, Buyer will automatically become a "Member" of the applicable Association(s) referenced above. Buyer shall be deemed to have agreed to and shall be entitled to exercise all of the rights (including, but not limited to, voting rights in such Association(s)), and to perform all of the obligations (including, but not limited to, the payment of Assessments) of a Member, all as more particularly set forth in the applicable Project Documents referenced above.

2. Approval of Project Documents. Buyer acknowledges having read and approved the Final Subdivision Public Report issued by the California Department of Real Estate ("DRE") for the Property. Additionally, Buyer hereby acknowledges having received from Seller or Escrow Holder a copy of each of the applicable Project Documents, a statement from the applicable Association(s) setting forth any delinquent assessments and related charges levied by such Association pertaining to the Property, and a current financial statement and related statements for the applicable Association(s), if available.

Buyer's Initials [Signature] Buyer's Initials [Signature] Buyer's Initials Buyer's Initials

[Handwritten mark]

3. **Association Dues.** Buyer acknowledges that by reason of Buyer's membership in the Association(s), commencing as of the close of escrow, Buyer is obligated to pay the Assessments levied by such Association(s). The current monthly installment of Regular Assessment levied by the applicable Association(s) is/are estimated to be:

Village of Vista Verde, Master Association (\$ 145.00¹³⁵), and
(Name of Association) (Monthly dues)
_____, and
(Name of Association) (Monthly dues)
_____, and
(Name of Association) (Monthly dues)

Escrow Holder shall prorate the monthly installment of Regular Assessments between Buyer and Seller as of the close of escrow based upon the latest information available to Escrow Holder.

4. **Working Capital Contribution.** If required by a Declaration or by the Federal National Mortgage Association, Escrow Holder is directed to collect from Buyer the sums required by the respective Declarations as an initial working capital fund for the applicable Association(s). Buyer acknowledges that this amount does not constitute advance payment by Buyer of Regular Assessments levied by such Association. Escrow Holder is directed to remit the amount collected to the respective Association upon the close of escrow. Check here if applicable and indicate to which Association(s) capital contributions apply: _____

5. **Conditions Precedent to Close.** Buyer acknowledges that the Escrow for the purchase of the Property shall not close, no funds shall be released from Escrow (except for third party disbursements, upon default by Buyer or upon cancellation of Escrow, as provided in the Agreement) and title to the Property shall not be conveyed to Buyer until all of the following conditions precedent have been satisfied:

a. **Subordination of Lien to Declaration.** Escrow Holder has received written notice from the Title Company that all monetary encumbrances of record (including, deeds of trust and mortgages) encumbering the Project (other than general and special taxes and assessments) are subordinate to the above-referenced Declaration(s);

b. **Notices of Completion.** A Notice of Completion, as defined in Civil Code Section 3093, has been recorded covering all of the common areas and improvements constructed thereon in the phase of development in which the Property is located, or Seller has posted a bond or other security in a form and amount acceptable to the DRE to assure lien-free completion of all such common area improvements and Escrow Holder has received RE Form 621A signed by the DRE, and a Notice of Completion has been recorded on the Property to be conveyed to Buyer;

c. **Mechanics' Liens.** The statutory period for the recordation of mechanics' liens on the Property has expired, or Buyer will be provided, at Seller's expense, with a policy of title insurance insuring Buyer against all unrecorded mechanics' liens;

d. **Blanket Encumbrances.** "Proper releases", as defined in DRE Regulation 2791.1, have been obtained from any and all "blanket encumbrances", as defined in Business and Professions Code Section 11013; provided, however, escrow may close, funds may be released, and title may be conveyed even though no proper release has been obtained from the lien or charge of one or more deeds of trust if the Buyer is notified that a "release agreement", as defined in Department of Real Estate Regulation 2791.1, duly deposited with Escrow Holder, is available to the Buyer on request for each such deed of trust and the Buyer has been provided a policy of title insurance insuring the Buyer against loss by reason of each such deed of trust;

e. **Maintenance Assessment Bond.** In compliance with DRE Regulation 2792.9(a)(2), prior to the first close of an escrow for the sale of a lot in the phase of development in which the Property is located, Seller has obtained a Maintenance Assessment Bond in favor of the applicable Association(s) in an amount equal to six (6) monthly installments of the Regular Assessments levied by the applicable Association(s) for each Lot in this phase of development, and has deposited said Bond(s), together with a copy of Real Estate Form 643, executed by both Seller and Escrow Holder, with Escrow Holder, who shall not release said Bond(s) until (a) escrows have closed on eighty percent (80%) of all Lots in the phase of development in which the Property is located; and (b) Escrow Holder has received a certified copy of a resolution of the Board of Directors of the applicable Association(s), adopted not less than **thirty (30) days** prior to its receipt, stating that Seller is not delinquent in the payment of any Assessments for which Seller is obligated; and

f. **Common Area.** Title to any common area in the phase of development in which the Property is located, if applicable, has been conveyed by Seller to the applicable Association(s) free and clear of any blanket encumbrances, and the statutory period for recordation of all mechanics' lien claims has expired, or the applicable Association(s) will be provided at Seller's expense, with a policy of title insurance insuring the applicable Association(s) against unrecorded mechanics' liens.

6. **Insurance.** Escrow Holder shall order insurance on subject property in the form and in the amounts as required by Lender and pay premium(s) for same through this escrow. If the property is attached housing where there is a master insurance policy in effect, Escrow Holder shall obtain Insurance Certificate on said Master Policy acceptable to Lender. MASTER INSURANCE POLICIES DO NOT COVER MANY ITEMS COVERED BY A HOMEOWNERS POLICY AND BUYER MAY WISH TO INCREASE OR EXPAND THE COVERAGE OF A MASTER POLICY (IF ANY).

Buyer's Initials QMP Buyer's Initials TP Buyer's Initials _____ Buyer's Initials _____

Handwritten initials

ADDENDUM "B"

ESCROW HOLDER'S GENERAL ESCROW INSTRUCTIONS AND CONDITIONS

PROJECT Indigo II LOT/UNIT NO. 43 TRACT NO. 15105
PHASE NO. 12 BUYER'S NAME Perkins (Print Buyer's Last Name)

This Addendum supplements that certain Joint Purchase Agreement and Escrow Instructions dated January 5, 2013 by and between Seller and Buyer ("Agreement") regarding the purchase by Buyer of the Property described in the Agreement. All references to "you" or "your" herein are to Escrow Holder.

1. Escrow Holder is instructed to deposit all funds received by you with any state or national bank, state or federal savings bank, or state or federal savings and loan association, in a trust account in the name of Escrow Holder, without any liability for payment of interest. The funds may be withdrawn by you and disbursed according to the instructions of the parties. The initial deposits, including option deposits, made by personal check, cashier's check, certified check or deposit other than cash or wire transfer are subject to clearance and payment by financial institution on which drawn. All funds to be delivered by Buyer at close of escrow shall be made by wire transfer only. All disbursements are to be made by check of Escrow Holder from the trust account. Neither you nor any of your employees will identify any payee or guarantee signatures of any person or entity at any financial institution. Funds deposited into escrow in the form of a check, draft, or similar instrument will be identified as collected funds when the Escrow Holder's financial institution confirms that the funds are available for disbursement.

2. Your duty is to act as Escrow Holder only and does not commence and escrow shall not be deemed opened until mutual escrow instructions signed by all parties are received by you. Until mutually executed escrow instructions are received, either party may unilaterally revoke these instructions by written request delivered to you and may withdraw any funds, instruments, documents or items previously handed you.

3. All prorrations and adjustments are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing by all parties. For proration purposes, the Buyer will have ownership of the real property which is the subject of this escrow for the entire day, regardless of the hour of recording. The "close of escrow" with reference to prorrations, adjustments and all purpose in this escrow shall be the day the instruments of conveyance are recorded or filed with the county recorder.

4. Any funds disbursed during or on the close of escrow will be issued jointly to the parties designated as payees unless you are instructed otherwise in writing by all designated payees. The funds representing loan and/or sale proceeds will be disbursed jointly to all persons who were the record owners of the real property which is the subject of the escrow. All disbursements of funds and/or delivery of other documents or instruments concerning this escrow will be mailed to the entitled parties by regular first-class mail, postage prepaid, at their respective addresses shown on file. However, at your discretion, you may send funds and/or other instruments or documents by certified or registered mail, federal express, messenger or facsimile machine, in which case the party for whom the delivery was made agrees to pay the costs. The provisions of this paragraph include, but are not limited to, requests for demand statements, requests for beneficiary statements, requests for homeowners' association statements or any other requests as you may deem necessary for the timely closing of this escrow. You are to instruct the county recorder to mail recorded documents to the entitled parties at their respective addresses. You are to instruct the title company to mail the title policy(s) to the Lender(s) or Buyer(s) as appropriate.

5. You are to immediately open an order with the title company and request a preliminary (title) report concerning the subject property, regardless of the consummation of this escrow.

6. In addition to other costs and charges set forth in escrow instructions, Seller agrees to pay on demand, whether or not this escrow closes, all expenses and charges incurred by you on Seller's behalf, including, but not limited to, charges for preliminary title reports, title commitments, policies of title insurance, beneficiary statement, beneficiary demands, offset statements, documentary transfer tax stamps, preparation of, notarizing and recording of documents necessary in Seller's behalf, one-half (1/2) of sub-escrow fee, Seller's escrow fee and other costs as charged. In addition to other costs and charges set forth in these escrow instructions, Buyer agrees to pay on demand, whether or not this escrow closes, all expenses and charges incurred by you on Buyer's behalf, including, but not limited to, recording fees, preparation of, notarizing and recording trust deed(s) and other documents on Buyer's behalf, new loan charges, existing loan assumption transfer fees, one-half (1/2) of sub-escrow fees, lender's policy of title insurance, fire insurance premiums, homeowner's association transfer fee, Buyer's escrow fee and other costs as charged.

7. Notwithstanding any provisions to the contrary contained in these escrow instructions or supplements or amendments, Escrow Holder shall not be responsible for the sufficiency, validity or correctness of any signature of any principle to this escrow or any third party to this escrow, nor for the sufficiency or correctness as to form, manner of execution or validity of any documents deposited in this escrow, nor as to the identity, authority, or right of any persons executing the same, either as documents of record or those handled in this escrow. Should the parties desire that you verify the signatures on the instructions authorizing the payment of any escrow fee computed at two times your regular escrow fee and will deliver separate written escrow instructions specifically instructing you to do so.

Buyer's Initials [Signature] Buyer's Initials [Signature] Buyer's Initials Buyer's Initials

[Handwritten mark]

8. You shall not be responsible for the following: (1) the sufficiency or correctness as to form, manner of execution or validity of any documents deposited in this escrow; (2) the identity, authority, or right of any person executing the same, either as to documents of record or those handled in this escrow; or (3) the failure of any party to comply with any of the provisions of any agreement, contract or other instrument filed or deposited in this escrow or referred to in these escrow instructions. Your duties shall be limited to the safekeeping of money and documents received by you as Escrow Holder and for the disposition in compliance with the written instructions accepted by you in this escrow. You shall not be required to take any action regarding the collection, maturity, or apparent outlaw of any obligations deposited with you unless otherwise instructed in writing.

9. Where the assignment of any insurance policy from Seller to Buyer is concerned, Seller guarantees to you any insurance policy handed you in this escrow is a policy in force, the policy has not been hypothecated and that all necessary premiums have been paid. You are authorized to execute on behalf of the parties assignments of interest in any insurance policy (other than title insurance policies) called for in this escrow, you are authorized to transmit for assignment any insurance policy to the insurance agent requesting that the insurer consent to such assignment, to request that a loss payee clause or such other endorsements as may be entitled party(ies). You shall not be responsible for verifying the acceptance of the request for assignment and policy of insurance by the insurance company. The parties mutually agree that you will make no attempt to verify the receipt of the request for assignment by the issuing insurance company. All parties are placed on notice that if the insurance company should fail to receive the assignment, the issuing company may deny coverage for any loss suffered by Buyer. It is the obligation of the insured or the insured's representative to verify the issuing company's acceptance of the assignment of the policy.

10. You are not to be held responsible in any way whatsoever for any personal property tax which may be assessed against any former or present owner of the subject property described in these escrow instructions, nor for the corporation or license tax of any corporation as a former or present owner.

11. If it is necessary, proper or convenient for the consummation of this escrow, you are authorized to deposit or have deposited funds or documents, or both, handed you under these escrow instructions with any duly authorized sub-escrow agent, including, but not limited to, any bank, trust company, title insurance company, title company, savings and loan association, or licensed escrow agent, subject to your order at or before close of escrow in connection with closing this escrow. Any such deposit shall be deemed a deposit under the meaning of these escrow instructions.

12. The parties to this escrow have satisfied themselves outside of escrow that the transaction covered by this escrow is not in violation of the Subdivision Map Act or any law regulating land division, zoning ordinances or building restrictions which may affect the land or improvements that are the subject of this escrow, You, as Escrow Holder, are relieved of all responsibility and liability in connection with such laws, ordinances, restrictions or regulations and are not to be concerned with any of their enforcement.

13. Escrow Holder acknowledges that the Joint Purchase Agreement and Escrow Instructions by and between Buyer and Seller ("Purchase Agreement") to which this Addendum is attached, contains additional instructions to Escrow Holder. Your duty is to comply with the escrow instructions set forth in the Purchase Agreement in addition to the instructions contained in this Addendum. You are also authorized to deliver a copy of the Purchase Agreement, including this Addendum, to the applicable lender(s) in connection with any loan transaction.

14. You are not to be concerned with the giving of any disclosures required by federal or state law, including, but not limited to, Real Estate Settlement Procedures Act, Regulation Z -Truth-in-Lending, condition of the subject property or other warnings, or any other warranties, express or implied.

15. Except as set forth in Paragraph 16 below, you shall not be responsible and you are released from and shall have no liability, obligation or responsibility with respect to withholding of funds under Section 1445 of the Internal Revenue Code of 1954, as amended, commonly known as the Foreign Investment in Real Property Tax Act ("FIRPTA") or the California FIRPTA under Section 18662, et seq. of the California Revenue & Taxation Code ("CAL-FIRPTA"). Advice about FIRPTA and CAL-FIRPTA its requirements, a determination whether the Seller/transferor is a foreign person, as defined, or obtaining a nonforeign affidavit or exemption from withholding or other information concerning compliance or non-compliance will not be given to the parties by the Escrow Holder. The parties are advised to seek independent legal, financial and tax counsel from their respective legal, financial and tax advisors.

16. The parties are aware that California law effective January 1, 2003 requires you to withhold a sum equal to 3-1/3% of the sales price under certain conditions where Seller does or does not reside in the State of California or funds are transmitted outside of California. The parties agree to prepare and deposit such other and further documents or instruments as are necessary for you to comply with this instruction and California State law. The parties herewith acknowledge receipt of the Notification of the California Franchise Tax Board embodying the California state law commonly known as CAL-FIRPTA as stated in California Revenue and Taxation Code Section 18662.

17. You are authorized to deliver copies of all escrow instructions, supplements and amendments, estimated and final closing statements, preliminary title reports, and notices of cancellation, if any, to the real estate broker(s), real estate sales agent(s), Lender(s), Lender's agent(s) and/or attorneys(s) for the parties, upon the parties' oral or written request. You shall not incur any liability to the parties for delivery of the copies.

18. You shall make no physical inspection of the real property or personal property described in any instrument deposited in or which is the subject of this escrow. You have made no representations or warranties concerning any such

Buyer's Initials *JP* Buyer's Initials *to* Buyer's Initials _____ Buyer's Initials _____

real property or personal property and are not to be concerned with nor liable for the condition of real property or personal property.

19. The parties authorize the recordation of any instrument delivered through this escrow if necessary or proper for the issuance of the required policy of title insurance or for the closing of this escrow. Funds, instructions or instruments received in this escrow may be delivered to, or deposited with any title insurance company or title company to comply with the terms and conditions of this escrow.

20. You are authorized to deduct from Seller's net proceeds or Buyer's net proceeds any amount which either Seller or Buyer may owe you in any other matter or transaction. You are authorized to charge and the parties agree to pay additional escrow fees for extraordinary services not within the range of customary escrow processing, including, but not limited to, the verification of signatures to escrow instructions.

21. If a structural pest control report or notice of work completed are handed to you, you shall mail a copy to Buyer as soon as is practical after your receipt.

22. You are to use your usual document forms or the usual forms of any title insurance company or title company and in our instructions insert dates and terms on the instruments if incomplete when executed.

23. If the date by which Buyer's or Seller's performances are due shall be other than your regular business day, such performances shall be due on your next succeeding business day.

24. You shall conduct no lien or title search of personal property regarding the sale or transfer of any personal property through this escrow. Should the party(ies) desire that you conduct a lien or title search of personal property, the party(ies) requesting the same shall deliver separate and specific written escrow instructions to you along with an agreement to pay your additional escrow fees.

25. You shall not be responsible in any way whatsoever nor are you to be concerned with any question of usury in any loan or encumbrance, whether new or of record, which may arise during the processing of this escrow.

26. The parties agree to deliver to you all documents, instruments, escrow instructions and funds required to process and close this escrow in accordance with its terms.

27. You are instructed to provide title to the subject real property in the condition identified in the escrow instructions by the parties. You are not responsible for the contents or accuracy of any beneficiary demands and/or beneficiary statements delivered to you by the existing lien holders. You are not required to submit any such beneficiary statement and/or beneficiary demand to the parties for approval before the close of escrow unless expressly instructed to do so in writing. Should the party(ies) desire to pre-approve any such beneficiary statement and/or beneficiary demand, the party(ies) requesting the same shall deliver separate and specific written escrow instructions to you.

28. You are not to be responsible in any way whatsoever nor to be concerned with the terms of any new loan or the content of any loan documents obtained by any party in connection with this escrow except to order such loan documents into the escrow file, transmit the loan documents to Buyer for execution and transmit the executed loan documents to Lender. The parties understand and agree that you are not involved nor concerned with the approval and/or processing of any loan or the contents and effect of loan documents prepared by a Lender.

29. The parties agree to complete and deliver to you a Statement of Information as required by the title insurance company or title company.

30. The Federal Tax Reform Act of 1986, as amended, and the California Revenue & Taxation Code, require certain transactions to be reported to the Internal Revenue Service and the California State Franchise Tax Board. In those transactions Seller will furnish a correct tax identification number to you so you can report this transaction as required by law. Seller understands that Seller may be subject to civil or criminal penalties for failure to do so.

31. The parties expressly indemnify and hold you harmless against third-party claims for any fees, costs or expenses where you have acted in good faith, with reasonable care and prudence and/or in compliance with these escrow instructions.

32. The parties agree that you have the responsibilities of an Escrow Holder only and there are no other legal relationships established in the terms and conditions of the escrow instructions. In connection with this escrow: (1) you shall have no duty or responsibility of notifying any of the parties to this escrow of any sale, resale, loan, exchange or other transaction involving any of the subject real property or personal property; (2) you shall have no responsibility or duty to disclose any benefit, including, but not limited to financial gain, realized by any person, firm or corporation involving any of the subject real property or personal property; and (3) you shall have no responsibility or duty to disclose any profit realized by any person, firm or corporation including, but no limited to, any real estate broker, real estate sales agent and/or a party to any other escrow, in connection therewith, although such other transaction may be handled by you in this escrow or in another escrow transaction. If, however, you are instructed in writing by any party, Lender or other entitled person to disclose any sale, resale, loan, exchange or other transaction involving any of the subject real property or personal property or any profit realized by any person, firm or corporation to any party to this escrow, you shall do so without incurring any liability to any party. You shall not be liable for any of your acts or omissions done in good faith nor

Buyer's Initials



Buyer's Initials



Buyer's Initials

Buyer's Initials



for any claims, demands, losses or damages made or suffered by any party to this escrow, excepting such as may arise through or be caused by your willful neglect or gross misconduct.

33. Buyer acknowledges that pursuant to the California Revenue & Taxation Code, a change of Ownership form is required by the county recorder to be completed and affixed to any documents submitted for recording which evidence a conveyance of title. The change of Ownership form shall be furnished to Buyer by you for Buyer's completion and execution. Buyer is aware that if Buyer does not complete the form in full, sign and return it to you before closing, a penalty will be assessed by the county recorder. If the change of Ownership form is not filed after close of escrow within the time limits set forth by the county recorder, severe additional penalties will be assessed against the Buyer. For information and assistance in completing the change of ownership form, Buyer may contact the county recorder and assessors offices in the county in which the subject property is located.

34. Your Escrow Holder agency shall terminate six (6) months following the date last set for close of escrow and shall be subject to earlier termination by receipt by you of mutually executed cancellation instructions. If this escrow was not closed or canceled within the described six (6) month period, you shall have no further obligations as Escrow Holder except to disburse funds and documents pursuant to written escrow instructions and to interplead or otherwise dispose of funds and documents in accordance with a validly issued and validly served order from a court of competent jurisdiction. Time is of the essence of these instructions. If the conditions of this escrow have not been complied with at the expiration date in these escrow instructions, you are instructed to complete the conditions at the earliest possible date, unless Buyer or Seller have made written demand upon you for the return of the funds and/or instruments deposited by Buyer or Seller and/or for cancellation of this escrow. Should demand be made upon you, you may withhold and stop all further proceedings in this escrow without liability for interest on funds held or for damages until mutual cancellation instructions signed by all parties shall have been deposited with you. The parties, jointly and severally, agree that if this escrow cancels or is otherwise terminated and not closed, the parties shall pay for any costs and expenses which you have incurred or have become obligated for under these escrow instructions, including, but not limited to, attorneys' fees, arbitration fees and costs and reasonable escrow fees for the services rendered by you, the parties agree that such costs and expenses shall be paid and deposited in escrow before any cancellation or other termination of this escrow is effective. The parties agree that said charges for expenses, costs and fees may be apportioned between Buyer and Seller in manner which, in your sole discretion, you consider equitable, and that your decision will be binding and conclusive upon the parties. Upon receipt of mutual cancellation instructions or a final order or judgment of a court of competent jurisdiction with accompanying writs of execution, levies or garnishments, you are instructed to disburse the escrow funds and instruments in accordance with such cancellation instructions, order or judgment and accompanying writ and this escrow shall, without further notice, be considered terminated and canceled.

35. The parties shall cooperate with you in carrying out the escrow instructions they deposit with you and completing this escrow. The parties shall deposit into escrow, upon request, any additional funds, instruments, documents, instructions, authorizations, or other items that are reasonably necessary to enable you to comply with demands made on you by third parties, to secure policies of title insurance, or to otherwise carry out the terms of their instructions and close this escrow. If conflicting demands or notices are made or served upon you or any controversy arises between the parties or with any third person arising out or relating to this escrow, you shall have the absolute right to withhold and stop all further proceedings in, and in performance of, this escrow until you receive written notification satisfactory to you of the settlement of the controversy by written agreement of the parties, or by the final order or judgment of a court of competent jurisdiction. All of the parties to this escrow, jointly and severally, promise to pay promptly on demand, as well as to indemnify you and to hold you harmless from and against all administrative governmental investigation, audit and legal fees, litigation and interpleader costs, damages, judgments, attorneys' fees, arbitration costs and fees, expenses, obligations and liabilities of every kind (collectively "costs") which in good faith you may incur or suffer in connection with or arising out of this escrow, whether said costs arise during the performance of or subsequent to this escrow, directly or indirectly, and whether at trial or on appeal. You are given a lien upon all the rights, title and interests of the parties and all escrow papers and other property and monies deposited into this escrow to protect your rights and to indemnify and reimburse you. If the parties do not pay any fees, costs or expenses due you under the escrow instructions or do not pay for costs and attorneys' fees incurred in any litigation or interpleader, on demand, they each agree to pay a reasonable fee for any attorney services which may be required to collect such fees or expenses, whether attorneys' fees are incurred before trial, at trial, on appeal or in arbitration.

36. All notices, demands and instructions must be in writing. No notice, demand, instruction, amendment, supplement or modification of these escrow instructions shall be of any effect in this escrow until delivered in writing to you in accordance with the requirements of the Purchase Agreement or as mutually executed by all parties. As set forth above, you have no duty to and shall not verify the signatures of any parties or non-parties unless further written escrow instructions to do so are received and the additional escrow fees are deposited. Any purported oral instruction, amendment, supplement, modification, notice or demand deposited with you by the parties or either of them shall be ineffective and invalid. You are to be concerned only with the directives expressly set forth in the Purchase Agreement, including this Addendum, and any amendment or supplement thereto.

37. These escrow instructions may be executed in counterparts, each of which shall be deemed an original regardless of the date of its execution and delivery. All such counterparts together shall constitute the same document.

38. If any check submitted to you is dishonored upon presentment for payment, you are authorized to notify all parties to the within escrow, their respective real estate broker(s) and real estate agent(s) and any other person or entity you deem in your sole discretion necessary to notify.

Buyer's Initials *OP* Buyer's Initials *X* Buyer's Initials _____ Buyer's Initials _____

Handwritten mark

39. You are authorized to accept oral instructions from the parties' real estate broker(s), real estate agent(s), Lender(s) or Lender's agent(s) concerning the preparation of escrow instructions, amendments or supplements. However, you are not to act upon any instruction so delivered until you have received the same in writing signed by all parties to this escrow.

40. In these escrow instructions, wherever the context so requires, the masculine gender includes the feminine and/or neuter and singular number includes the plural.

41. The parties acknowledge and understand that you, as Escrow Holder, are not authorized to practice the law nor do you give financial advice. The parties are advised to seek legal and financial counsel and advice concerning the effect of these escrow instructions. The parties acknowledge that no representations are made by you about the legal sufficiency, legal consequences, financial effects or tax consequences of the within escrow transaction.

42. You are authorized to destroy or otherwise dispose of any and all documents, papers, escrow instructions, correspondence and records or other material constituting or pertaining to this escrow at any time after five (5) years from the date of: (1) the close of escrow; (2) the date of cancellation; or (3) the date of the last activity without liability and without further notice to the parties.

43. The parties agree to release you from any and all liability of any kind or nature and to indemnify you from any loss, damages, claims, judgments or costs of any kind or nature resulting from or related to the release or discharge of hazardous or toxic wastes on the subject property whether it occurred in the past or present or may occur in the future which release or discharge is in violation of law, in excess of any state and federal standards, permit requirements and/or disclosure requirements existing at this time or which may exist at a future time. The parties represent that they made their own assessment of the condition of the subject property and have not relied on any of your representations in making the assessment. The parties are advised to seek independent legal and technical environmental expert advice in assessing the risks associated with potential hazardous or toxic wastes.

44. You are instructed to take notice of all information received by you on your company's facsimile machine. To close this escrow we each agree to provide you with executed original documents when in your sole discretion you request their delivery to you.

45. The parties signatures on all escrow instructions and instruments pertaining to the within escrow indicates their unconditional acceptance and approval of same and you are entitled to rely on the parties execution.

All Buyers must execute this Addendum to be binding.

IN WITNESS WHEREOF, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

"SELLER"

"BUYER"

McMillin Indigo II, LLC,
a Delaware limited liability company
By: McMillin Real Estate Services, L.P.
a California limited partnership
Its: Administrative Manager
By: MCM Real Estate Group, Inc
a California corporation
Its General Partner

By: [Signature]

Seller's Acceptance Date: 1/7, 20 13

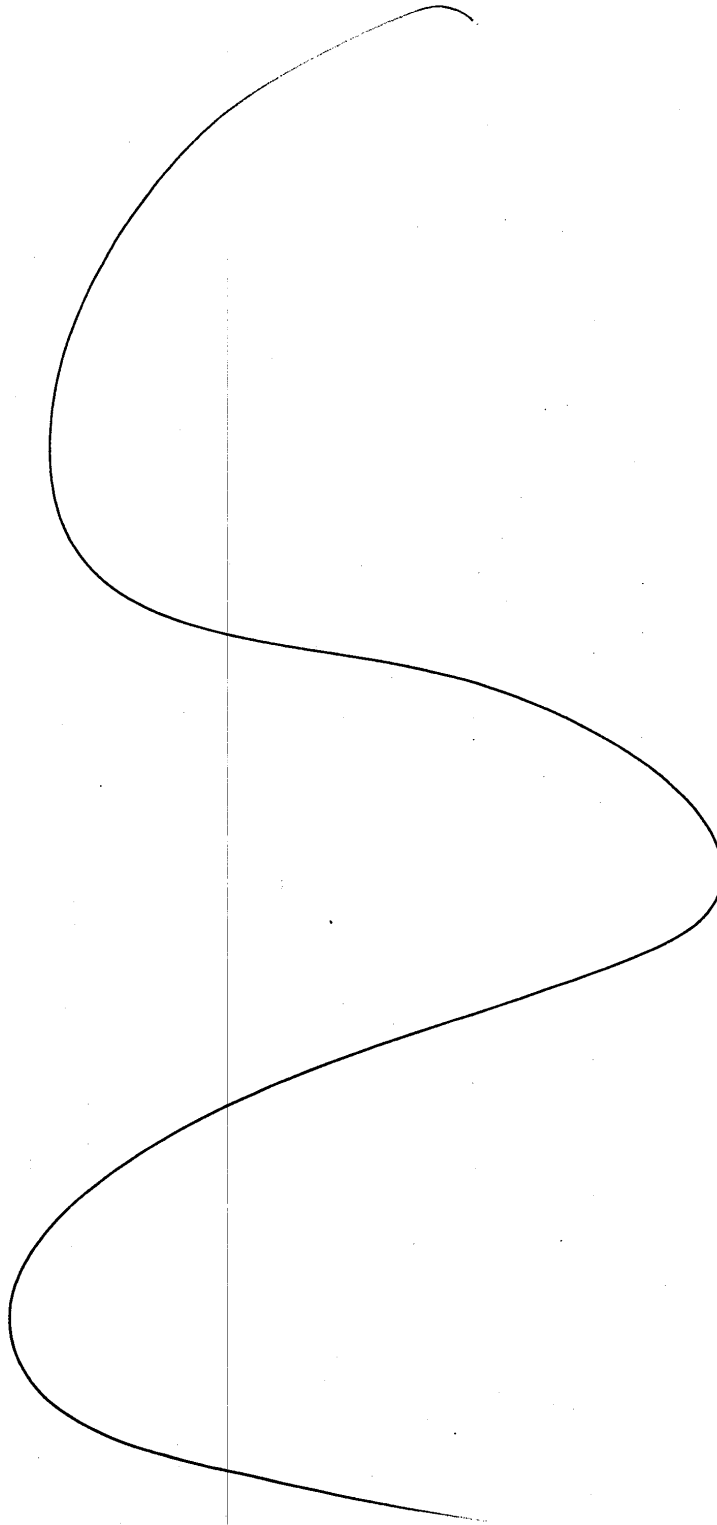
[Signature]
(Signature)
[Signature]
(Signature)
[Signature]
(Signature)
[Signature]
(Signature)
Date: January 5, 20 13

Buyer's Initials [Signature] Buyer's Initials [Signature] Buyer's Initials _____ Buyer's Initials _____

[Signature]

ADDENDUM "D"

DISCLOSURE ADDENDUM
(To Be Attached)



Buyer's Initials

DT

Buyer's Initials

SM

Buyer's Initials

Buyer's Initials

3/7/08

Addendum "D"

P

234041 8
PL000107

Addendum D
DISCLOSURE STATEMENT
Indigo II at the Village of Vista Verde
McMillin Indigo II, LLC (Seller)



May 11, 2011

Buyer: Perkins
Phase: 12
Lot: 43
Plan: 3B

We want you to be satisfied with the purchase of your Indigo II home. One factor in achieving that satisfaction is knowing as much as possible about your new home and community. The information in this Disclosure Statement is provided as a service for your knowledge and protection. Please read it carefully before you sign it. This statement is not intended to be a complete disclosure.

THE INFORMATION CONTAINED IN THIS DOCUMENT IS VERY IMPORTANT. YOU MUST INITIAL EACH PAGE AND SIGN INDICATING THAT YOU HAVE READ AND UNDERSTAND IT. THE INFORMATION IS CURRENT AS OF THE DATE ABOVE. IT IS NOT INTENDED TO BE ALL-INCLUSIVE AND DOES NOT RELIEVE BUYER'S OBLIGATION TO INSPECT THE PROPERTY DILIGENTLY AND SATISFY HIM/HERSELF CONCERNING ITS CONDITION AND ITS FITNESS FOR HIS/HER INTENDED USE. SINCE FACTS CHANGE FREQUENTLY, YOU ARE ENCOURAGED TO CHECK WITH THE SALES COUNSELOR FOR UP-TO-DATE INFORMATION.

P

SALES ISSUES

BUYER'S RECEIPT FOR DOCUMENTATION

Buyer hereby acknowledges receipt of the documents listed below, and Buyer has reviewed them to Buyer's satisfaction.

1. *Master Declaration of Covenants, Conditions and Restrictions for Village of Vista Verde*
2. *Bylaws of Village of Vista Verde Master Association*
3. *Articles of Incorporation of Village of Vista Verde Master Association*
4. *Village of Vista Verde Master Association budget*
5. *Village of Vista Verde Architectural/Landscape Guidelines*

SELLER ENCOURAGES THE BUYER TO SEEK HIS/HER OWN LEGAL COUNSEL FOR CLARIFICATION AND INTERPRETATION OF ALL SALES AND DISCLOSURE DOCUMENTATION.

THE VILLAGE OF VISTA VERDE IN MCMILLIN LOMAS VERDES

Project Area

The Village of Vista Verde, in the Master Planned Community of McMillin Lomas Verdes, is currently proposed to include condominium sites, single family homes, attached homes, parks, school sites, open space, and pedestrian trails. Buyer acknowledges that such surrounding areas may be subject to further development in the future. However, completion of private and public facilities and improvements cannot be guaranteed.

Trails

Seller has reserved the right to dedicate various trail system easements in favor of the HOA, Owners, the City and the general public over the portions of the Project for pedestrian, bicycle, equestrian and other vehicular related purposes.

Site Distance Restrictions

City ordinances require that any Lot located on an intersection of any two streets is required to maintain clear areas for appropriate vehicular site distance purposes on that portion of the Lot which is located at such intersection. No landscaping, walls, fences, or other improvements constructed within this area may exceed thirty (30) inches in height. For more information, contact the City of Chula Vista Engineering Department at (619) 691-5024.

Driveway Width/Approaches

Buyer acknowledges that due to the location of street improvements, including without limitation, storm drain inlets, electrical transformers, street lights, as well as the design of certain lots in cul-de-sacs or other areas where grade changes or curve radii exist, the width of driveways and driveway approaches may vary from Lot to Lot.

Reclaimed Water

Reclaimed (non-potable) water may be used to irrigate the future park, parkways and other open space lots. The reclaimed water may overspray onto lots or homes. Such reclaimed water should not be consumed by people or animals. Seller shall not be responsible for any interference with use or enjoyment, third party actions, smell or other adverse reactions from the use or overspray of reclaimed water.

Lighting

It is anticipated that certain facilities within the Project will have night lighting that will be used in the evening to allow continued use of such facilities. At the present time, such lighting is planned to be included in park facilities situated within the Project. Such lighting may impact certain Buyer's use of the residence.

SWPPP (Storm Water Pollution Prevention Plan)

The Congress of the United States enacted the Clean Water Act in 1974, in order to protect our nation's rivers, bays and oceans from pollution. In 1987, the Act was amended to address pollution from urban sources such as streets, homes and businesses. The Federal Environmental Protection Agency has developed the National Pollutant Discharge Elimination System (NPDES) in order to implement the Clean Water Act. NPDES requirements affect the use of all properties both directly and indirectly.

As directed by NPDES, existing city ordinances prohibit all property owners from discharging pollutants into the storm drainage system. *Pollutants include: soil, dirt, paint, pesticides, herbicides, fertilizers, chemicals, detergents, gasoline, oil, grease and pet waste. NPDES prohibits you, as a property owner, from discharging pollutants into the street or allowing pollutants to leave your property and enter into the storm drainage system.*

Many common household practices have the potential to violate these ordinances if they result in pollutants being discharged into the storm drainage system. Here are a few examples:

1. Washing a car in the driveway or street with detergent.
2. Cleaning the engine compartment with solvents.
3. Allowing lawn irrigation to run off into the street.
4. Fertilizing or applying pesticides around your home.
5. Allowing a pool or landscape contractor to pile dirt or construction material in the driveway or street.
6. Draining water from a pool.

Penalties for violating pollution prevention ordinances can be significant. Federal, state and local enforcement agencies may amend these ordinances to be even more restrictive. At a minimum, you should consider the following as you seek to meet property owner obligations under NPDES:

1. Minimize the exposure of soil to rainfall erosion by establishing landscaping as early as possible. Dirt washing from your lot into the street when it rains is considered pollution.
2. Avoid automobile washing and repair activities that may release detergents, solvents or petroleum products into the street.
3. Irrigate lawns and other landscaping properly assuring minimal water run-off into the street gutter. Private drainage systems should only discharge water into the street during storm events.
4. Store and handle construction materials such as dirt, soil amendments, concrete mix and chemicals properly so that pollutants are not washed into the street. Insist that your contractors and employees do the same as you share responsibility for their actions. Dirt should not be piled in the street and should be protected from washing or blowing off your lot. Excess dirt should be loaded directly into a truck for proper disposal; any spills should be swept up, not washed into the storm drainage system.
5. Call your city for more information. As a property owner, you are responsible to follow the regulations and obligations mandated by the NPDES requirements.

Safe Drinking Water and Toxic Act

The Safe Drinking Water and Toxic Act of 1986, also known as Proposition 65, came into effect on January 1, 1988. This legislation arose out of California's heightened awareness of the potential health dangers posed by hazardous chemicals used in our society. The State of California has listed over 200 chemicals known to be harmful. Under the requirements of Proposition 65, all businesses (including all builders of residential homes) are required to provide

a warning to the public of the dangers of potential harm by exposure to these chemicals.

The development and construction of a home involves numerous contractors, subcontractors, and trades. Numerous types of materials are incorporated into the completed home. Many building materials contain chemicals or require the use of chemicals in the manufacturing of those materials. Accordingly, it is impossible to accurately isolate all of the chemicals which may have been used in the manufacturing of materials or which might be contained in the various materials incorporated into a home. In compliance with Proposition 65, we wish to advise you that the home you are purchasing may contain one or more chemicals known to the State of California to cause cancer or other reproductive harm.

Should you require further information, you may refer to the California Environmental Protection Agency's (Cal/EPA's) Office of Environmental Health Hazard Assessment (OEHHA), the Proposition 65 legislation, and the State of California's list of toxic chemicals.

Adjacent Land Uses

Seller makes no representations or warranties regarding land uses or the traffic circulation system, now or in the future, within the Village of Vista Verde or adjacent or nearby properties. For further information Buyers may contact the City of Chula Vista Planning Department at (619) 691-5101.

Land uses in close proximity to McMillin Lomas Verdes' Village of Vista Verde are as follows:

- Elementary School. There is a proposed elementary school site located on Peabody Way and Wolf Canyon Loop. Contact the Chula Vista Elementary School District at (619) 425-9600 for further information.
- Vista Verde Park Site. According to the City of Chula Vista, there is an adopted master plan for a community park site in the vicinity of Magdalena Avenue and Wolf Canyon Loop. Please contact the City Parks and Recreation Department at (619) 691-5071.
- Public High School. There is a proposed Public High School site operated by the Sweetwater Union High School District located on Magdalena Avenue. The school will include lighted fields and a lighted stadium, which will be used for school and community events. Contact the Sweetwater Unified School District at (619) 585-6010 for further information.
- Private Catholic High School. The Mater Dei High School currently under construction is located on the Northern side of Birch Road. The school will include lighted fields and a lighted stadium, which will be used for school and community events.
- Buyer understands that impacts which include, but are not limited to, noise, field/facility lighting, traffic, parking and other activities resulting from the public and/or private use of the aforementioned schools, may affect the project. Buyer understands that actual construction of schools and/or their facilities is the responsibility of the Managing District or in the case of a private school, the responsibility of the ownership entity.
- Wolf Canyon Park. A future park is currently also planned to be constructed at the corner of Reichert Way and Koester St. The types of park improvements are regulated by the City of Chula Vista and are subject to change. Parking for this park may occur along Reichert Way, Koester St., and on other nearby residential streets, which may be an inconvenience.

- Otay Correctional Facilities. The Richard J. Donovan Correctional Facility at Rock Mountain (a minimum and medium security prison); the George F. Bailey detention facility (a County of San Diego jail); the East Mesa Detention Facility; and the private Wackenhut Corporation facility are located approximately 5 miles to the southeast of the Project.
- Transportation Systems. Buyer understands that east of the Project, adjacent to lots 135-140, is the State Route 125 ("SR-125") transportation corridor. The alignment will be a toll road connecting between Interstate 905 and State Route 54 (South Bay Freeway). There are also plans to connect SR-125 to the existing portions of SR-125 near Interstate 8 and further north. More information can be found via the internet web site www.southbayexpressway.com
- Brown Field – approximately 4.5 miles south of the Project, in an area known as Otay Mesa. Brown Field is used to service various types of commercial and cargo flights and has been considered for expansion by regional and local agencies. There have also been ongoing discussions regarding the possible development of a multi-national airport in the Otay Mesa area. However, no definitive decisions have been made at this time regarding such issues. Please contact the City of San Diego Planning Department, at (619) 235-5200 to obtain further information regarding the Otay Mesa/Brown Field.
- Arco/U.S. Olympic Training Center – approximately 2 miles east, is open to the public, but offers no privileges. Please contact the training center at (619) 656-1500 for more information.
- Tijuana International Airport - approximately 10 miles south. Please contact the airport switchboard at 011-52-664-607-8200 for more information.
- Cricket Wireless Amphitheater - approximately 3 miles southwest. Please contact (619) 671-3600 for more information.
- Knott's Soak City U.S.A. Water Park - approximately 3.5 miles southwest. Please contact the theme park at (619) 661-7373 for more information.
- VOR Transmission Tower - approximately 1/2 miles south. An aviation navigational aid that transmits radio frequencies.
- Otay Landfill - approximately 1.5 miles southwest. Please contact (619) 421-3773 for more information.
- Otay Lakes Reservoir – approximately 3.5 miles east of the Project.
- Farming and Grazing – on-going farming, grazing and agricultural uses immediately south of the Project.
- Regional Technology Park and University Site - approximately 1.5 miles southeast, the City of Chula Vista is planning the future Regional Technology Park and the University Campus site. Please contact the City of Chula Vista Planning Department at (619)-691-5101 with any further questions.
- Community Park. The City of Chula Vista has identified a portion of Villages 2 and 4 as the site for a large (approx. 40 acre) Community Park. This anticipated park site will be approximately 1 mile west, on the west side of La Media Rd. Please contact the City of Chula Vista Planning Department at (619)-691-5101 with any further questions.
- Eastern Urban Center. A future development just east of the SR-125 is planned to include high-rise residential and non-residential development. Development in these areas will be in accordance with approved Sectional Planning Plans or the

Otay Ranch General Development Plan, both as may be amended from time to time. Please contact the City of Chula Vista Planning Department at (619) 691-5101 with any further questions.

- Wolf Canyon Open Space and Detention Basins. In between Magdalena Ave. and Wolf Canyon Loop Rd., directly south of the Project and north of the Vista Verde Park site is the Wolf Canyon Open Space Area that consists of water quality detention basins and a recreated ephemeral stream. This area should only be accessed by qualified maintenance personnel and is off limits to all residents and their pets.
- Future Development.
 1. Seller makes no representation about future land uses on adjacent or nearby properties. Because land uses and zoning are subject to change, Buyer is encouraged to check with the appropriate planning department of the City and/or County regarding proposed land uses.
 2. Present plans to develop the Project are described on the site development map(s) which is/are available at the sales office. The map(s) should be reviewed to determine how the Property might be affected by the future development indicated on the map(s). Future development and uses not shown on the map(s) may occur and development and uses shown on the map(s) may be changed, including without limitation the reduction, relocation or modification of proposed open space areas. Seller has made no written or oral representation or warranty that the map(s) is/are complete or correct, will be carried out or will not change in the future. Seller has not made any written or oral representation or warranty concerning the impact on the Property of any future development or uses (including, without limitation, noise, dust, vibrations and traffic impacts).

Schools

The Project is located in the Sweetwater Unified School District, (619) 585-6010, and Chula Vista Elementary School District, (619) 425-9600. For attendance information and general information please contact the specific school district.

Buyer acknowledges that the availability of schools may change, and the School Districts have the sole authority to determine the schools that children of the residents of the Project may attend. Seller makes no representation regarding the current or continued availability of any school to residents of the Project.

THE NEIGHBORHOOD OF INDIGO II

Village of Vista Verde Master Association

The Village of Vista Verde Master Association, of which Buyer becomes a member at time of purchase, performs its duties in accordance with the Declaration of Covenants, Conditions and Restrictions (CC&R's), Articles of Incorporation, and Bylaws.

The Association is responsible for maintenance of landscaped areas including parkways, some slopes, the swim/recreation facility and Wolf Canyon Park. The Association will also review applications for landscape and architectural changes desired by homeowners. Regular inspections will be conducted by the Association to ensure compliance with the rules and regulations. Any violation of the rules and regulations can result in suspension of privileges including use of the swim/recreation facility and the ability to vote in board elections.

Budget and assessment information for maintenance and operation is applicable to several phases of development. Budget copies are available for Buyer's review and have been given to Buyer with this disclosure statement. Buyers will receive assessment bills from the property

management company, but are obligated to pay assessments even if bills are not presented in a timely fashion.

The Village of Vista Verde Master Association may increase or decrease assessments at any time in accordance with the procedures prescribed in the Declaration of Covenants, Conditions and Restrictions or Bylaws. To avoid changes in assessment amounts when a closing occurs in each additional phase, "level assessments" have been planned. Level assessments may be greater or less than the amounts shown on the HOA's phased budget, depending upon which phases have been made subject to assessments.

Swim/Recreation Facility ("The Enclave")

The Village of Vista Verde Master Association residents have access to a Swim/Recreation Facility, also known as "The Enclave", located within the Village of Vista Verde community. One key fob will be provided at close of escrow for which there will be a \$100 replacement fee. Only the residents of the planned 443 McMillin homes within the Village of Vista Verde community shall have access to the facility. Impacts from the recreation facility including noise, lighting overspill, traffic, parking and other effects resulting from public use may affect the Community. Buyer is hereby advised to consult the vicinity map located in the sales office for the specific location.

Transfer of Obligation to Association

Buyer acknowledges that as specifically reserved per the Declaration, Seller has the unilateral right to transfer certain landscape and slope maintenance, and maintenance obligations to the Association pursuant to the Declaration. Seller's transfer of such obligations may result in increased assessments and greater liability to the Buyer, however, Buyer hereby agrees to accept a transfer of the maintenance obligations.

Mailboxes

Multi-resident mailboxes will be located per the United States Postal Service requirements. Seller has no control over their style, placement or location of these mailboxes. Upon turnover, the Village of Vista Verde Master Association shall be responsible for any necessary maintenance or upkeep.

Fencing and Walls

Fencing plans are provided in the sales office. It is important to note that actual locations and materials may vary from that shown on the plans. Walls and fencing are not necessarily always located on the property lines. Fencing installed by Buyer may be restricted to certain locations and types. Walls or fences constructed by Seller or community perimeter fencing are designed for aesthetics and may not meet public health standards for pool safety. If Buyer is contemplating having a pool or spa installed, he/she should contact the City of Chula Vista Building and Planning Department to determine the requirements.

A fence and/or wall will be installed by Seller on Buyer's lot in the approximate location shown on a plat given herewith to Buyer. Each such fence or wall will be installed according to Seller's specifications. In some cases there may be subterranean wall drain easements required for the installation and preservation of wall drains. Buyer is responsible to maintain and repair this fence or wall, including wall drains, to its original state and shall not alter or remove such fence; wall or wall drains except for repair purposes unless prior approval is granted by the Village of Vista Verde Master Association.

A masonry wall for noise attenuation, community aesthetics and/or privacy purposes is located adjacent to SR-125, Birch Rd. and Magdalena Avenue. The HOA will be responsible to maintain and repair the areas of the wall that do not consist of wrought iron or tubular steel. The owners of these lots will each be responsible to maintain the interior of that portion of the wall that adjoins his or her lot. The City of Chula Vista or the HOA will be given an easement over a portion of these lots for such wall and the right to maintain the same. No Owner shall at any time

alter or remove any fence or wall which is or will be located on City or HOA property or which is located on Buyer's lot and is maintained by the City or HOA pursuant to an easement or other agreement.

YOUR HOME AND LOT

Upgraded and Optional Items

Seller offers upgraded and optional items for additional prices, provided that the item(s) are chosen before pre-determined stages of construction. These items and prices are subject to change without notice. Once the construction process of a home has gone past certain stages, some items may increase in cost, or may not be available. The sales counselor can provide cut-off dates and information regarding additional costs for specific upgrades and optional items. Option monies will be collected from Buyer **at time of order**.

Flooring Cuts

Buyer has had the opportunity to review the locations of all flooring cut lines and has received a copy of the plan that delineates the location of the hard surface flooring.

Termination of Construction

It is hereby understood and agreed by both Buyer and Seller that if the City, County, or any other governmental agency which has jurisdiction over the subject property imposes a moratorium or halts construction during the escrow period, which as a result of said action shall delay the completion of the subject construction for more than 30 days, Seller reserves the right to cancel said escrow under these special circumstances and return all deposits to Buyer. This agreement is separate from, and does not hereby invalidate any other provisions of the "Joint Purchase Agreement and Escrow Instructions".

Utilities

Seller has no control over the placement of electrical transformers, cable television, telephone, and other utility company service boxes, street lights, fire hydrants, blow-offs, catch basins, storm drains, manholes, handicap access ramps, etc.

Cable Television

Cable television outlets are provided in each home. Seller has no control over cable television provider. Seller makes no representations as to when cable television service will be available. Cable television service is to be obtained and paid for by each homeowner. Please refer to your option sales counselor for cable outlet locations in your plan.

AT&T Services

Seller has entered into an agreement with AT&T for the Seller to receive compensation for promoting AT&T services. Any questions regarding these services should be directed to an AT&T representative at (800) 264-0002. This agreement in no way restricts the buyer from choosing services offered by others. Buyer is also made aware that some services offered by AT&T may require additional installation fees for which the Seller is not responsible.

Yard Landscaping

McMillin Homes will install landscaping in the city right-of-way (or parkway) as per the city's approved plans. This will include the city-approved street tree, which cannot be removed. All parkways will be maintained by the HOA or CFD. Homeowners shall not disturb, modify or maintain trees, shrubs, irrigation, signage or other City, Master Developer or HOA installed

improvement within the parkway.

Front yard landscaping will be installed on all homes and is the responsibility of each individual homeowner to maintain in accordance with Architectural and Landscape Guidelines. The installation of back yard landscaping is the responsibility of the homeowner, for which plans must be submitted for approval within 6 months and installed within 9 months from the close of escrow as per the Architectural/Landscape Guidelines.

A \$300 deposit will be collected in escrow for the strict use of plan review by an HOA approved landscape architect. Upon completion of the review, fees will be assessed from the deposit with any remaining amount (if applicable) returned to the homeowner. For further information please contact The Walters Management Company at (619) 656-3220.

Drainage

Under the guidance of a civil engineer, the appropriate drainage of water from all lots in the subdivision has been established. Lack of maintenance, modification to the lot grading, or improper installation of items such as walkways and patios could cause significant damage both to that home and lot and to the neighboring homes and lots. Buyer shall not alter lot drainage. Buyers need to be familiar with the drainage on their lots and will be responsible for keeping drainage devices free of debris. Buyer acknowledges that if a neighboring property owner over waters or does not maintain proper drainage; water may seep onto Buyer's lot through an adjoining slope and/or retaining wall.

Easement/Right-of Way/Utilities

Certain lots contain easements restricting Buyer's use of the easement areas. Easements exist for, yet are not limited to, access and maintenance of areas dedicated to: walls, roads, sidewalks, sewers, storm drains, general use, SDG&E general utility and SDG&E tree trimming/maintenance, sub-drains and lot to lot drainage. Buyer will receive and acknowledge, through escrow, a Preliminary Title Report and/or the CC&Rs disclosing such easements on his/her lot.

Seller, Homeowners Association, City, or other public facilities reserve the right to record, in the future, easements that are required to serve their needs.

The Village of Vista Verde Master Association has, or will be granted, easements across portions of certain lots for maintenance of Homeowners Association landscaping, and/or other facilities.

Landscaping and Post-Construction

Landscaping and post-construction practices carried out by homeowners and their representative bodies exert significant influences on the integrity of structures founded on expansive soils. Improper landscaping and post-construction practices, which are beyond the control of the geotechnical engineer, are frequently the primary cause of distress to these structures. Recommendations for proper landscaping and post-construction practices are provided in the following paragraphs within this section. Adhering to these recommendations will help in minimizing distress due to expansive soils, and in ensuring that such effects are limited to cosmetic damages, without compromising the overall integrity of structures. The recommendations provided herein have been developed in general accordance with the guidelines provided within the Post-Tensioning Institute's (1996) recommendations for the design and construction of post-tensioned slabs-on-ground.

Initial landscaping should be done on all sides adjacent to the foundation of structure, and adequate measures should be taken to ensure drainage of water away from the foundation. If larger, shade providing trees are desired, such trees should be planted away from structures (at a minimum distance equal to half the mature height of the tree) in order to prevent penetration of the tree roots beneath the foundation of the structure.

Locating planters adjacent to buildings or structure should be avoided as much as possible. If planters are utilized in these locations, they should be properly designed so as to prevent fluctuations in the moisture content of subgrade soils. Planting areas at grade should be provided with appropriate positive drainage. Wherever possible, exposed soil areas should be above paved grades. Planters should not be depressed below adjacent paved grades unless provisions for drainage, such as catch basins and drains, are made. Adequate drainage gradients, devices, and curbing should be provided to prevent runoff from adjacent pavement or walks into planting areas.

Watering should be done in a uniform, systematic manner as equally as possible on all sides of the foundation. Irrigation methods should promote uniformity of moisture in planters and beneath adjacent concrete flatwork. Overwatering and underwatering of landscape areas must be avoided. Areas of soil that do not have ground cover may require more moisture, as they are more susceptible to evaporation. Ponding or trapping of water in localized areas adjacent to the foundations can cause differential moisture levels in subsurface soils and should, therefore, not be allowed. Trees located within a distance of 20 feet of foundations would require more water in periods of extreme drought, and in some cases, a root injection system may be required to maintain moisture equilibrium. During extreme hot and dry periods, close observations should be carried out around foundations to ensure that adequate watering is being undertaken to prevent soil from separating or pulling back from the foundations.

Lot Dimensions and Property Lines

The final subdivision map for Indigo II was recorded in the Office of the Recorder of San Diego County on September 19, 2005 under Map No. 15105. A lot line adjustment affecting some lots may be recorded in the Recorder's Office to modify lot boundaries. The lot line adjustment document will be identified in the title report you receive prior to the close of escrow if the lot you are purchasing is affected by the lot line adjustment. An exhibit of the lot line adjustment is also attached for any lots so affected.

The subdivision monumentation has been set by a licensed land surveyor in the locations shown on the final map. Because of the technical nature of the subdivision monumentation, homeowners may wish to obtain the services of a qualified professional to explain the location and dimension of property lines and property corners. Physical improvements such as slopes and fences, and field markers such as stakes should not be relied on as accurate indicators of property lines.

SOILS INFORMATION SYNOPSIS

Village of Vista Verde

Impacted Soils

- *Agricultural use of Property; Pesticide Residuals in Soil.* Since at least as far back as 1928, the Properties and the balance of Village of Vista Verde of Otay Ranch historically were used for agricultural purposes. Pesticides were commonly used in connection with agricultural activities conducted on the land. Sampling in Village of Vista Verde of Otay Ranch conducted on behalf of Declarant and others revealed elevated levels of various pesticides in surface and near-surface soils at various locations throughout the area. Pesticides detected in soil samples included dieldrin, DDE, DDD, DDT, toxaphene and endrin ketone.
- *Remediation.* Pursuant to a plan of remediation approved by the County of San Diego Department of Environmental Health, contractors for the Declarant removed surface and near-surface soils impacted with pesticides at concentrations above federally-established residential remedial guidelines and placed those soils as deep fill material at various locations throughout the Village of Vista Verde, including beneath street beds, open space and some residential lots. All such impacted soils were placed a minimum of ten feet below final grade and covered with clean fill material at least ten feet in thickness. All work was conducted by Declarant's contractors under the oversight of the County of San Diego Department of Environmental Health, and final placement of impacted soils was accomplished in a fashion determined by the County of San Diego Department of

Environmental Health to pose no threat to human health or to the environment.

- *Excavation.* Because of the potential that soils with low concentrations of pesticides may exist under some lots at depths greater than ten feet, Owners are advised that it is not recommended that they excavate to a depth greater than ten feet. Should excavation be required it is recommended that residents confer with a qualified environmental consultant.

The "as-graded" soils report contains information describing which lots are "cut" lots, "fill" lots, "undercut" lots and "undercut transition" lots and was prepared using information obtained on a project-wide scale by the soils engineer during the grading process. Buyers with a particular interest in the cut or fill classification of a lot may wish to obtain a specific determination from a qualified expert.

The soils engineering firm has recommended a footing setback for structures constructed adjacent to the tops of slopes. This recommendation, which is contained in the "as-graded" soils report, should be considered prior to constructing masonry walls, pools or other "settlement-sensitive" structures adjacent to the tops of slopes.

The homes in this neighborhood incorporate a post-tension concrete slab and foundation system. This type of system involves placing steel cables under tension within the slab and foundation. Any attempt to alter or pierce the slab and foundation (for example, sawcutting, drilling or installation of a subterranean floor safe) could damage the integrity of the system.

Buyer acknowledges that the soils of the property may contain rocks and other materials that make it difficult, expensive or impractical to excavate for a pool or spa.

Each homeowner, before constructing new improvements on each lot (for example pools, retaining walls, room additions) or before making modifications to the lot or house, should employ the services of a soils engineering professional to review the design of the proposed improvements or modifications.

Toe of Slope Drains and Area Drains

"Toe-of-slope" subdrains may be installed on some of the lots within Indigo II. These subdrains are designed so as to intercept potential subterranean moisture and release the collected water into the storm drainage system.

Where present, the homeowners must maintain the continuity and function of the subdrain system crossing their lot. Any future construction or excavation activities which might affect this subdrain system should be designed and constructed to properly protect the system.

Area drains may be provided on various lots in Village of Vista Verde. These area drains are provided to prevent water from ponding at these locations and to insure that water is transported to appropriate drainage structures. Homeowners shall not remove or alter these facilities. These drains shall be kept clear of all dirt and debris to insure proper operation.

Retaining Walls

Some Indigo II lots may require retaining walls, generally built of concrete or concrete block as recommended by a civil engineer. The specifications for building retaining walls and their placement is determined by a civil engineer based on existing lot conditions. As site conditions vary, retaining walls shown on current grading plans may be added or deleted. The presence or absence of a retaining wall does not affect the purchase price established by Seller. Any such retaining wall must not be removed, altered, modified, etc. by Buyer.

Plans

Buyer has the opportunity to review the blueprints, model basic floor plans, elevations, color schedules and interior details located in the sales office.

Plan Dimensions

All construction plans and sales materials contain dimensions and square footages which are approximate and may vary. This information is not intended to be exact and is quoted only as a convenience for potential buyers.

Product Variations

Seller reserves the right, without notice, to alter materials, features, plans, prices and available options or to substitute materials of similar quality. If Buyer has any questions, (s) he should consult sales agent.

- Natural variations in wood grain cabinetry may affect the staining process, resulting in some color differences.
- Window locations and size, ceilings, room sizes, and rooflines may vary in design and height from the models and for each elevation.

Different Elevations

Buyer is aware that homes in the Village of Vista Verde will have more than one exterior design for aesthetic purposes and there may be changes in the exterior design and elevation of Buyer's home from model, including but not limited to, such items as window trim detailing. Also, certain homes generally backing up to certain areas visible from out-side of the Village of Vista Verde may have enhanced rear elevations that standard homes within the Village of Vista Verde generally will not have.

Floor Plan and Exterior Variations

Variations from the brochure or model homes may occur. Concrete flatwork may vary by lot and plan. Concrete flatwork may also differ from the brochure, architectural drawings, or plot plans.

The placement of air conditioning (A/C) units is determined on a lot-by-lot basis. A/C unit locations may differ from the model, brochure, architectural drawings and/or plot plans. Buyer should consult sales agent for further information regarding his/her home.

Sewer Backflow Valves

Some homes may be provided with sewer backflow valves. The clean-out for these valves is usually located in the garage. The valve should be disconnected before cleaning a sewer line to avoid damaging the valve.

Floor Area Ratio

This project is subject to Floor Area Ratio (FAR) restrictions, which are required by the City of Chula Vista. FAR restrictions may limit or restrict future building additions.

Limited Access Sideyards

Buyer is aware that fireplaces, retaining wall, A/C condensers located on the side of the house may limit access on that sideyard.

Concrete and Stucco

All concrete and stucco is subject to shrinkage and surface cracking, and it is expected that hairline cracks will develop. Such concrete and stucco surface cracking is a cosmetic condition and does not affect the structural integrity of the home and adjacent areas, such as, but not limited to, exterior walls, garage, walkways and driveway.

Exterior Colors

Great care and consideration has gone into selecting the exterior colors for each home. The color schemes have been pre-selected and the colors for each home and the exterior materials have been pre-determined and may not be changed prior to close of escrow.

Please note that the actual color application of each color scheme is determined by the approved "painter's legend" (not the colored wall renderings or colored brochure drawings). The approved "painter's legend" is available for your review in the sales office. *(The colored wall renderings and the colored brochure drawings are an artist's conceptual ONLY, and not intended to be 100% accurate as to architecture or color application!)* The Seller retains the right to change or modify the painter's legend at its sole discretion.

The home you have selected has the following color scheme: #6

Interior Color

The interior paint color is Frazee #487 Swiss Coffee. Flat latex is on the walls and ceilings. Semi-gloss enamel is on the wood trim and doors and the walls in the kitchen and bathrooms. The Seller reserves the right to change any paint specifications as needed.

Garage Size

All garages are built to City of Chula Vista approved plans and specifications. It is the Buyer's responsibility to measure their vehicle to insure proper clearance for height and length. Some of the homes in this neighborhood are constructed with three car garages. On certain plans, one of the garage spaces is smaller than the others. This smaller space is intended for compact autos, motorcycles, bicycles and other similar uses. The buyer hereby acknowledges that their plan may incorporate a small parking space in the garage and that it is not for parking larger automobiles.

Title 24 Requirements

These homes are energy-efficient and in compliance with the State of California Energy Requirements as set forth by California Administrative Code 2-53, Part 2, Title 24 and in compliance with the energy budget requirements of Section 2-53(a), Title 24 Code. The performance of any individual building relative to the energy budget is available upon request. All windows in Indigo II homes are double-paned or "dual-glazed", in accordance with the California Administrative Code.

Floor coverings must be installed in some areas of each home to comply with Title 24 requirements. Please see your sales counselor for details. To comply with the Title 24 requirements, insulation will be installed as follows:

1. Exterior walls will be insulated with fiberglass or cellulose that (according to the manufacturers) will yield an R-value of 13.
2. Ceiling attic spaces will be insulated with fiberglass or cellulose that (according to the manufacturers) will yield an R-value of 38.
3. Second-story floors over the garage will be insulated with fiberglass or cellulose that (according to the manufacturers) will yield an R-value of 19.
4. Any walls not mentioned above will not be insulated.

Due to possible changes in Title 24 energy regulation requirements, Seller retains the right to make any alterations necessary for compliance.

No Warranty of Future Value

No representation or warranty is made by Seller or any agent of Seller with respect to any future value of the Property. Seller reserves the right to adjust prices and terms according to market conditions.

Homeowner Changes after Close of Escrow

Buyer should contact the City prior to any additional on-site construction on the Property, including without limitation, pools, spas, patios, decks, sidewalks, decorative concrete flat work, gazebos, fences, retaining walls, storage or utility structures, air conditioning or solar installations, or remodel or modifications of the residential structure. Any such additional on-site construction should consider geotechnical conditions, and should not be commenced, erected or maintained on the Property other than in accordance with recommendations made by a qualified geotechnical engineer or other consultant. The Declaration and other restrictions affecting the Property, including the Village of Vista Verde Architectural/Landscape Guidelines (collectively "Restrictions") may contain provisions, which limit or preclude certain on-site construction activities on or about the Property. Lot alterations, including landscaping, require review and approval by the Architectural Review Committee prior to installation. Buyer is taking the Lot subject to all of the Restrictions and Buyer hereby acknowledges that Buyer has reviewed, is familiar with, and agrees to be bound by the Restrictions.

Obligation to Investigate

Nothing contained in this document is intended to be a complete disclosure of all facts which Buyer may wish to consider when buying the property. Buyer is still obligated to conduct his or her full investigation of all facts relevant to him or her in deciding where and when to buy.

Other Representations

Buyer acknowledges and agrees that no representation or promise that is not set forth in this agreement, the declaration or a disclosure statement executed by Seller has been made to Buyer by any employee, sales agent or representative of Seller upon which Buyer is relying in connection with the purchase of the property.

Please review your title report for any additional information.

STATEMENTS AND AGREEMENT BY SALESPERSON

Seller is not responsible for or bound by any statement or representation by a salesperson or agent unless such statement is confirmed in writing and signed by the Sales Manager for Seller. If any salesperson has made such verbal representation or statement to Buyer, then Buyer must put it in writing in the blank space provided below. If no such statements have been made, state so and initial below.

SALESPERSON'S REPRESENTATIONS TO BUYER (IF NONE, STATE SO AND INITIAL)

None *fa*

BUYER'S ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURE STATEMENT

Buyer acknowledges that s/he has received and read this Disclosure Statement and the enumerated documents. Buyer realizes that they contain important information affecting Buyer's rights and obligations as a homeowner in Indigo II. Buyer is familiarized with their content and has obtained all information, which is important to Buyer in making the decision to purchase this property.

QAR
Buyer

1/5/13
Date

Hank
Buyer

1/5/13
Date

313 43
Model Number / Lot Number

McMillin Indigo II, LLC
a Delaware limited liability company
By: McMillin Real Estate Services, L.P.
a California limited partnership
Its: Administrative Member
By: MCM Real Estate Group, Inc.
a California corporation
Its: General Partner

By: *[Signature]*
Name: _____
Title: *VP*

1/7/13
Date

By: *[Signature]*
Its: *S.V.P.*
Title: _____

Date

ADDENDUM "E"

CONSTRUCTION STANDARDS AND NON-ADVERSARIAL PROCEDURES FOR STATUTORY CONSTRUCTION CLAIMS

PROJECT Indigo II LOT/UNIT NO. 43 TRACT NO. 15105
PHASE NO. 12 BUYER'S NAME Perkins (Print Buyer's Last Name)

This Addendum supplements that certain Joint Purchase Agreement and Escrow Instructions dated January 5, 2013 by and between Seller and Buyer ("Agreement") regarding the purchase by Buyer of the Property described in the Agreement.

Seller hereby gives the following notices and delivers the documentation and materials described in this Addendum below on its own behalf and on behalf of each general contractor who, as of the date of the Agreement: (i) is in the business of building, developing or constructing the Property for public purchase; and (ii) is a partner, member of, subsidiary of, or otherwise similarly affiliated with Seller. Such affiliated general contractors and affiliated contractors are each referred to herein as an "Affiliated Contractor".

1. Residential Construction Legislation. California Civil Code Section 895 et seq. ("SB 800") is residential construction legislation establishing construction standards and providing non-adversarial procedures for resolution of claims. Such claims are referred to in this Addendum as "Statutory Construction Claims." The following is a summary of some of the pertinent provisions of SB 800:

SB 800 provides a series of standards describing how a home and its components should function ("Standards"). These Standards are divided into categories such as water intrusion, structural and soils-related issues, fire protection issues, plumbing and sewer, electrical and several other areas of construction. Components must meet the Standards for periods which vary from one to ten years, as set forth in SB 800.

A builder may be excused from its obligations under SB 800 if a buyer fails to properly maintain the home, fails to promptly notify the builder of damage, if damage to a component is caused by a third party or act of nature, or under certain other circumstances specified in Section 945.5 of SB 800.

If a claim arises under SB 800, a buyer must follow the "non-adversarial procedures" set forth in Sections 910 through 938 of SB 800. These procedures define certain actions that are required from both a buyer and the builder and the time frames for completing those actions.

SB 800 does not preclude Buyer from seeking, and Buyer is encouraged to seek, repairs or redress of claims through Seller's Customer Service Program as set forth in Seller's homeowner manual (as described in Paragraph 6 below), instead of, or prior to, initiating formal claim procedures under the Statute.

Seller has provided to Buyer, and Buyer hereby acknowledges receipt of, a copy of Title 7 of Part 2 of Division 2 of the Civil Code as required under SB 800. YOU SHOULD READ THESE PROVISIONS CAREFULLY AND SEEK LEGAL ADVICE IF YOU HAVE ANY QUESTIONS REGARDING ITS IMPACT ON THE PROPERTY YOU ARE PURCHASING.

Handwritten initials for Buyer's and Seller's signatures.

2. Fit & Finish Warranty. In connection with your purchase of the Property, Seller will provide you with a fit and finish warranty ("Fit & Finish Warranty"), which warrants the fit and finish of certain components of your home for one year from the close of escrow, subject to certain exclusions which include but are not limited to, the failure to properly maintain the components and damage caused by third parties. The Fit & Finish Warranty will be provided to you by Seller on its own behalf and on behalf of each Affiliated Contractor. Claims for repairs under the Fit & Finish Warranty are not subject to the non-adversarial procedures in SB 800. Such claims should be made to Seller's customer service representative as set forth in the homeowner's manual referenced in Paragraph 6 below.

3. DISCLAIMER OF IMPLIED WARRANTIES. EXCEPT FOR THE FIT & FINISH WARRANTY, SELLER AND EACH AFFILIATED CONTRACTOR DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THAT THE HOME WAS DESIGNED AND CONSTRUCTED IN A WORKMAN-LIKE MANNER, FITNESS FOR A PARTICULAR PURPOSE, AND MERCHANTABILITY.

Handwritten initials for Buyer's and Seller's signatures.

Buyer's Initials [Handwritten] Buyer's Initials [Handwritten] Buyer's Initials Buyer's Initials

4. **Notice of Claims.** If Buyer or any successor to Buyer's interest claims that the construction of the residence on the Property violates any or all of the Standards, Buyer shall provide notice to Seller (or Seller's Agent) and each Affiliated Contractor at the address listed below.

McMillin Companies
Legal/Risk Management Department
P.O. Box 85104
San Diego, California 92186-5104
Attn: SB800 CLAIMS ADMINISTRATOR

This contact information is subject to change. The name and address of Seller's and each Affiliated Contractor's agent under Civil Code Section 912(e) is also available at the office of the California Secretary of State. To ensure that notice is delivered to Seller and each Affiliated Contractor at their correct address(es), Buyer is advised to confirm the current name and address of Seller's and each Affiliated Contractor's agent with the Secretary of State before delivering notice. This information can be provided by written request to:

California Secretary of State
Special Filings Unit
P.O. Box 944225
Sacramento, California 94244-2250
or by telephone at (916) 653-3984


By initialing below, Buyer acknowledges and agrees that Seller has provided Buyer with the name and address of the contact person for notice of any claimed violations of the Standards, both on Seller's own behalf and on behalf of each Affiliated Contractor.


BUYER'S
INITIALS


BUYER'S
INITIALS


SELLER'S
INITIALS


5. **Statutory Non-Adversarial Procedures.** By initialing below, Buyer acknowledges that Seller has initially elected to use certain procedures referred to as the "non-adversarial procedures" for the resolution of Statutory Construction Claims regarding the Property, as set forth in SB 800 at Sections 910 through 938. Seller has recorded or will record a notice of these procedures on the Property prior to the Close of Escrow. Buyer has had the opportunity to read the non-adversarial procedures in the Statute and acknowledges that the procedures set forth therein impact Buyer's legal rights with respect to the Property. According to the terms of SB 800, the non-adversarial procedures will not apply with respect to a given claim if the builder (i) elects not to use the non-adversarial procedures, or (ii) does not comply with the requirements set forth therein. In such an instance, the parties would proceed to binding arbitration as set forth in **Paragraph 10** below.


BUYER'S
INITIALS


BUYER'S
INITIALS


SELLER'S
INITIALS

6. **Receipt of SB 800 Documents; Buyer to Provide to Subsequent Buyers.** Buyer acknowledges that it has received or may in the future receive certain documents in conjunction with Buyer's purchase of the Property, including, but not limited to, those referenced in the Receipt of Documents and Information. Buyer shall maintain a full and complete copy of all documents. Buyer agrees to provide any subsequent buyer with a complete copy of all documents as required by SB 800. Buyer should instruct subsequent buyers to provide to their subsequent buyers a complete copy of all documents.


BUYER'S
INITIALS



BUYER'S
INITIALS

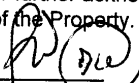

SELLER'S
INITIALS

7. **Maintenance Responsibilities.** Seller shall, concurrently with the execution of the Agreement, provide Buyer with a homeowner manual which contains maintenance information that outlines Seller's and/or manufacturers' recommended homeowner maintenance obligations and schedules ("**Maintenance Manual**").


By initialing below, Buyer acknowledges and agrees that Buyer shall follow the recommendations set forth in the Maintenance Manual, as the same may be updated from time to time. Buyer further acknowledges and agrees that Buyer shall provide a copy of the Maintenance Manual to any subsequent buyers of the Property.


BUYER'S
INITIALS


BUYER'S
INITIALS


SELLER'S
INITIALS

8. **Manufacturers' Warranties.** Effective at close of escrow, Seller assigns to Buyer all of those manufacturers' warranties for appliances, fixtures and other equipment installed in the Property that are listed in the Receipt of Documents and Information, which will be provided to Buyer at the time the Agreement is executed. Seller may supplement the list of manufacturers' warranties that are to be assigned to Buyer any time prior to the close of escrow.

Buyer's Initials  Buyer's Initials  Buyer's Initials _____ Buyer's Initials _____

Buyer acknowledges that certain actions may void such manufacturers' warranties (e.g., sealing grout or adding tinting to dual-glazed windows).

9. **Survivability.** The parties intend that each provision of this Agreement that pertains to matters or events that occur, or performance that is to be rendered, after the close of escrow shall survive the close of escrow.

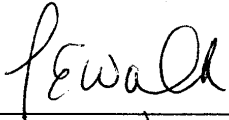
10. **Binding Arbitration.** If a Statutory Construction Claim is not resolved through the non-adversarial procedures described herein, or if the non-adversarial procedures are deemed not to apply to a given claim, such claims shall be resolved through binding arbitration pursuant to the provisions set forth in the Alternative Dispute Resolution Addendum (**Addendum "F"**) to the Agreement. All unresolved claims related to the Fit & Finish Warranty shall also be resolved through binding arbitration.

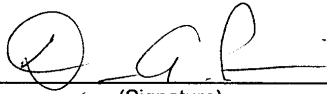
IN WITNESS WHEREOF, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

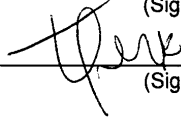
"SELLER"

"BUYER"

McMillin Indigo II, LLC,
a Delaware limited liability company
By: McMillin Real Estate Services, L.P.
a California limited partnership
Its: Administrative Manager
By: MCM Real Estate Group, Inc
a California corporation
Its General Partner

By: 
D. W. Wain


(Signature)


(Signature)

(Signature)

(Signature)

Seller's
Acceptance Date: 1/7, 2013

Date: January 5, 2013

Buyer's Initials  Buyer's Initials  Buyer's Initials _____ Buyer's Initials _____



ADDENDUM "F"

ALTERNATIVE DISPUTE RESOLUTION ADDENDUM

PROJECT Indigo II LOT/UNIT NO. 43 TRACT NO. 15105
PHASE NO. 12 BUYER'S NAME Perkins (Print Buyer's Last Name)

This Addendum supplements that certain Joint Purchase Agreement and Escrow Instructions dated January 5, 2013 by and between Seller and Buyer ("Agreement") regarding the purchase by Buyer of the Property described in the Agreement.

1. ARBITRATION OF DISPUTES. BUYER AND SELLER AGREE THAT ANY "DISPUTE" (AS SUCH TERM IS DEFINED IN [ARTICLE 14 OF] THE [DECLARATION OF RESTRICTIONS FOR Villages of Vista Verde]; OR THE SUPPLEMENTAL DECLARATION OF RESTRICTIONS FOR Villages of Vista Verde] ("DECLARATION") SHALL BE RESOLVED ACCORDING TO THE PROVISIONS SET FORTH IN THE DECLARATION, AND BUYER AND SELLER WAIVE THEIR RESPECTIVE RIGHTS TO PURSUE ANY DISPUTE IN ANY MANNER OTHER THAN AS PROVIDED IN [ARTICLE 14 OF] THE DECLARATION.

NOTICE: BY INITIALING IN THE SPACE BELOW BUYER AND SELLER ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT, AND BUYER AND SELLER ARE GIVING UP ANY RIGHTS BUYER AND SELLER MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL.

I/WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES TO BINDING ARBITRATION.

Buyer's initials: DWP

Buyer's initials: JP

Seller's initials: [Signature]

2. Survival; Successors and Assigns. The rights and obligations of the parties pursuant to this Addendum shall survive the close of escrow. This Addendum and the rights, duties and obligations of Buyer and Seller shall be binding upon and shall inure to the benefit of the successors and assigns of Seller and, subject to any limitation on assignment contained in the Agreement, to the heirs, executors, administrators, successors and assigns of Buyer.

3. Severability. In addition to and without limiting the effect of any general severability provisions of the Agreement, if the arbitrator or any court determines that any provision of this Addendum is unenforceable for any reason, that provision shall be severed, and proceedings agreed to in this Addendum shall be conducted under the remaining enforceable terms of this Addendum.

BY SIGNING THIS ADDENDUM, BUYER AND SELLER AGREE TO BE BOUND BY ITS PROVISIONS.

IN WITNESS WHEREOF, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

"SELLER"

McMillin Indigo II, LLC
a Delaware limited liability company

By: [Signature]

"BUYER"

[Signature]
[Signature]
[Signature]
[Signature]

Seller's Acceptance Date: 1/7, 2013

Date: January 5, 2013

Buyer's Initials: DWP Buyer's Initials: JP Buyer's Initials: Buyer's Initials:

ADDENDUM "G"

FIT & FINISH WARRANTY ADDENDUM

PROJECT Indigo II LOT/UNIT NO. 43 TRACT NO. 15105
PHASE NO. 12 BUYER'S NAME Perkins (Print Buyer's Last Name)

This Addendum supplements that certain Joint Purchase Agreement and Escrow Instructions dated January 5, 2013 by and between Seller and Buyer ("Agreement") regarding the purchase by Buyer of the Property described in the Agreement. Subject to the exclusions and limitations listed below, Seller provides the following fit and finish warranty on the home you are purchasing (this "Warranty"). Seller provides this Warranty on its own behalf and on behalf of each Affiliated Contractor (defined below).

1. DEFINITIONS

- a. "Affiliated Contractor" Each general contractor and contractor who, as of the date of the Agreement: (i) is in the business of building, developing or constructing the Residence for public purchase; and (ii) is a partner, member of, subsidiary of, or otherwise similarly affiliated with Seller.
b. "Close of Escrow" The date of recordation of the grant deed conveying the Property from Seller to Buyer.
c. "Components" Cabinets, mirrors, flooring, interior and exterior walls, wall coverings, countertops, paint finishes and trim.
d. "Deficiency" The Fit & Finish of a Component does not meet the standards of quality as measured by guidelines found in the publication, Residential Performance Guidelines for Professional Builders and Remodelers, National Association of Home Builders, 2000 (2nd Edition), or if an item is not covered in that publication, by standard industry practice, subject to the terms and conditions of this Warranty.
e. "Fit & Finish" The non-structural, cosmetic appearance or alignment of the Components, subject to the terms, conditions and exclusions of this Warranty.
f. "Maintenance Manual" The manual provided by Seller to Buyer that outlines Seller's or manufacturers' recommended homeowner maintenance obligations and schedules. The Maintenance Manual is found in the McMillin Homes Homeowner Manual.
g. "Residence" The separate interest portion of a condominium or the single-family home conveyed or to be conveyed by Seller to Buyer.
h. "Unforeseen Acts of Nature" A weather condition, earthquake, or man-made event such as war, terrorism or vandalism, in excess of the design criteria expressed by the applicable building codes, regulations and ordinances in effect at the time of original construction of the Residence.
i. "Walkthrough" The walkthrough inspection of a Residence, with a Seller representative, before Close of Escrow for the purpose of familiarizing Buyer with the features and appliances in the Residence. The Fit & Finish of Components will be inspected during the Walkthrough, and if Deficiencies are discovered, they must be identified and reported to the Seller representative. If such Deficiencies are not reported at the time of the Walkthrough, they may be excluded from coverage under this Warranty, as items of damage caused by Buyer or a third party.
j. "Warranty Period" ONE YEAR from the Close of Escrow.

2. WARRANTY

Seller, on its own behalf and on behalf of each Affiliated Contractor, warrants the Fit & Finish of the Components to be free from Deficiencies during the Warranty Period, subject to the exclusions in Paragraph 4.

3. SCOPE OF WARRANTY

- a. Performance by Seller and Affiliated Contractors. During the Warranty Period, Seller will, within a reasonable amount of time, repair or replace the affected Component(s) at no charge to Buyer if repair or replacement is appropriate under this Warranty. The decision whether to repair or replace the Component(s) shall be within the sole discretion of Seller or the Affiliated Contractor (as applicable).
b. Repair Materials/Subcontractors. All repairs or replacements will be made with materials or components identical to, or of an equal or better grade or quality than, the materials or components used in the original construction of the Residence. Seller or the Affiliated Contractor (as applicable) has the right to choose the specific materials and

Buyer's Initials [Signature] Buyer's Initials [Signature] Buyer's Initials Buyer's Initials

[Handwritten mark]

components and the subcontractors used for repair or replacement work in its sole discretion. There could be color or texture variations with the new materials.

c. Assignment of Other Insurance and Warranties. In the event Seller or an Affiliated Contractor repairs, replaces or pays the cost of repairing any Deficiency or replacing any Component covered by this Warranty for which Buyer is covered by any other insurance or warranty, Buyer assigns to Seller or the Affiliated Contractor (as applicable) all rights, proceeds or payments under such other insurance or warranty to the extent of the actual cost of repair or replacement incurred by Seller or the Affiliated Contractor (as applicable), and Buyer authorizes Seller or the Affiliated Contractor (as applicable) to file a claim against any insurance or warranty on Buyer's behalf. Buyer shall cooperate with Seller or the Affiliated Contractor (as applicable), at no out-of-pocket cost to Buyer, with respect to such claim. To the extent permitted by Buyer's insurance, Buyer agrees to look only to Buyer's insurance coverage for covered claims and to waive any right of subrogation to the extent of such insurance.

d. **DISCLAIMER OF IMPLIED WARRANTIES. EXCEPT FOR THIS WARRANTY, SELLER AND EACH AFFILIATED CONTRACTOR DISCLAIM ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THAT THE HOME WAS DESIGNED AND CONSTRUCTED IN A REASONABLY WORKMANLIKE MANNER, FITNESS FOR PARTICULAR PURPOSE, AND MERCHANTABILITY.**

Buyers' Initials: (DAP) (JP)

e. LIMITATION OF AVAILABLE REMEDIES. BUYER AGREES THAT THE SOLE AND EXCLUSIVE REMEDIES FOR THE BREACH OF THIS WARRANTY SHALL BE TO REPAIR OR REPLACE THE COMPONENT. BUYER OTHERWISE AGREES TO ASSUME ALL RISKS ARISING FROM A BREACH OF WARRANTY, INCLUDING, BUT NOT LIMITED TO, ALL ECONOMIC, CONSEQUENTIAL AND EMOTIONAL DISTRESS DAMAGES. EXCEPT TO REPAIR OR REPLACE THE COMPONENT, NEITHER SELLER NOR ANY AFFILIATED CONTRACTOR SHALL OTHERWISE BE LIABLE FOR ANY DAMAGE FOR BREACH OF WARRANTY. BY INITIALING BELOW, BUYER REPRESENTS THAT BUYER UNDERSTANDS THAT REPAIR OR REPLACEMENT UNDER THIS WARRANTY IS EXPRESSLY CONDITIONED UPON SELLER, THE AFFILIATED CONTRACTOR OR THEIR RESPECTIVE AUTHORIZED AGENT BEING GRANTED A REASONABLE OPPORTUNITY TO REPAIR OR REPLACE SUCH COMPONENT. BUYER AGREES THAT SELLER, THE AFFILIATED CONTRACTOR OR THEIR RESPECTIVE AUTHORIZED AGENTS, AND NOT BUYER, SHALL DETERMINE THE MATERIAL AND METHODS TO BE USED IN EFFECTING SUCH REPAIR OR REPLACEMENT.

Buyers' Initials: (DAP) (JP)

4. **EXCLUSIONS**

The following are not covered by this Warranty:

- a. Wear and Tear. Damage to the Components due to ordinary wear and tear.
- b. Buyer's Failure to Maintain Properly. Any Deficiency, loss or damage caused by lack of reasonable care and maintenance, failure to follow a manufacturer's or Seller's or an Affiliated Contractor's maintenance schedule, recommendations or commonly accepted Buyer maintenance obligations. On behalf of itself and each Affiliated Contractor, Seller has provided a description and list of suggested homeowner's care and maintenance items and procedures in the Maintenance Manual and a schedule for such maintenance. From time to time, Seller or an Affiliated Contractor may perform a maintenance task for the benefit of Buyer at no charge; however, performing a task on one or more occasions does not imply or require that Seller or the Affiliated Contractor will perform a similar task at a later date, nor shall such performance be deemed to extend the Warranty Period.
- c. Casualties or Unforeseen Acts of Nature. Any Deficiency, loss or damage caused by Unforeseen Acts of Nature. Casualties normally covered by homeowner's insurance, or any other cause not under the control of Seller or an Affiliated Contractor such as fire, smoke, explosion, water escape, fluctuations in water pressure, flood, insects, and falling trees. Damage of this sort may be covered by your homeowner's insurance. You should contact your insurance carrier within 24 hours of the occurrence of any such damage.
- d. Abuse of Residence. Damage caused either by the misuse, abuse, neglect or the use of the Residence in a manner which was not intended.
- e. Materials Furnished by Buyer. Any Deficiency caused by materials furnished or work done by or at the request of Buyer, including any work done by anyone other than Seller, an Affiliated Contractor or the employees, agents or subcontractors expressly selected by Seller or an Affiliated Contractor.
- f. Variations in Natural Materials. Variations in natural materials, such as stone, marble, wood grain and color of stained wood used in cabinets, paneling, siding, doors and wood trim. These variations are inherent characteristics of natural materials and are not a Deficiency.
- g. Failure to Give Timely Notice. Any Deficiency, loss or damage caused or made worse by Buyer's failure to timely notify Seller or an Affiliated Contractor (as applicable) of any Deficiency.

Buyer's Initials DAP Buyer's Initials JP Buyer's Initials _____ Buyer's Initials _____

h. Failure to Mitigate Damages. Any Deficiency, loss or damage caused or made worse by Buyer's failure to minimize or prevent damages in a timely manner.

i. Refusal to Allow Repair. Any Deficiency, loss or damage caused by the Buyer's failure to allow reasonable and timely access for inspections and repairs.

j. Buyer or Third-Party Negligence. Any Deficiency, loss or damage caused or made worse by the negligence of Buyer (or Buyer's agent, employee, subcontractor, independent contractor, or consultant) or a third party.

k. Successful Repair. Any Deficiency, to the extent that such Deficiency has been successfully repaired or corrected.

l. Released Violation. Any Deficiency, for which liability has been released by Buyer pursuant to a release agreement with Seller, Seller, an Affiliated Contractor, a manufacturer or any other third party.

m. Warranty Period. Any Deficiency that occurs after the Warranty Period.

n. Statutory Claims. Any claims for Deficiencies, loss or damage governed by California Civil Code Sections 895 through 897 and Sections 910 through 938, as may be hereafter amended.

5. PROCEDURES FOR FILING A WARRANTY REQUEST FOR SERVICE

a. How to Request Warranty Service. To assure quality, and to allow Seller and each Affiliated Contractor to maintain a complete file on your home, all requests for warranty service under this Warranty must be submitted in writing to Seller or the Affiliated Contractor, as set forth in Chapter titled "*Customer Service*" in the McMillin Homes Homeowner Manual. All of the procedures and contact information for submitting a customer service request are set forth in the *Customer Service* Chapter of the Homeowner Manual.

b. Service Requests Not Covered by Warranty. If Seller or the Affiliated Contractor (as applicable) determines that a particular service request is not covered by this Warranty, Seller or the Affiliated Contractor will provide Buyer with a notification describing why the Buyer's service request is not covered. Failure to send such a notice shall not be deemed evidence that a service request is a covered Deficiency. If a service request is governed by California Civil Code, Section 895, et seq., the non-adversarial procedures described in Addendum to the Agreement entitled "Construction Standards and Non-Adversarial Procedures for Statutory Construction Claims" will apply to such service request, instead of the procedures set forth in this **Paragraph 5**.

6. GENERAL PROVISIONS

a. Applicable Law. This Warranty is made in the State of California and is to be interpreted and constructed in accordance with the cases and laws of California.

b. Interpretation. Whenever the context requires, the use herein of one gender includes both genders and the singular number includes the plural number.

c. Modification. No modification or change of this Warranty is valid unless it is in writing and signed by Buyer and Seller.

d. Captions. Captions are inserted for convenience of reference only and do not define, describe or limit the scope or intent of this Warranty or any provisions hereof.

e. Time of the Essence. Time is of the essence on all matters of any nature arising under this Warranty.

f. Severability. Should any provision or portion of this Warranty be declared invalid or in conflict with any law of the jurisdiction where your Residence is situated, the validity of all other provisions and portions shall remain unaffected and in full force and effect. This Warranty is intended to be a Fit & Finish Warranty under California Civil Code Section 900. To the extent of any conflicts between this Warranty and the requirements of Civil Code Section 900, the requirements of the statute shall control over the terms of this Warranty.

7. DISPUTE RESOLUTION

All disputes arising under this Warranty will be resolved in accordance with the same procedures for Dispute Notification and Resolution as set forth in the Alternative Dispute Resolution Addendum of the Agreement. The statutory non-adversarial procedures applicable to certain construction defect claims under California Civil Code Sections 910 through 938, as hereafter amended, shall not apply to any claims under this Fit & Finish Warranty.

Note: Our sales staff does not have responsibility for, nor are they qualified to make, judgments regarding service. All such commitments must be in writing and must come from our Customer Service Department. Seller is very proud of its service and trusts you will find its policy to be fair to all concerned. Proper service and a continuing program of homeowner maintenance will keep your property in good condition both for your own comfort and to maximize its usefulness and durability.

Buyer's Initials *GF* Buyer's Initials *hj* Buyer's Initials _____ Buyer's Initials _____

IN WITNESS WHEREOF, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

"SELLER"

"BUYER"

McMillin Indigo II, LLC,
a Delaware limited liability company
By: McMillin Real Estate Services, L.P.
a California limited partnership
Its: Administrative Manager
By: MCM Real Estate Group, Inc
a California corporation
Its General Partner

By: *[Signature]*
D. Wann

[Signature]
(Signature)

[Signature]
(Signature)

(Signature)

(Signature)

Seller's
Acceptance Date: 1/7, 2013

Date: January 5, 2013

Buyer's Initials *[Signature]* Buyer's Initials *[Signature]* Buyer's Initials _____ Buyer's Initials _____

[Signature]

PROJECT Indigo LOT/UNIT NO. 43 TRACT NO. 15105

PHASE NO. 12 BUYER'S NAME Perkins

MCMILLIN COMMUNITIES

RECEIPT OF DOCUMENTS AND INFORMATION

Buyer hereby acknowledges receipt of the following documents (indicate documents delivered to Buyer):

- | | | |
|--------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Draft | Final | |
| N/A | <input checked="" type="checkbox"/> | 1. Final Subdivision Public Report from the California Department of Real Estate |
| N/A | <input checked="" type="checkbox"/> | 2. Conditional Public Report from the California Department of Real Estate |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 3. CC&Rs of the <input type="checkbox"/> Master Association <input type="checkbox"/> Homeowners Association <input type="checkbox"/> Brush Mgt. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 4. Supplementary Declaration or Declaration of Annexation of the <input checked="" type="checkbox"/> Master Association <input type="checkbox"/> Homeowners Association |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 5. Filed Articles of Incorporation of the <input checked="" type="checkbox"/> Master Association <input type="checkbox"/> Homeowners Association <input type="checkbox"/> Brush Management Association |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 6. Bylaws of the <input checked="" type="checkbox"/> Master Association <input type="checkbox"/> Homeowners Association <input type="checkbox"/> Brush Mgt |
| N/A | N/A | 7. Condominium Plan, if applicable |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 8. Budget of the <input type="checkbox"/> Master Association <input type="checkbox"/> Homeowners Association <input type="checkbox"/> Brush Mgt |
| N/A | <input checked="" type="checkbox"/> | 9. Affiliated Business Arrangement Disclosure-Mortgage, if applicable |
| N/A | <input checked="" type="checkbox"/> | 10. Affiliated Business Arrangement-Realty, if applicable |
| N/A | N/A | 11. Subsidy Agreement, if applicable |
| N/A | <input checked="" type="checkbox"/> | 12. Real Estate Agency Relationship Disclosure |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 13. Natural Hazards Disclosure Statement |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 14. Notice(s) of Special Tax, if applicable |

California Property Tax Disclosure Report™ For New Construction/New Homes

- | | | |
|--------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 15. Architectural Guidelines, if available <input checked="" type="checkbox"/> Master Association <input type="checkbox"/> Homeowners Association |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 16. Rules and Regulations, if available <input checked="" type="checkbox"/> Master Association <input type="checkbox"/> Homeowners Association |
| <input type="checkbox"/> | N/A | 17. A statement of the outstanding delinquent assessments and related charges of the <input checked="" type="checkbox"/> Master Association <input type="checkbox"/> Homeowners Association, if any |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 18. Homeowners Manual (including Maintenance Manual) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 19. Fit & Finish Warranty |
| N/A | <input checked="" type="checkbox"/> | 20. Copy of Title 7 of Part 2 of Division 2 of the Civil Code |
| N/A | <input checked="" type="checkbox"/> | 21. Functionality Standards and Non-Adversarial Procedure for Statutory Construction Claims Addendum |
| N/A | <input checked="" type="checkbox"/> | 22. Alternative Dispute Resolution Addendum |
| N/A | <input checked="" type="checkbox"/> | 23. Manufacturers' Warranties and Manufactured Products Maintenance Information, if available (List all available manufacturers' warranties on sheet attached). This list may be supplemented at any time prior to the close of escrow with additional manufacturers' warranties as set forth in a separate document titled "Supplemental List of Manufacturers' Warranties and Manufactured Products Maintenance Information." (To be given at Walk-Thru) |
| <input type="checkbox"/> | N/A | 24. _____

_____ |

ALL OF THE ABOVE-MENTIONED DOCUMENTS ARE IMPORTANT TO THE PURCHASE OF BUYER'S NEW HOME. BY SIGNING BELOW, BUYER ACKNOWLEDGES THAT BUYER HAS RECEIVED ALL OF THE ABOVE DOCUMENTS AND HAD THE OPPORTUNITY TO READ THEM BEFORE EXECUTING THE JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS ("PURCHASE AGREEMENT"). AT THE CLOSING, THE ABOVE DOCUMENTS SHALL BE DEEMED TO HAVE BEEN READ AND APPROVED BY BUYER.

BY INITIALING BELOW, BUYER FURTHER ACKNOWLEDGES THAT THE PURCHASE AGREEMENT INCLUDES VARIOUS ADDENDA, INCLUDING VARIOUS DISCLOSURES, AND BUYER, BY ITS EXECUTION OF THE PURCHASE AGREEMENT, ACKNOWLEDGES THAT BUYER WILL HAVE READ, REVIEWED AND APPROVED OF ALL OF SUCH DOCUMENTATION. (IN THE EVENT OF BUYER CANCELLATION, BUYER SHALL RETURN ALL SUCH DOCUMENTATION AFFILIATED WITH THE NEW HOME PURCHASE. IN THE EVENT THAT THE BUYER DOES NOT RETURN ALL SUCH DOCUMENTATION, SELLER WILL WITHHOLD \$250.00 OUT OF BUYER'S GOOD FAITH DEPOSIT).

BUYER'S INITIALS DP TP

BUYER AGREES TO RETAIN ALL DOCUMENTS RECEIVED IN CONNECTION WITH THE PURCHASE OF THE PROPERTY AND PROVIDE SUCH DOCUMENTS TO ANY SUBSEQUENT PURCHASER OF THE PROPERTY FROM BUYER. Buyer acknowledges that it has received all of the documents listed above and may receive other documents provided in conjunction with the purchase of the Property (collectively, the "Documents"). Buyer shall maintain a full and complete copy of the Documents and agrees to provide any subsequent purchaser of the Property from Buyer with a complete copy of the Documents including, but not limited to, a copy of any Maintenance Manual provided or to be provided by Seller to Buyer, any contractual warranties provided by Seller to Buyer, and a copy of all manufactured products' maintenance and limited warranty information. Buyer should instruct any subsequent purchaser of the Property from Buyer to provide to their subsequent purchasers a complete copy of the Documents.

DP
Buyer

Dwain A. Perkins
Print Name

Dated 1/5/13

Residential Lot/Unit No.: 43

Phase No.: 12

TP
Buyer

TIFFANY PERKINS
Print Name

Dated 1/5/13

**LIST OF MANUFACTURERS WARRANTIES AND
MANUFACTURED PRODUCTS MAINTENANCE INFORMATION**

Will be Provided at Homeowner Orientation

DP
Buyer's Initials

TP
Buyer's Initials

Community: Indigo II

Buyer Name: Perkins

Lot Number: 43

**ADDENDUM TO JOINT PURCHASE AGREEMENT
AND ESCROW INSTRUCTIONS**

Buyer hereby acknowledges that McMillin Indigo II, LLC, ("Seller"), has advised Buyer of the following concerning the purchase of Lot Number 43, Final Map Number 15105, Neighborhood Indigo II, in the City of Chula Vista, County of San Diego, California.

Buyer Hereby Acknowledges Receipt of:

1. Natural Hazard Disclosure Statement (the "NHDS") in accordance with California Civil Code Section §1103 et seq.
2. Residential Property Tax Disclosure Report (the "RPTD") which includes the applicable Notice(s) of Special Tax and/or applicable Notice(s) of Special Assessment pursuant to Government Code §53341.5 and California Civil Code Section §1102.6b, as well as "Notice of Your Supplemental Property Tax Bill" pursuant to California Civil Code §1102.6c.

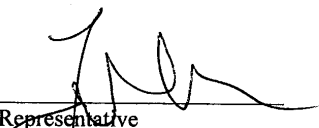
I/We acknowledge receipt of an individual RPTD Report prepared for my/our Lot. The RPTD Report outlines the *estimated* ad valorem taxes, *approximate* CFD special taxes and special assessments assessed by the San Diego County Assessor's Office. Also, I/We acknowledge receipt of an individual "NHDS" Report prepared for my/our Lot.

Seller has prepaid the cost of the RPTD Report and NHDS Report on my/our behalf directly. Seller has advised me/us that my/our Uniform Settlement Statement will reflect a charge in the amount of **\$70.00** (total amount) which represents the Seller's cost for the RPTD Report and NHDS Report.


The cost of the NHDS Report is **\$30.00** which shall be paid by Buyer at the close of escrow.

The cost of the RPTD Report is **\$40.00** which shall be paid by Buyer at the close of escrow.

The Purchaser of the above-referenced Property hereby acknowledges that Purchaser has read and understood that (i) Buyer is closing escrow with full knowledge, understanding and agreement to all of the foregoing, and (ii) this document constitutes an addendum to the Purchase Agreement and Escrow Instructions is hereby incorporated by this reference into the Purchase Agreement and Escrow Instructions and constitutes a part thereof.


Sales Representative

Seller: McMillin Indigo II, LLC
a Delaware limited liability company

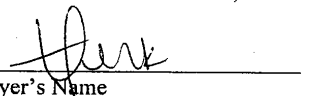
By: 

Date: 1/7/13



Buyer's Name

Date: 1/5/13



Buyer's Name
Date: 1/5/13

CONSENT AND ACKNOWLEDGMENT

(Documents in Electronic Format)

The undersigned ("**Buyer**") is contemplating the purchase of a lot ("**Property**") in the residential community known as Tridigra II ("**Project**") from McMillin Communities ("**Builder**"). Buyer hereby acknowledges, understands and agrees as follows:

Under California Business & Professions Code Section 11018.6, Builder is required to make available to all prospective purchasers copies of (i) the Declaration of Covenants, Conditions and Restrictions for the Project, (ii) the Articles of Incorporation and Bylaws for the Project owners association ("**Association**"), (iii) any other instruments establishing or defining the rights and responsibilities of owners or lessees as members of the Project Association, (iv) certain financial information and (v) a statement by the governing body of the Association setting forth the outstanding delinquent assessments and related charges levied by the Association against the Project interest in question (if any) (collectively, the "**Subdivision Documents**"). The name of each Subdivision Document for the Project is listed on Exhibit A.

Builder is offering each prospective purchaser the opportunity to obtain copies of the Subdivision Documents in electronic format rather than as paper copies. Buyer is aware that paper copies of the Subdivision Documents are available at the Builder's sales office and that Buyer may request a set of paper copies of the Subdivision Documents from Builder at any time prior to the close of escrow for Buyer's purchase of the Property even if Buyer initially chooses electronic delivery of the Subdivision Documents.

By choosing the Subdivision Documents in electronic format, Buyer consents to the delivery of the Subdivision Documents in electronic format in lieu of paper copies. Buyer affirms that Buyer has access to and can operate a computer and has the software necessary to read the Subdivision Documents, and will do so within forty-eight (48) hours after receipt of the computer disk, cd-rom or internet website address and password containing the Subdivision Documents.

Buyer has chosen the following delivery method for the Subdivision Documents:

Paper copies
 Computer disk or Cd-Rom in the following format:
Word for Windows Plain Text (ASCII)
 Internet website access (Address _____; Password _____)

By executing this Consent and Acknowledgment, Buyer acknowledges that Buyer is informed of, has read, understands and accepts the above.

Dated: 1/5, 2013
[Signature] _____ "Buyer"
[Signature] _____ "Buyer"

460856.01

EXHIBIT A

**LIST OF SUBDIVISION DOCUMENTS FOR PROJECT
TO BE PROVIDED ELECTRONICALLY TO BUYER**

1. Department of Real Estate Subdivision Public Report
(covering Buyer's lot)
2. Master Declaration of Restrictions for Village of Vista
Verde Homeowners Association
3. Bylaws of Village of Vista Verde Homeowners Association
4. Articles of Incorporation
5. Village of Vista Verde Homeowners Association budget
6. Village of Vista Verde Residential Design Guidelines
7. SB 800 (Title 7)
8. McMillin Homeowners Manual
9. Brochure
10. Rules and Regulations

JP

JP



Dear Homebuyer:

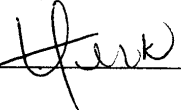
Among the items you are being provided when you purchase your home is a form entitled "New Home Universal Design Checklist." All of the features on that form have been marked "N/A" which means Not Available.

If you are interested in possibly having us provide any of these features, please contact your sales representative to arrange a time and date to meet with us to discuss your requests. Please be sure to contact us well before the start of construction of the home you are purchasing.

The Homebuyer will determine whether to install the requested special features according to the suggested pricing for each such feature. Upon acceptable pricing, we would then enter an amendment to the purchase agreement to set forth our agreement to provide the special features ordered. Please note that it is possible that your lender may require the price of special features to be paid by you in cash rather than being included in the loan.

There will be a non-refundable design fee, starting at \$75, for all non-standard option requests. This design fee will be in addition to any non-standard option cost that is eventually purchased.

Buyer
X 

Buyer
X 

NEW HOME UNIVERSAL DESIGN CHECKLIST (AB 1400)

Name of Development, if applicable Indigo II
Home/Lot Address/ID U#43
Developer (Contact) Name McMillan Indigo II LLC
Phone # 619 477-4117 Fax 619 799-1609
Address 2750 Wamble Rd. SO CA 92106

California law, section 17959.6 of the Health and Safety Code, requires a builder of new for-sale residential units to provide potential buyers with a list of specific "universal design features" which make a home safer and easier to use for persons who are aging or frail, or who have certain temporary or permanent activity limitations or disabilities.

Part I of this Checklist includes those features related to exterior adaptations, doors and openings, interior adaptations, kitchens, and bathrooms or powder rooms.

Part II of this Checklist includes features which apply to other parts of the house and are commonly requested or considered universal design features.

Part III provides space for details, or for any other external or internal feature that may be requested, if it is requested at a reasonable time by the buyer, is reasonably available, is reasonably feasible to install or construct, and makes the home more usable and safer for a person with any type of activity limitation or disability.

All features covered by "Chapter 11A" of the California Building Code (Title 24, CA Code of Regulations, Part 2) are identified by an asterisk (*) and must comply with that Chapter unless otherwise specifically provided. All features not in Chapter 11A must be selected and installed in a workmanlike manner by the builder unless they are further described in **Part III**.

Not every feature listed must actually be available or offered by the builder. In addition, certain items must be requested prior to certain phases of construction, as specified by the builder. The builder may provide estimated costs for the special features. The features must be installed and comply with Chapter 11A, unless the builder and buyer agree in writing to different standards than those in Chapter 11A and the differences are clearly disclosed in **Part III**. A builder is not required to install the listed features unless the builder offers them and both of the following occur: (1) the buyer requests them with the specified phase of construction, and (2) the buyer agrees to provide payment for the features. Any violation of this law is enforced by the local building department and local public prosecutors, and is punishable by civil penalties.

The attached chart lists the specific features which must be disclosed, as well as others commonly requested but not required by law. There are four categories for each feature:

- "Status": whether it is standard ("S"), limited ("L"), an option ("O"), or not available ("NA"), all as determined by the builder.
- "Timing": by what stage in construction it must be requested (such as "any time", "before foundation", "before framing", or "before internal wall covering"), with actual times selected by the builder.
- "Details": whether or not there are additional details or specified modifications from the Building Code listed in the "Additional Details" section, Part III (e.g., "Yes" or "No").
- "Cost": optional labor and materials costs which may be estimated by the builder.

PART I: General Exterior and Interior Components and Features

<u>Feature</u>	<u>Status</u>	<u>Timing</u>	<u>Details</u>	<u>Cost</u>
Exterior Adaptations				
Accessible route of travel to dwelling from public sidewalk or thoroughfare to primary entrance				
Graded path*	NA	NA	NA	\$ NA
Ramp*				\$
Driveway to graded path				\$
No-step entry (1/2" or less threshold)*				\$
Accessible landscaping of at least one side yard and rear yard				\$
Accessible route from garage/parking to home's primary entry*				\$
Accessible route from garage/parking to secondary entry				\$
Other options offered by builder [List in Part III]				\$
Exterior Doors, Openings, and Entries:				
Minimum 32" clear primary entry doorway*				\$
Minimum 32" clear secondary entry doorway*				\$
Primary entry accessible internal/external maneuvering clearances, hardware, thresholds, and strike edge clearances*				\$
Secondary entry accessible internal/external maneuvering clearances, hardware, thresholds, and strike edge clearances*				\$
Primary entry accessible/dual peephole and doorbell				\$
Primary entry door sidelight/window				\$
Accessible sliding glass door and threshold height*				\$
Weather-sheltered entry area				\$
Other options offered by builder [List in Part III]				\$
General Interior Modifications				
Accessible route of travel to at least one bathroom/powder room, kitchen, and common room*				\$
Accessible route of travel: other areas*				\$
42" wide hallways/maneuvering clearances with 32" clear doorways on accessible route*				\$
39" wide hallways/maneuvering clearances with 34" clear doorways on accessible route*				\$
Accessible hallway and doorway widths: other areas*				\$
Accessible hardware, strike edge clearance, and thresholds for accessible doorways*				\$
Light switches, electric receptacles, and environmental and alarm controls at accessible heights on accessible route/rooms*				\$
Light switches, electric receptacles, and environmental and alarm controls at accessible heights on primary floor*				\$
Light switches, electric receptacles, and environmental and alarm controls at accessible locations when over barriers*				\$
Rocker light switches/controls on accessible route/rooms				\$
Rocker light switches/controls on primary floor				\$
Visual smoke/fire/carbon monoxide alarm				\$
Audio and visual doorbell				\$
Audio and visual security alarm				\$
Closets on accessible route: adjustable (36"-60") rods/shelves	✓	✓	✓	\$

Abbreviation Meanings: Standards in CA Bldg Code (Chapter 11A), (**); Status: Standard ("S"), Limited ("L"), Option ("O"), or Not Available ("NA"); Timing: Any Time ("AT"), Before Foundation ("BFo"), Before Framing ("BFr"), Before Internal Wall Covering ("BIW"); Details: See Part III ("Y" or "Yes"), None ("N" or "No").

<u>Feature</u>	<u>Status</u>	<u>Timing</u>	<u>Details</u>	<u>Cost</u>
Nonslip carpet/floor for accessible route	NA	NA	NA	\$NA
Handrail reinforcement (1 side) provided in all accessible routes of travel/rooms over 4 feet long	—	—	—	\$
Handrails (1 side) provided in all accessible routes of travel/rooms over 4 feet in length	—	—	—	\$
Handrail reinforcement (2 sides) provided in all accessible routes of travel/rooms over 4 feet in length	—	—	—	\$
Handrails (2 sides) provided in all accessible routes of travel/rooms over 4 feet in length	—	—	—	\$
Handrail reinforcement or handrails installed in other areas	—	—	—	\$
Interior lifts/elevators:	—	—	—	\$
Interior stairway lift	—	—	—	\$
Interior elevator	—	—	—	\$
Electrical and reinforcement for future lift	—	—	—	\$
Electrical and location for future elevator	—	—	—	\$
Laundry Area, if provided:	—	—	—	\$
Accessible route of travel	—	—	—	\$
Accessible workspace	—	—	—	\$
Accessible cabinets	—	—	—	\$
Accessible appliances	—	—	—	\$
Other options offered by builder [List in Part III]	—	—	—	\$
Kitchen				
At least one kitchen on accessible route of travel	—	—	—	\$
Adequate work/floor space in front of:	—	—	—	\$
Stove (specify 30"x48" or greater)*	—	—	—	\$
Refrigerator (specify 30"x48" or greater)*	—	—	—	\$
Dishwasher (specify 30"x48" or greater)*	—	—	—	\$
Sink (specify 30"x48" or greater)*	—	—	—	\$
Oven (if separate) (specify 30"x48" or greater)*	—	—	—	\$
U-shaped kitchen space requirements*	—	—	—	\$
Other (specify 30"x48" or greater)*	—	—	—	\$
Accessible appliances (doors, controls, etc.)	—	—	—	\$
Stove	—	—	—	\$
Refrigerator	—	—	—	\$
Dishwasher	—	—	—	\$
Sink	—	—	—	\$
Oven (if not part of stove)	—	—	—	\$
Microwave/receptacle at countertop height	—	—	—	\$
Other appliances	—	—	—	\$
Accessible countertops	—	—	—	\$
All or a specified portion repositionable*	—	—	—	\$
One or more breadboards at 15" wide* and 28"-32" high	—	—	—	\$
One or more counter areas at 30" wide* and 28"-32" high	—	—	—	\$
One or more workspaces at 30" wide with knee/toe space	—	—	—	\$
Other features	—	—	—	\$
Cabinets:	—	—	—	\$
Base cabinets: pull-out and/or Lazy Susan shelves	—	—	—	\$
Wall cabinets: pull-out and/or Lazy Susan shelves	—	—	—	\$
Additional interior lighting	—	—	—	\$
Additional under-cabinet lighting	—	—	—	\$
Accessible handles/touch latches for doors/drawers	Y	Y	Y	\$

Abbreviation Meanings: Standards in CA Bldg Code (Chapter 11A), ("*"); **Status:** Standard ("S"), Limited ("L"), Option ("O"), or Not Available ("NA"); **Timing:** Any Time ("AT"), Before Foundation ("BFo"), Before Framing ("BFr"), Before Internal Wall Covering ("BIW"); **Details:** See Part III ("Y" or "Yes"), None ("N" or "No").

Feature	Status	Timing	Details	Cost
Under-cabinet roll-out carts	NA	NA	NA	\$NA
Other features				
Sink:				
Repositionable height*				\$
Removable base cabinets under sink*				\$
Single-handle lever faucet*				\$
Hose/sprayer feature				\$
Anti-scald device				\$
Other features				\$
Contrasting Colors:				
Edge border of cabinets/counters				\$
Flooring: in front of appliances				\$
Flooring: on route of travel				\$
Other features				\$
Other options offered by builder [List in Part III]				
Bathroom/Powder Room				
At least one full bathroom on accessible route of travel				\$
Maneuvering Space (For bathrooms and powder room)				
Maneuvering space diameter				
30" x 48" turning area*				\$
60" diameter turning area				\$
Clear space for toilet and sink				
36" x 36" clear use area				\$
30" x 48" clear use area*				\$
Bathtub and/or shower (For bathrooms only)				
Standard bathtub with grab bar reinforcement*				\$
Standard bathtub with grab bars*				\$
Accessible bathtub (size* and handles)				\$
Standard shower with grab bar reinforcement*				\$
Standard shower with grab bars*				\$
Accessible (roll-in) shower*				\$
Single-handle lever faucets*				\$
Offset controls for exterior use				\$
Toilet (For bathrooms or powder room)				
Standard toilet with grab bar reinforcement*				\$
Standard toilet with grab bars*				\$
Accessible toilet with grab bars*				\$
Sink/Lavatory (For bathrooms or powder room)				
Standard with undersink cabinets				\$
Standard with removable base cabinets*				\$
Pedestal or open front*				\$
Accessories (For bathroom or powder room)				
Lower/accessible medicine chest				\$
Accessible counter space near sink				\$
Single-handle lever faucets*				\$
Anti-scald devices for sink				\$
Accessible handles/touch latches for doors/drawers				\$
Lower towel rack(s)				\$
Lower/tilted mirror(s)				\$
Contrasting floor color				\$
Fold-down/fixer shower seat(s)				\$

Abbreviation Meanings: Standards in CA Bldg Code (Chapter 11A), ("*"); Status: Standard ("S"), Limited ("L"), Option ("O"), or Not Available ("NA"); Timing: Any Time ("AT"), Before Foundation ("BFo"), Before Framing ("BFr"), Before Internal Wall Covering ("BIW"); Details: See Part III ("Y" or "Yes"), None ("N" or "No").

<u>Feature</u>	<u>Status</u>	<u>Timing</u>	<u>Details</u>	<u>Cost</u>
Accessible toilet tissue holder	NA	NA	NA	\$ NA
Hand-held adjustable shower spray unit(s)	↓	↓	↓	\$ ↓
Other options offered by builder [List in Part III]	↓	↓	↓	\$ ↓
Part II: Other Components and Features				
Common Room				
Dining room on accessible route of travel*	↓	↓	↓	\$ ↓
Living room on accessible route of travel*	↓	↓	↓	\$ ↓
Den on accessible route of travel*	↓	↓	↓	\$ ↓
Split-level common room with accessible route of travel*	↓	↓	↓	\$ ↓
No split level common room*	↓	↓	↓	\$ ↓
Other options offered by builder [List in Part III]	↓	↓	↓	\$ ↓
Bedroom				
One bedroom on accessible route of travel	↓	↓	↓	\$ ↓
Two or more bedrooms on accessible route of travel	↓	↓	↓	\$ ↓
Closets have minimum 32" clear opening*	↓	↓	↓	\$ ↓
Larger "walk-in" closets	↓	↓	↓	\$ ↓
Closets have adjustable (36"-60") shelves and bars	↓	↓	↓	\$ ↓
Other options offered by builder [List in Part III]	↓	↓	↓	\$ ↓
Laundry Area				
Laundry area on accessible bath of travel	↓	↓	↓	\$ ↓
Accessories:				
Accessible workspace	↓	↓	↓	\$ ↓
Accessible cabinets	↓	↓	↓	\$ ↓
Accessible handles/touch latches for doors/drawers	↓	↓	↓	\$ ↓
Accessible appliances	↓	↓	↓	\$ ↓
Other options offered by builder [List in Part III]	↓	↓	↓	\$ ↓

Abbreviation Meanings: Standards in CA Bldg Code (Chapter 11A), (**); **Status:** Standard ("S"), Limited ("L"), Option ("O"), or Not Available ("NA"); **Timing:** Any Time ("AT"), Before Foundation ("BFo"), Before Framing ("BFr"), Before Internal Wall Covering ("BMW"); **Details:** See Part III ("Y" or "Yes"), None ("N" or "No").

Part III: Additional Details, Components, or Features

A. External Features: Buyer Request (Any other additional external feature requested at a reasonable time by the buyer that is reasonably available and reasonably feasible to install or construct and makes the residence more usable for a person with activity limitations or disabilities in order to accommodate them). These may include features such as high-visibility address numbers, electronic garage door openers, additional lights, door bench or package shelf, oversized garage, zero-step house/garage entry, etc. (Attached as Part III.A: Yes No)

B. External Features: Builder Offer (Any other additional external feature offered to the buyer by the builder that makes the residence more usable for a person with disabilities or activity limitations in order to accommodate them). (Attached as Part III.B: Yes No)

C. Internal Features: Buyer Request (Any other additional internal feature requested at a reasonable time by the buyer that is reasonably available and reasonably feasible to install or construct and makes the residence more usable for a person with activity limitations or disabilities in order to accommodate them). These may include features such as lowered window sills (under 36"), additional lighting, "touch" luminous light switches, automatic internal lights, additional wiring for electronic features, lighted closets, air filtration systems, larger/more automatic thermostats, pocket doors, etc. (Attached as Part III.C: Yes N)

D. Internal Features: Builder Offer (Any other additional internal feature offered to the buyer by the builder that makes the residence more usable for a person with activity limitations or disabilities in order to accommodate them). (Attached as Part III.D: Yes No)

E. Variation from State Chapter 11A Standards: (Any mutually agreed-upon features with standards different than Chapter 11A of the California Building Code, including clearly identified deviations from those standards). (Attached as Part III.E: Yes No)

F. Additional features or requirements: (Any mutually agreed-upon features not covered by Chapter 11A of the California Building Code for which additional detail would be helpful to the builder and buyer, including clearly identified standards.) (Attached as Part III.F: Yes No)

Form Provided by Builder to Buyer:

10/17/13 x JP x JP
Builder Initials/Date Buyer Initials/Date

No Universal Design Features Requested:

[Signature] x [Signature]
Buyer Signature/Date

Universal Design Features Identified And Agreed To By Builder and Buyer:

Buyer Signature/Date

Builder Signature/Date

Abbreviation Meanings: Standards in CA Bldg Code (Chapter 11A), (**); Status: Standard ("S"), Limited ("L"), Option ("O"), or Not Available ("NA"); Timing: Any Time ("AT"), Before Foundation ("BFo"), Before Framing ("BFr"), Before Internal Wall Covering ("BIW"); Details: See Part III ("Y" or "Yes"), None ("N" or "No").



**California Property Tax Disclosure Report™
For New Construction/New Homes**

Report Date: 12/13/2012

Report Number: 512736

This Property Tax Disclosure Report satisfies Seller's obligations to disclose (a) Mello-Roos and 1915 Bond Act Assessments applicable to the Residential Property pursuant to California Government Code 53341.5 and Civil Code Section 1102.6b, and (b) Supplemental Taxes as required by California Civil Code Section 1102.6c

First American Professional Real Estate Services, Inc doing business as First American Natural Hazard Disclosures ("FANHD") has prepared this Report for the owner of the Residential Property on the Report Date ("Seller"), the buyer of the Residential Property under a contract of sale as of the Report Date ("Buyer") and their respective licensed real estate agents ("Agents"). Seller, Buyer and the Agents are sometimes referred to herein as "Party" or "Parties."

PROPERTY INFORMATION

Community Name: Indigo II
Seller: McMillin Communities
Legal Description: San Diego County / TRACT 05-07, Map 15105/ Lot 43
Residential Property: 1765 Jackson Street Chula Vista, CA
Square Footage: 2808 **APN:** 644-250-43-00

DETERMINATION SUMMARY

The Residential Property:

- A. IS IS NOT Subject to one or more Mello-Roos Community Facilities Districts
- B. IS IS NOT Subject to one or more 1915 Bond Act Assessment Districts
- C. IS IS NOT Subject to other direct assessments
- D. IS IS NOT Subject to SRA Fire Prevention Fee

Part 1: Special Tax and Assessment Summary

Part 2: Accelerated Foreclosure Information

Part 3: Estimated Property Tax Charges

Part 4: Supplemental Tax Information

***Notice of Supplemental Tax Bill (SIGNATURE REQUIRED)**

Part 5: State Responsibility Area Fire Prevention Fee

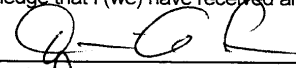
Part 6: Methods and Limitations

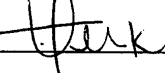
Exhibits: 6 (Six) Notices of Special Tax (SIGNATURE REQUIRED)

LIABILITY PROTECTIONS: Upon consummation of the sale of the Residential Property to Buyer ("Sale Date"), the Parties involved in that sale are protected against loss caused by an error in this Report as specified in Part 6 entitled "Methods and Limitations." The Parties understand that this is a report product and not an insurance policy.

BUYER'S ACKNOWLEDGEMENT

I (we) acknowledge that I (we) have received and read a complete copy of this California Property Tax Disclosure Report™.

Buyer Signature:  Date: 1/5, 2013

Buyer Signature:  Date: 1/5, 2013



**California Property Tax Disclosure Report™
For New Construction/New Homes**

Report Date: 12/13/2012

Report Number: 512736

PART 1. SPECIAL TAX AND ASSESSMENT SUMMARY

TO THE PROSPECTIVE PURCHASER OF THE RESIDENTIAL PROPERTY LEGALLY DESCRIBED AS:

Legal Description: San Diego County / TRACT 05-07, Map 15105/ Lot 43

THIS IS A NOTIFICATION TO BUYER PRIOR TO PURCHASING THE RESIDENTIAL PROPERTY.

A. Mello-Roos Community Facilities Districts:

If the Residential Property is within a Mello-Roos community facilities district (CFD), it will be subject to a special tax that will appear on the property tax bill. This special tax is in addition to the ad valorem property taxes and any other charges and benefit assessments that will be itemized on the property tax bill and the proceeds of this tax or assessment are used to provide public facilities or services that are likely to particularly benefit the real property. This special tax may not be imposed on all parcels within the city or county where the property is located.

If the Residential Property is within a CFD, the current tax rate, maximum tax rate, the maximum tax rate escalator, and the authorized facilities which are being paid for by the special taxes, and any authorized services will be indicated below. THE BUYER SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE PUBLIC FACILITIES AND SERVICES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THE RESIDENTIAL PROPERTY.

This property **IS SUBJECT TO** Mello-Roos Community Facilities Districts

Mello-Roos Assessment Districts Applicable to the Residential Property

The following tables provide an information summary of the Mello-Roos Community Facilities Districts (the CFD) levied on this property. Each CFD will also have a separate Notice of Special Tax which requires signing.

1.1

Agency	Improvements and/or Services	Start Date Maturity Date	Maximum Tax Amount
CFD 97-2 Otay Ranch Preserve	Maintenance Of Landscaping, Lighting, Security, Irrigation	1998/1999 Levied in Perpetuity	\$50.78 For 2012/13 Tax Year <i>(See Notice of Special Tax)</i>
Max. Tax Escalator	Contact	Phone Number	Accelerated Foreclosure (yes or no)
CPI	NBS	(800) 676-7516	Yes (See Part)

1.2

Agency	Improvements and/or Services	Start Date Maturity Date	Maximum Tax Amount
CFD 12 M - McMillin Otay Ranch Village 7	Storm Water Quality Maintenance And Habitat Maintenance.	2006/2007 Levied in Perpetuity	\$1,265.28 For 2012/13 Tax Year <i>(See Notice of Special Tax)</i>
Max. Tax Escalator	Contact	Phone Number	Accelerated Foreclosure (yes or no)
CPI	NBS	(800) 676-7516	Yes (See Part)



**California Property Tax Disclosure Report™
For New Construction/New Homes**

Report Date: 12/13/2012

Report Number: 512736

1.3

Agency	Improvements and/or Services	Start Date Maturity Date	Maximum Tax Amount
CFD 12-I McMillin Otay Ranch Village 7	Finance The Cost Of Constructing And Acquiring Certain Public Facilities	2006/2007 2046/2047	\$3,108.32 * <i>(See Notice of Special Tax)</i>
Max. Tax Escalator	Contact	Phone Number	Accelerated Foreclosure (yes or no)
0%	NBS	(800) 676-7516	Yes (See Part)

“(*)” Indicates Backup Special Tax used

1.4

Agency	Improvements and/or Services	Start Date Maturity Date	Maximum Tax Amount
Chula Vista Elem CFD #11	Construction And Acquisition Of New School Facilities	1997/1998 25 Years from date the property is classified and taxed as developed.	\$1,076.87 For 2012/13 Tax Year <i>(See Notice of Special Tax)</i>
Max. Tax Escalator	Contact	Phone Number	Accelerated Foreclosure (yes or no)
2%	Lynn Furrow	(619)425-9600 x 1383	Yes (See Part)

1.5

Agency	Improvements and/or Services	Start Date Maturity Date	Maximum Tax Amount
Sweetwater High CFD #16	Acquisition And Construction Of School Facilities	2004/2005 2035/2039	\$2,189.40 For 2012/13 Tax Year <i>(See Notice of Special Tax)</i>
Max. Tax Escalator	Contact	Phone Number	Accelerated Foreclosure (yes or no)
2%	Special District Financing (Brien Clarke)	(619)691-5553	Yes (See Part)

1.6

Agency	Improvements and/or Services	Start Date Maturity Date	Maximum Tax Amount
CFD 98-2 (Interim Open Space Maintenance District)	Maintenance of landscaped parkways and medians within the CFD	1998/1999 Levied in Perpetuity	<i>(See Notice of Special Tax)</i>
Max. Tax Escalator	Contact	Phone Number	Accelerated Foreclosure (yes or no)
	City of Chula Vista Engineering	(619)691-5258	Yes (See Part)

Notice of Special Tax Exhibits 1.1 thru 1.6 (Signature Required)



**California Property Tax Disclosure Report™
For New Construction/New Homes**

Report Date: 12/13/2012

Report Number: 512736

B. 1915 Bond Act Assessment Districts:

If the Residential Property is within a 1915 Bond Act assessment district, this assessment district will have issued bonds to finance the acquisition or construction of certain public improvements that are of direct and special benefit to all real property within the assessment district. The bonds will be repaid from annual assessment installments against all the properties within the assessment district.

Annual assessment installments of such an assessment district will appear on the real property tax bills and are in addition to the ad valorem property taxes and any other charges and levies that will be itemized on the property tax bill. If the assessment installments are not paid when due each year, the Residential Property may be foreclosed upon and sold.

If the Residential Property is within a 1915 Bond Act assessment district, the annual assessment installment against the Residential Property and the public facilities that are being financed by the proceeds from the sale of bonds that are being repaid by the assessments will be indicated below.

THE BUYER SHOULD TAKE ANY ASSESSMENT(S) AND THE BENEFITS FROM THE PUBLIC FACILITIES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THE RESIDENTIAL PROPERTY.

This property **IS NOT SUBJECT TO** 1915 Bond Act Assessment Districts

PART 2. ACCELERATED FORECLOSURE INFORMATION

Certain assessment or bond issues may contain the right to accelerated foreclosure as part of the security for the obligation. The right to accelerated foreclosure may provide priority over other real property taxes. The issuers of such bonds are contractually required to monitor and collect delinquent assessments quickly. Accordingly these assessments are not subject to the five (5) year waiting period applicable to the foreclosure of ad valorem real property taxes. If a parcel of real property is subject to such an assessment and the taxes are not paid promptly, the real property may be foreclosed upon and sold at public auction on an expedited basis. **Therefore, it is extremely important that the real property tax bill be paid on time to prevent accelerated foreclosure of any such assessment.**

If the Residential Property is subject to an assessment or bond issue with an accelerated foreclosure lien, the detailed information is disclosed below.

A. Mello-Roos Community Facility Districts

This property **IS SUBJECT TO** Mello-Roos Community Facilities Districts containing an accelerated foreclosure provision.

Refer to Part 1 or accompanying Notices of Special Tax for more information regarding the Mello-Roos Community Facilities Districts affecting this property.

B. 1915 Bond Act Assessment Districts

This property **IS NOT SUBJECT TO a** 1915 Bond Act Assessment District Tax containing an accelerated foreclosure provision.



**California Property Tax Disclosure Report™
For New Construction/New Homes**

Report Date: 12/13/2012

Report Number: 512736

PART 3. ESTIMATED PROPERTY TAX CHARGES

A tax bill consists of various types of taxes, levies and assessments. Ad valorem taxes are based on the value of the parcel while fixed levies and special assessments are based on the benefit to the property. The following information is provided as an overview to the various charges related to the tax bill for the Residential Property. This information can change as a result of future voter approved legislation. Upon sale of the property, the assessed value will be set to the sales price which will also result in a change in ad valorem tax amount. However, fixed assessments are not affected as a result of a sale of the property.

A. Estimated Subject Property Tax Rate – TRACT 05-07 MAP 15105 / Lot No. 43

The following is a listing of various levies and assessments that will appear on the tax bill for the Residential Property. This information provided is based on county records for the 2012/2013 tax year.

Tax Rate Area 001-265

	Agency	Type	Tax Rate (% of Projected Sales Price)
	Ad Valorem Tax Assessments		
	General 1% Tax Rate	General Tax Rate	1.00000%
(a)	CHULA VISTA ELEM SCHOOL 1998C	Voter Approved Bond	0.00000%
(b)	CHULA VISTA ELEM SCHOOL 1998D	Voter Approved Bond	0.00000%
(c)	CHULA VISTA ELEM SCHOOL 1998E	Voter Approved Bond	0.00000%
(d)	CHULA VISTA ELEM SCHOOL 1998F	Voter Approved Bond	0.00000%
(e)	CHULA VISTA ELEM SCHOOL 1998G	Voter Approved Bond	0.00458%
(f)	CHULA VISTA ELEM SCHOOL 2005 REF	Voter Approved Bond	0.00967%
(g)	CHULA VISTA PROP JJ 11/03/98, 2010 REF	Voter Approved Bond	0.00442%
(h)	CHULA VISTA PROP JJ 11/03/98, 2012 REF	Voter Approved Bond	0.00659%
(i)	HIGH SCHOOL BOND SWEETWATER 2000A	Voter Approved Bond	0.00439%
(j)	HIGH SCHOOL BOND SWEETWATER 2000B	Voter Approved Bond	0.00842%
(k)	HIGH SCHOOL BOND SWEETWATER 2000C	Voter Approved Bond	0.01690%
(l)	HIGH SCHOOL BOND SWEETWATER 2006	Voter Approved Bond	0.00000%
(m)	HIGH SCHOOL BOND SWEETWATER 2007	Voter Approved Bond	0.02891%
(n)	SOUTHWESTERN COMMUNITY COLLEGE BOND 2000	Voter Approved Bond	0.00651%
(o)	SOUTHWESTERN COMMUNITY COLLEGE BOND 2004	Voter Approved Bond	0.00000%
(p)	SOUTHWESTERN COMMUNITY COLLEGE BOND 2005B REF	Voter Approved Bond	0.01163%
(q)	OTAY WATER IMP DIST NO 27 - DEBT SERVICE	Voter Approved Bond	0.00500%
(r)	MWD DEBT SERVICES	Voter Approved Bond	0.00350%
(s)	SOUTHWESTERN COMMUNITY COLLEGE BOND 2009A	Voter Approved Bond	0.00178%
(t)	SOUTHWESTERN COMMUNITY COLLEGE BOND 2009B	Voter Approved Bond	0.01059%
(u)	SOUTHWESTERN COMMUNITY COLLEGE BOND 2010C	Voter Approved Bond	0.00702%
(v)	SOUTHWESTERN COMMUNITY COLLEGE BOND 2010D	Voter Approved Bond	0.00000%
	Total Ad Valorem Tax Rate		1.12991%



California Property Tax Disclosure Report™
For New Construction/New Homes

Report Date: 12/13/2012

Report Number: 512736

	Fixed and/or Special Assessments		Estimated Fixed Assessment Levy
(w)	CHULA VISTA ELEMENTARY CFD NO. 11	Mello Roos CFD	\$915.33 *
(x)	CHULA VISTA CFD 97-2 (OTAY RANCH PRESERVE)	Mello Roos CFD	\$6.30 *
(y)	CHULA VISTA CFD 12-M	Mello Roos CFD	\$1,265.28
(z)	CHULA VISTA CFD 12-I	Mello Roos CFD	\$3,108.32
(aa)	SWEETWATER HIGH CFD NO. 16	Mello Roos CFD	\$2,193.82 *
(bb)	OTAY WATER DISTRICT, WATER AVAILABILITY	Water Availability	\$10.00
(cc)	SAN DIEGO COUNTY WATER AUTHORITY, WATER AVAILABILITY	County Water Availability	\$10.00
(dd)	METROPOLITAN WATER DISTRICT, WATER STANDBY CHARGE	Water Standby	\$11.50
(ee)	COUNTY OF SAN DIEGO VECTOR CONTROL	Health & Safety	\$5.86
(ff)	COUNTY OF SAN DIEGO – MOSQUITO SURVEILLANCE	Health & Safety	\$2.28
(gg)	CHULA VISTA CFD 98-2 (INTERIM OPEN SPACE MAINTENANCE DISTRICT)	Mello Roos CFD	\$0.00 * This District is not currently levying taxes, see Notice of Special Tax
	Fixed Assessment Totals		\$7,528.70

“*” District is currently levying at an amount less than the Maximum Special Tax Rate

Footnotes:

- (a) Represents the projected 2012-2013 annual assessment for debt service and repayment of Chula Vista Elementary School District 1998C, voter approved bonds.
- (b) Represents the projected 2012-2013 annual assessment for debt service and repayment of Chula Vista Elementary School District 1998D, voter approved bonds.
- (c) Represents the projected 2012-2013 annual assessment for debt service and repayment of Chula Vista Elementary School District 1998E, voter approved bonds.
- (d) Represents the projected 2012-2013 annual assessment for debt service and repayment of Chula Vista Elementary School District 1998F, voter approved bonds.
- (e) Represents the projected 2012-2013 annual assessment for debt service and repayment of Chula Vista Elementary School District 1998G, voter approved bonds.
- (f) Represents the projected 2012-2013 annual assessment for debt service and repayment of Chula Vista Elementary School District 2005 REF, voter approved bonds.
- (g) Represents the projected 2012-2013 annual assessment for repayment of Chula Vista Elem School Prop JJ 11/3/98, 2010 REF voter approved bonds
- (h) Represents the projected 2012-2013 annual assessment for repayment of Chula Vista Elem School Prop JJ 11/3/98, 2012 REF voter approved bonds
- (i) Represents the projected 2012-2013 annual assessment for debt service and repayment of Sweetwater Union High School District 2000A, voter approved bonds.
- (j) Represents the projected 2012-2013 annual assessment for debt service and repayment of Sweetwater Union High School District 2000B, voter approved bonds
- (k) Represents the projected 2012-2013 annual assessment for debt service and repayment of Sweetwater Union High School District 2000C, voter approved bonds



California Property Tax Disclosure Report™
For New Construction/New Homes

Report Date: 12/13/2012

Report Number: 512736

Footnotes continued:

- (l) Represents the projected 2012-2013 annual assessment for debt service and repayment of Sweetwater Union High School District 2006, voter approved bonds
- (m) Represents the projected 2012-2013 annual assessment for debt service and repayment of Sweetwater Union High School District 2007, voter approved bonds
- (n) Represents the projected 2012-2013 annual assessment for repayment of Southwestern Community College District, 2000 voter approved Bonds
- (o) Represents the projected 2012-2013 annual assessment for repayment of Southwestern Community College District, 2004 voter approved Bonds
- (p) Represents the projected 2012-2013 annual assessment for repayment of Southwestern Community College District, 2005B REF voter approved Bonds.
- (q) Represents the projected 2012-2013 annual assessment for debt service for Otay Water Improvement District No. 27 voter approved bonds.
- (r) Represents the projected 2012-2013 annual assessment for debt service for Metropolitan Water District Bonds. The district provides water and wastewater management services.
- (s) Represents the projected 2012-2013 annual assessment for repayment of Southwestern Community College District, 2009A REF voter approved Bonds.
- (t) Represents the projected 2012-2013 annual assessment for repayment of Southwestern Community College District, 2009B REF voter approved Bonds.
- (u) Represents the projected 2012-2013 annual assessment for repayment of Southwestern Community College District, 2010C REF voter approved Bonds.
- (v) Represents the projected 2012-2013 annual assessment for repayment of Southwestern Community College District, 2010D REF voter approved Bonds.
- (w) Represents the projected 2012-2013 annual assigned special tax for Chula Vista Elementary CFD 11
- (x) Represents the projected 2012-2013 annual assigned special tax for Chula Vista CFD 97-2 (Otay Ranch Preserve)
- (y) Represents the projected 2012-2013 annual assigned special tax for Chula Vista CFD 12-M
- (z) Represents the projected 2012-2013 annual assigned special tax for Chula Vista CFD 12-I
- (aa) Represents the projected 2012-2013 annual assigned special tax for Sweetwater High CFD No. 16
- (bb) Represents the projected 2012-2013 annual levy for Otay Water District for water availability programs and services.
- (cc) Represents the projected 2012-2013 annual levy for San Diego County Water Authority for water availability programs and services
- (dd) Represents the projected 2012-2013 annual levy for the Metropolitan Water District for water standby projects and services
- (ee) Represents the projected 2012-2013 annual assessment for Mosquito and Vector Control District (Health & Safety)
- (ff) Represents the projected 2012-2013 annual assessment for Mosquito and Vector Surveillance services (Health & Safety)
- (gg) Represents the projected 2012-2013 annual assigned special tax for Chula Vista CFD 98-2 Interim Open Space Maintenance District * This District is not currently levying taxes (See Notice of Special Tax for additional information on services provided)



**California Property Tax Disclosure Report™
For New Construction/New Homes**

Report Date: 12/13/2012

Report Number: 512736

**B. Calculating Ad Valorem Taxes After Sale (Estimate Only)
Property Tax Estimator**

The following calculation method is provided to assist Buyer in *estimating* the approximate amount of the ad valorem taxes that the Residential Property will be for the 2012/2013 (tax year) based on the assessed valuation being equal to the sales price. The amount derived is only an estimate and is not a substitute for a tax bill from the County, nor does it anticipate new property tax charges, fees or other changes in the property tax rates for the new tax year. Please see Section D below for general information about Ad Valorem Taxes.

1	Estimated Sales Price	•	1	\$	_____
2	Estimated Ad Valorem Tax Rate	•	2	0.0112991	
3	Multiply line 1 by line 2. This is your Estimated Ad Valorem Tax.....	•	3	\$	_____
4	Special Assessments	•	4	\$7,528.70	
5	Add lines 3 and 4. Total Estimated Annual Tax Amount After Sale	•	5	\$	_____

The information in this Section B is an estimate only. The purpose of this "ESTIMATOR" is to assist Buyer in planning for ad valorem taxes which will be applicable after the Sale Date. This "ESTIMATOR" requires the Buyer's projection of the purchase price of the Residential Property. Please note that potential exemptions and exclusions are not reflected in this estimate. FANHD is not responsible or liable for any losses, liabilities or damages resulting from use of this Property Tax Estimator.

C. Exemptions & Exclusions To Ad Valorem Taxes

California law provides certain exemptions from reassessments. The following is a list of common exemptions which may be available:

- Homeowner exemption (California Constitution Art XIII, §3 & R&T Code §218)
- Honorably discharged veterans (California Constitution Art XIII, §3 & R&T Code §205)
- Disabled veterans(California Constitution Art XIII, §4 & R&T Code §205)

California law also provides certain exclusions from reassessment. The following is a list of common exclusions which may be available:

- Persons over 55 years of age (R&T Code § 69.5)
- Severely and permanently disable persons (R&T Code § 69.5(a))
- Transfers between parents and children and grandparents and grandchildren (R&T Code § 63.1)
- Transfers into revocable trusts (R&T Code § 62)
- Interspousal transfers (R&T Code § 63)
- Improvements for seismic retrofitting (R&T Code § 74.5)
- Improvements for disabled access (R&T Code § 74.3)
- Replacement of property damaged or destroyed by disaster (R&T Code § 69)

In order to determine if Buyer may qualify for any exemptions or exclusions or to obtain a comprehensive list of available exemptions and exclusions, please contact the county tax assessor's office (619)236-3771 or visit the county website at <http://arcc.co.san-diego.ca.us/default.aspx>. Additional information is also available on the website for the California Board of Equalization at www.boe.ca.gov



**California Property Tax Disclosure Report™
For New Construction/New Homes**

Report Date: 12/13/2012

Report Number: 512736

D. General Information Regarding Ad Valorem Taxes

County assessors must value property in accordance with the California Constitution and the California Revenue & Taxation Code and related laws and regulations.

"Full cash value", also known as "market value" or "fair market value," means the amount of cash or its equivalent which property would bring if exposed for sale in the open market.

A property's "base year value," for real property assessed under Proposition 13, is the property's full cash value as of the date of the latest change in ownership or completion of new construction.

An "adjusted base year value" (sometimes also referred to as the "factored base year value") is the property's base year value adjusted by an annual inflation factor, not to exceed two percent (2%) per year.

"Taxable value" is the value upon which the base property taxes are calculated. For most real property, this is the adjusted base year value or the property's current market value, whichever is lower.

The **assessment roll** is the official list of all assessable property in the county.

The **lien date** is the date of valuation for all property. Annually, the taxable status and value of property is determined as of 12:01 a.m. on January 1. The fiscal tax year runs from July 1 to June 30.

Proposition 13 limits the general property tax rate to one percent (1%) of the assessed value, plus an amount for the debt service on any bonds approved by popular vote. The tax rate will vary depending upon where the property is located.

PART 4. SUPPLEMENTAL TAX INFORMATION

A. General Information Regarding Supplemental Taxes

California law mandates the county assessor to reappraise real property upon a change in ownership or completion of new construction. The assessor's office issues a supplemental assessment which reflects the difference between the prior assessed value and the new assessment. This value is prorated based on the number of months remaining in the fiscal tax year which ends June 30.

Notices of the supplemental assessment are mailed out to the property owner prior to the issuance of either (a) the supplemental tax bill, or (b) the refund if the value is reduced. Any supplemental taxes are amounts due in addition to the regular annual tax bill.

Any supplemental taxes will be due from the current owner in addition to the regular tax assessment. For the first year of ownership, Buyer should plan for this additional payment.



California Property Tax Disclosure Report™
For New Construction/New Homes

Report Date: 12/13/2012

Report Number: 512736

B. Supplemental Tax Disclosure

The following notice is mandated by California Civil Code Section 1102.6c:

NOTICE OF YOUR 'SUPPLEMENTAL' PROPERTY TAX BILL

SAN DIEGO COUNTY / TRACT 05-07, MAP 15105/ LOT 43

"California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector.

If you have any questions concerning this matter, please call your local Tax Assessor's Office at:"

Tax Assessor: San Diego County Assessor's Office

Address: 1600 Pacific Highway Suite 103, San Diego CA 92101

Phone Number: 619-236-3771

Website: <http://arcc.co.san-diego.ca.us/default.aspx>

THE PURCHASER OF THE ABOVE REFERENCED PROPERTY HEREBY ACKNOWLEDGES THAT PURCHASER HAS READ, UNDERSTOOD AND RECEIVED THIS NOTICE.

Buyer: _____

Q-C-R

Dated: _____

1/5/13

Buyer: _____

Herk

Dated: _____

1/5/13



**California Property Tax Disclosure Report™
For New Construction/New Homes**

Report Date: 12/13/2012

Report Number: 512736

PART 5. STATE RESPONSIBILITY AREA FIRE PREVENTION FEE

Pursuant to Chapter 1.5 (commencing with Section 4210) to Part 2 of Division 4 of the Public Resources Code, the State of California shall charge an annual "Fire Prevention Benefit Fee" ("Benefit Fee") on each eligible habitable structure on a parcel that is within a State Responsibility Area ("SRA") as defined in Section 4102 of the Public Resources Code, commencing with the 2011-2012 fiscal year. For an explanation of the SRA, refer to Page 9 of the Natural Hazard Disclosure Report, under "Wildland Fire Area (State Responsibility Area)". The Fee Amount and a Fee Exemption (explained below) were implemented in an emergency regulation adopted January 23, 2012 by the State Board of Forestry and Fire Protection ("Board").

Fee Amount: A Benefit Fee of one hundred-fifty dollars (\$150) shall be charged on each habitable structure within an SRA, including single-family homes, multi-dwelling structures, mobile and manufactured homes, and condominiums. This is **not** a "per parcel" fee, but a levy on each structure (if any) on the parcel within an SRA which the State determines to be habitable.

Fee Exemption: Property owners of habitable structures within a SRA and also within the boundaries of a local agency that provides fire protection services shall receive a fee reduction of thirty-five dollars (\$35) per habitable structure.

Date Due and Late Payment Penalties

The fee shall be collected annually by the State Board of Equalization ("BOE"), and is due and payable 30 days from the date of assessment by the BOE. If not paid when due and payable, a penalty of twenty percent (20%) of the fee determined to be due shall be added to the amount due and payable for EACH 30-day period in which the fee remains unpaid.

The fees collected, other than that retained by the BOE necessary for payment of refunds and expenses incurred in the collection of the fee, shall be deposited into the State Responsibility Area Fire Prevention Fund in the State Treasury. This Fund shall be used by the Board and the Department of Forestry and Fire Protection ("CalFire") to finance the cost of specified fire prevention activities that will benefit the owners within the SRA who are required to pay the fee, including such activities as public education programs and local fire prevention projects to reduce fire risk in SRAs.

On July 1, 2013, and annually thereafter, the Board shall adjust the annual amount of the Fire Prevention Fee to reflect the percentage of change in the average annual value of a specified standard price index as reported by the Department of Finance. Commencing with the 2012-13 fiscal year, if there are sufficient amounts of moneys in the SRA Fire Prevention Fund to finance the costs of specified fire prevention activities for a fiscal year, the BOE would be prohibited from collecting the fee for that fiscal year.

Appeals Process: A person from whom the Benefit Fee is to be due may petition for a redetermination of whether this fee requirement applies to the Property. To appeal, the owner must submit within 30 days after the date of service of the determination a written petition stating the specific grounds upon which the appeal is founded and include supporting documentation. The petition must be sent to the address indicated by CalFire which may be the address of CalFire's Designated Fee Administrator.

Database Date: August 2012

This property is not located in a State Responsibility Area.



California Property Tax Disclosure Report™
For New Construction/New Homes

Report Date: 12/13/2012

Report Number: 512736

PART 6. METHODS AND LIMITATIONS -- PLEASE READ!

This Part will summarize (a) the methods used in creating this Report, (b) the limitations with respect to the data provided, and (c) the responsibilities and liabilities of FANHD under this Report. Please read this entire section carefully to understand the limitations of this Report and FANHD's responsibilities.

A. ONLY THE PARTIES MAY RELY ON THIS REPORT

This Report is valid, the Parties may rely on the Report, and a contract is formed with FANHD, only upon receipt by FANHD of payment of the full price of the Report.

This Report may be relied upon only by the Parties to the transaction for which it has been purchased. This Report cannot be relied upon (a) by any persons other than Seller, Buyer and their Agents, (b) for any other real property, or (c) for any future transactions involving the Residential Property. The price paid for the Report does not include any amounts for protection of such other parties.

B. LIMITATIONS ON FANHD'S LIABILITY

This Report is not an insurance policy and does not provide the same protections as an insurance policy. It does not obligate FANHD to defend any Party against any claims, and FANHD shall not have any duty to defend against any claims pursuant to California Civil Code § 2778 or otherwise. The price of this Report has not been based upon any responsibility for defense costs, nor for assumption of all tax liability. The premium for an insurance product would be significantly greater than the cost of this Report. The Parties acknowledge that claims for damages beyond actual losses can significantly increase the costs of Reports and make prompt resolution of claims more difficult. In order to induce FANHD to provide this Report for the price charged, and to help streamline the process of resolving any disputes between the Parties and FANHD, Buyer, Seller and Agents agree that if there is a material error or omission in this Report:

- The Party who suffers damages as a result of such error or omission shall be entitled to recover from FANHD the actual proved damages measured by the difference in the fair market value of the Residential Property as of the Sale Date, caused by the error or omission, but not in excess of the present value of the total under-reported tax amount which would payable for a five (5) year period from the Sale Date.
- FANHD shall not be liable for indirect, consequential, or punitive damages (including, but not limited to, emotional distress or pain and suffering).

FANHD shall not be liable to a Party for any matters known to that Party or its Agent (including errors in this Report) and not disclosed in writing to both the other Parties and FANHD prior to the date the Residential Property is sold by Seller to Buyer. FANHD is also not responsible for (a) The accuracy, validity or completeness of the applicable real property tax records; or (b) any tax information regarding the Residential Property after the Report Date.

C. SELLER AND SELLER'S AGENT'S RESPONSIBILITY OF FULL DISCLOSURE

Sellers of real property and their Agents should always fully disclose all material facts regarding the real property which they are selling. Regardless of the information in this Report, if Seller or Seller's Agent has any actual knowledge of tax information potentially affecting the Residential Property, that information should be promptly disclosed in writing to the Buyer and the Buyer's Agent.

D. OTHER AGREEMENTS

This Report sets forth the complete, integrated agreement between FANHD and the Parties. Evidence of prior or contemporaneous statements, representations, promises or agreements shall not be admissible to vary the terms of this written agreement. This agreement may not be changed or amended except by a written document signed by an authorized representative of FANHD and the Parties. In the event that any dispute arises between FANHD and any Parties arising out of or relating to this Report or its subject matter, or any act or omission of FANHD, the prevailing party shall be entitled to recover his, her or its reasonable costs, including attorneys' fees, from the losing party.

If any provision of this Report, or its application to any circumstance, is held to be invalid, unenforceable, or void, the remainder of this Report shall remain in full force and effect and enforced to the fullest extent possible.

END OF REPORT

**NOTICE OF SPECIAL TAX
CITY OF CHULA VISTA
COMMUNITY FACILITIES DISTRICT # 97-2
(PRESERVE MAINTENANCE DISTRICT)
COUNTY OF SAN DIEGO, CALIFORNIA**

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

SUBDIVISION: TRACT 05-07 MAP 15105, Lot 43

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO PURCHASE THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

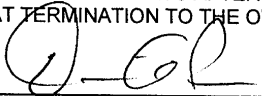
(1) This property is subject to a Special Tax, which is in addition to the regular property taxes and any other charges, fees, Special Taxes and benefit assessments on the parcel. It is imposed on this property because it is a new development, and may not be imposed generally upon property outside of this new development. 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. YOU SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE FACILITIES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.

(2) The property you are purchasing (the "Property") is within City of Chula Vista Community Facilities District No. 97-2, (Preserve Maintenance District), (the "CFD") and is subject to Annual Special Taxes levied pursuant to the Notice of Special Tax Lien of the CFD which is recorded against the Property. The Maximum Annual Special Tax which may be levied by the CFD against the Property is \$0.018084 per square foot of a single family dwelling unit during the 2012/2013 tax year. This amount will increase by an amount equal to the Consumer Price Index (CPI) each year. The exact amount of Special Tax to be levied each fiscal year will be determined by the City Council or Administrator for the CFD. The Special Tax will be levied against the Property by the CFD in perpetuity.

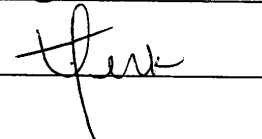
(3) The authorized services which are being paid for by the Special Taxes, and the money received from the sale of bonds which are being repaid by the Special Taxes, include but are not limited to providing security services, maintenance landscaping, lighting and irrigation services as well as all costs related to the formation and administration of the CFD.

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION WHICH AUTHORIZED CREATION OF THE CFD, AND WHICH SPECIFIES MORE PRECISELY HOW THE SPECIAL TAX IS APPORTIONED AND HOW THE PROCEEDS OF THE TAX WILL BE USED, FROM NBS BY CALLING (800)676-7516. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE REASONABLE COST OF PROVIDING THE DOCUMENT.

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON, OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL, BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT SELLING THE PROPERTY.

Buyer: 

Dated: 1/5/13

Buyer: 

Dated: 1/5/13

**NOTICE OF SPECIAL TAX
CITY OF CHULA VISTA
COMMUNITY FACILITIES DISTRICT NO. 12-M
(IMPROVEMENT AREA NO.1, MCMILLIN OTAY RANCH)
COUNTY OF SAN DIEGO, CALIFORNIA**

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

SUBDIVISION: TRACT 05-07 MAP 15105, Lot 43

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO PURCHASE THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

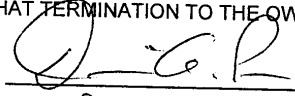
(1) This property is subject to a Special Tax, which is in addition to the regular property taxes and any other charges, fees, Special Taxes and benefit assessments on the parcel. It is imposed on this property because it is a new development, and may not be imposed generally upon property outside of this new development. 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. YOU SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE FACILITIES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.

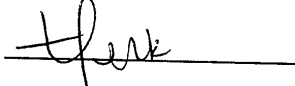
(2) The property you are purchasing (the "Property") is within City of Chula Vista Community Facilities District No. 12M (Improvement Area No. 1, McMillin Otay Ranch, (the "CFD") and is subject to annual Special Taxes levied pursuant to the Notice of Special Tax Lien of the CFD which is recorded against the Property. Pursuant to the RMA, the Maximum Annual Special Tax which may be levied by the CFD against a Developed Single-Family Property shall be \$0.4506 per square foot of dwelling space during the 2012/2013 tax year. This amount will increase by a factor equal to the annual percentage increase, in the San Diego Metropolitan Area All Urban Consumer Price Index (CPI) each year. The exact amount of Special Tax to be levied each fiscal year will be determined by the City Council (the Council) for the CFD. The Special Tax will be levied against the Property by the CFD in perpetuity.

(3) The authorized Facilities which are being paid for by the Special Taxes, and the money received from the sale of bonds which are being repaid by the Special Taxes, include but are not limited to storm water quality maintenance which includes detention basins, storm drains, catch basin inserts, hydrodynamic devices, infiltration basins and all other facilities directly related to storm water quality control throughout the district. Habitat Maintenance which includes labor, materials, personnel, equipment and utilities necessary to maintain habitat conservation areas in the district and administrative expenses as well as all costs related to the sale of the bonds and the formation and administration of the CFD. These facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION WHICH AUTHORIZED CREATION OF THE CFD, AND WHICH SPECIFIES MORE PRECISELY HOW THE SPECIAL TAX IS APPORTIONED AND HOW THE PROCEEDS OF THE TAX WILL BE USED, FROM THE NBS LOCAL GOVERNMENT SOLUTIONS BY CALLING (800)676-7516. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE REASONABLE COST OF PROVIDING THE DOCUMENT.

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON, OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL, BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT SELLING THE PROPERTY.

Buyer:  Dated: 1/5/13

Buyer:  Dated: 1/5/13

**NOTICE OF SPECIAL TAX
CITY OF CHULA VISTA COMMUNITY FACILITIES DISTRICT NO. 12-1
(MCMILLIN OTAY RANCH VILLAGE SEVEN)
COUNTY OF SAN DIEGO, CALIFORNIA**

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

SUBDIVISION: TRACT 05-07 MAP 15105, Lot 43

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO PURCHASE THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

(1) This property is subject to a Special Tax, which is in addition to the regular property taxes and any other charges, fees, Special Taxes and benefit assessments on the parcel. It is imposed on this property because it is a new development, and may not be imposed generally upon property outside of this new development. 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. YOU SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE FACILITIES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.

(2) The property you are purchasing (the "Property") is within City of Chula Vista Community Facilities District No. 12-1 (McMillin Otay Ranch Village Seven), (the "CFD") and is subject to Annual Special Taxes levied pursuant to the Notice of Special Tax Lien of the CFD which is recorded against the Property. The Maximum Annual Special Tax which may be levied by the CFD against the Property to pay for Public Facilities and/or Services shall be the greater of (1) the Assigned Special Tax calculated as \$890.00 per Unit plus \$0.79 per square foot of Residential Floor Area or (2) the Backup Special Tax Amount currently computed at \$3,689.00. The Backup Tax shall be levied only if the funds collected using the Assigned Special Tax are insufficient to meet the funding needs of the district. The exact amount of Special Tax to be levied each fiscal year will be determined by the City Council (the Council) for the CFD or its administrator. The Special Tax will be levied each year, but no later than the 2046/2047 Fiscal Year.

(3) The authorized Facilities which are being paid for by the Special Taxes, and the money received from the sale of bonds which are being repaid by the Special Taxes, include but are not limited to acquisition and construction of certain public facilities and transportation projects throughout the district and administrative expenses as well as all costs related to the sale of the bonds and the formation and administration of the CFD. These facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION WHICH AUTHORIZED CREATION OF THE CFD, AND WHICH SPECIFIES MORE PRECISELY HOW THE SPECIAL TAX IS APPORTIONED AND HOW THE PROCEEDS OF THE TAX WILL BE USED, FROM THE NBS LOCAL GOVERNMENT SOLUTIONS BY CALLING (800)676-7516. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE REASONABLE COST OF PROVIDING THE DOCUMENT.

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON, OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL, BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT SELLING THE PROPERTY.

Buyer: W. ER Dated: 1/5/13

Buyer: [Signature] Dated: 1/5/13

NOTICE OF SPECIAL TAX
CHULA VISTA ELEMENTARY
COMMUNITY FACILITIES DISTRICT NO. 11
COUNTY OF SAN DIEGO, CALIFORNIA

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

SUBDIVISION: TRACT 05-07 MAP 15105, Lot 43

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO PURCHASE THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

(1) This property is subject to a Special Tax, which is in addition to the regular property taxes and any other charges, fees, Special Taxes and benefit assessments on the parcel. It is imposed on this property because it is a new development, and may not be imposed generally upon property outside of this new development. 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. YOU SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE FACILITIES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.

(2) The property you are purchasing (the "Property") is within Chula Vista Elementary School District No. 11, (the "CFD") and is subject to Annual Special Taxes levied pursuant to the Notice of Special Tax Lien of the CFD recorded against the property and the Rate and Method of Apportionment of Special Tax applicable to the CFD (the "RMA"). Pursuant to the RMA, the Maximum Annual Special Tax which may be levied by the CFD against a Developed Single-Family Property to pay for public facilities during a Fiscal Year 2012/2013 shall be \$0.3835 per square foot of dwelling space. The Special Tax will increase by the greater of: i) the annual percentage change in the Cost Index determined every May 31st for the prior twelve (12) month period or ii) two percent (2%). The Special Tax shall be levied for a period of 25 years after the parcel is classified and taxed as developed property.

(3) The purpose of the bonds associated with this Special Tax is to assist the School District and the Districts with financing the purchase, construction, expansion, improvement or rehabilitation of qualified school facilities as well as all costs related to the sale of the bonds and the formation and administration of the CFD.

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION WHICH AUTHORIZED CREATION OF THE CFD, AND WHICH SPECIFIES MORE PRECISELY HOW THE SPECIAL TAX IS APPORTIONED AND HOW THE PROCEEDS OF THE TAX WILL BE USED, FROM BRIEN CLARKE AT SPECIAL DISTRICT FINANCING AND ADMINISTRATION BY CALLING (760)233-2630. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE REASONABLE COST OF PROVIDING THE DOCUMENT.

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON, OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL, BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT SELLING THE PROPERTY.

Buyer: [Signature]

Dated: 1/5/13

Buyer: [Signature]

Dated: 1/5/13

NOTICE OF SPECIAL TAX
SWEETWATER HIGH COMMUNITY FACILITIES DISTRICT NO. 16
COUNTY OF SAN DIEGO, CALIFORNIA

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

SUBDIVISION: TRACT 05-07 MAP 15105, Lot 43

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO PURCHASE THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

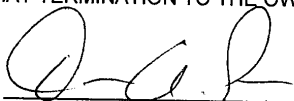
(1) This property is subject to a Special Tax, which is in addition to the regular property taxes and any other charges, fees, Special Taxes and benefit assessments on the parcel. It is imposed on this property because it is a new development, and may not be imposed generally upon property outside of this new development. 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. YOU SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE FACILITIES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.

(2) The property you are purchasing (the "Property") is within Sweetwater High CFD No. 16, (the "CFD") and is subject to Annual Special Taxes levied pursuant to the Notice of Special Tax Lien of the CFD recorded against the property and the Rate and Method of Apportionment of Special Tax applicable to the CFD (the "RMA"). Pursuant to the RMA, the Maximum Annual Special Tax which may be levied by the CFD against a Developed Single-Family Property to pay for public facilities during a Fiscal Year 2012/2013 shall be \$0.7797 per square foot of dwelling space. The Special Tax will increase by the greater of : i) the annual percentage change in the Cost Index determined every May 31st for the prior twelve (12) month period or ii) two percent (2%). The Special Tax shall be levied until fiscal year 2035-2036.

(3) The purpose of the bonds associated with this tax is to assist the School District and the Districts with financing the purchase, construction, expansion, improvement or rehabilitation of qualified school facilities as well as all costs related to the sale of the bonds and the formation and administration of the CFD.

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION WHICH AUTHORIZED CREATION OF THE CFD, AND WHICH SPECIFIES MORE PRECISELY HOW THE SPECIAL TAX IS APPORTIONED AND HOW THE PROCEEDS OF THE TAX WILL BE USED, FROM BRIEN CLARKE AT SPECIAL DISTRICT FINANCING AND ADMINISTRATION BY CALLING (760)233-2630. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE REASONABLE COST OF PROVIDING THE DOCUMENT.

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON, OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL, BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT SELLING THE PROPERTY.

Buyer:  Dated: 1/5/13

Buyer:  Dated: 1/5/13

**NOTICE OF SPECIAL TAX
CITY OF CHULA VISTA
COMMUNITY FACILITIES DISTRICT NO. 98-2
(INTERIM OPEN SPACE MAINTENANCE DISTRICT)
COUNTY OF SAN DIEGO, CALIFORNIA**

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

SUBDIVISION: TRACT 05-07 MAP 15105, Lot 43

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO PURCHASE THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

(1) This property is subject to a special tax, which is in addition to the regular property taxes and any other charges, fees, special taxes and benefit assessments on the parcel. It is imposed on this property because it is a new development, and may not be imposed generally upon property outside of this new development. 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. **YOU SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE FACILITIES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.**

(2) The property you are purchasing (the "Property") is located within CFD No. 98-2 (Interim Open Space Maintenance District) of the City of Chula Vista (the "CFD") and may be subject to annual special taxes levied pursuant to the Notice of Special Tax Lien applicable to the CFD which has been recorded against the Property. The annual Maximum Special Tax is unknown at this time as this CFD is not currently levying for Fiscal Year 2012-2013. However, this CFD may levy in the future. This Special Tax will be subject to annual increases, and will be levied until a permanent financing plan is established for the maintenance of the facilities within this District.

(3) The types of public services which are being paid for by the Special Taxes are the cost of the maintenance of portions of the parkways and medians along Telegraph Canyon Road, Paseo Ranchero, Olympic Parkway, as well as the cost of maintenance of the Telegraph and Poggi Canyon detention basins and channels allocable to the properties within this CFD.

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION WHICH AUTHORIZED CREATION OF THE CFD, AND WHICH SPECIFIES MORE PRECISELY HOW THE SPECIAL TAX IS APPORTIONED AND HOW THE PROCEEDS OF THE TAX WILL BE USED, FROM THE CITY OF CHULA VISTA BY CALLING (619) 691-5258. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE REASONABLE COST OF PROVIDING THE DOCUMENT.

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON, OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL, BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT SELLING THE PROPERTY.

Buyer: QOR Dated: 1/5/13

Buyer: Henk Dated: 1/5/13



The First American NEW HOME PROPERTY DISCLOSURE REPORT PDR®

Lot: 43 Tract: 15105APN: N/A
Property Address: 1765 JACKSON STREET, CHULA VISTA, SAN DIEGO County, CA
Report Date: 12/11/2012
Report Number: 512736

Statutory Natural Hazard Disclosure Statement

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 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. 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):

A SPECIAL FLOOD HAZARD AREA (Any type Zone "A" or "V") designated by the Federal Emergency Management Agency.
Yes ___ No X Do not know and information not available from local jurisdiction ___

AN AREA OF POTENTIAL FLOODING shown on a dam failure inundation map pursuant to Section 8589.5 of the Government Code.
Yes ___ No X Do not know and information not available from local jurisdiction ___

A VERY HIGH FIRE HAZARD SEVERITY ZONE 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.
Yes ___ No X

A WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISK AND HAZARDS 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.
Yes ___ No X

AN EARTHQUAKE FAULT ZONE pursuant to Section 2622 of the Public Resources Code.
Yes ___ No X

A SEISMIC HAZARD ZONE pursuant to Section 2696 of the Public Resources Code.
Yes (Landslide Zone) ___ Yes (Liquefaction Zone) ___
No ___ Map not yet released by state X

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.

Signature of Transferor (Seller) [Signature] Date 1/7/13
Signature of Transferor (Seller) _____ Date _____
Signature of Agent [Signature] Date _____
Signature of Agent _____ Date 1/5/13

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 agent(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) [Signature] Date 12/11/2012 Rept. No. 512736
Greg Rufe, Chief Operating Officer
First American Natural Hazard Disclosures

Transferee represents that he or she has read and understands this document. I (We) also have read and understand the added local hazard, airport, 1915 Bond Act, Mello-Roos, military ordinance, commercial zoning, BCDC disclosure, energy efficiency disclosure, and Megan's Law disclosures contained in this report. 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(s) [Signature] Date 1/5/13
Signature of Transferee(s) [Signature] Date 1/5/13

RECEIPT FOR PUBLIC REPORT

The Laws and Regulations of the California Real Estate Commissioner require that you as a prospective purchaser or lessee be afforded an opportunity to read the public report for this subdivision before you make any written offer to purchase or lease a subdivision interest or before any money or other consideration toward purchase or lease of a subdivision interest is accepted from you.

In the case of a preliminary or interim public report, you must be afforded an opportunity to read the public report before a written reservation or any deposit in connection therewith is accepted from you.

In the case of a conditional public report, delivery of legal title or other interest contracted for will not take place until issuance of a final public report. Provision is made in the sales agreement and escrow instructions for the return to you of the entire sum of money paid or advanced by you if you are dissatisfied with the final public report because of a material change. (See California Business and Professions Code Section 11012.)

**DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED
A COPY OF THE PUBLIC REPORT AND HAVE READ IT.**

I read the Commissioner's Public Report on 128160LA-A02***amended on 7/23/2012,
[FILE NUMBER]

MAP NO. 15105 "INDIGO II" - PHASE 12
[TRACT NUMBER OR NAME]

I understand the public report is not a recommendation or endorsement of the subdivision, but is for information only.

The issue date of the public report which I received and read is: 11/27/2006***

[Signature]
[SIGNATURE]

X 12/9/12
[DATE]

1765 Jack Sm St
[ADDRESS]
Chula Vista CA
91913

AFFILIATED BUSINESS ARRANGEMENT
DISCLOSURE STATEMENT

To: *Perkins*
From: *McMillin Communities*
Property: *Lot 43*
Date: *1/5/13*

1/5/13 The following information is provided in accordance with federal statute.

This home is being sold by a subsidiary of The Corky McMillin Real Estate Group, LLC, a Delaware limited liability company, doing business as McMillin Communities ("McMillin Communities"), a family-owned enterprise based in San Diego, California. McMillin Communities has several other affiliated entities, which are owned by members of the McMillin Family, that provide real estate settlement services designed to make your home purchase a trouble free experience. The services provided by the McMillin affiliates (the "McMillin Service Providers") consist of escrow, mortgage lending, and real estate brokerage services.

This Statement provides notice that the controlling principals of McMillin Communities have ownership interests in the McMillin Service Providers identified below. In fact, one or all of the controlling principals of McMillin Communities own, directly or indirectly, or have a beneficial ownership interest in, each of these companies, making all of them members of what is called an "affiliated business arrangement." McMillin Communities encourages you to use the McMillin Service Providers to ensure a smooth and pleasant experience. Because of the common ownership of the McMillin entities, referrals to the McMillin Service Providers may provide a financial or other benefit to the ultimate owners of the entities.

Set forth below is the estimated charge or range of charges for the settlement services listed in the table.

Provider	Service	Estimated Charges (varies based on sales price or loan amount)
McMillin Homes Construction, Inc.	Real estate brokerage services	N/A
Wells Fargo Home Mortgage	Loan Origination Fee	1% to 3% of the loan amount
McMillin Real Estate & Mortgage Company, Inc.	Real estate brokerage services	5% to 7% of sales price
Westar Escrow, Inc.	Escrow settlement services	\$303.00 to \$1242.00 per side

You are NOT required to use the McMillin Service Providers listed above as a condition for the purchase of a McMillin Communities home. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. ALTHOUGH McMILLIN SERVICE PROVIDERS BELIEVE THEY WILL PROVIDE YOU EXCELLENT SERVICE AT COMPETITIVE RATES, YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THEIR SERVICES.

IMPORTANT INFORMATION ABOUT THE MCMILLIN SERVICE PROVIDERS:

McMILLIN HOMES CONSTRUCTION, INC., a California corporation ("Homes Construction"), provides real estate brokerage services. All of the principals of McMillin Communities, in addition to other members of the McMillin Family, own 100% of Homes Construction.

McMILLIN REAL ESTATE & MORTGAGE COMPANY, INC., a California corporation ("MREM") provides real estate brokerage, relocation services, and property management services. One of the principals of McMillin Communities owns 100% of MREM.

WESTAR ESCROW, INC., a California corporation, which is licensed as an escrow agent by the California Department of Corporations, provides professional escrow services for a wide variety of purchase, sale, financing and other real estate transactions. Westar Escrow, Inc. is owned 100% by MREM. One of the principals of McMillin Communities owns 100% of Westar Escrow, Inc., through his direct ownership of MREM.

Although you are under no obligation to use the McMillin Service Providers, we encourage you to do so. We believe that they will provide you with outstanding service and valuable benefits, tangible and intangible. Communications and coordination among all of the parties to your transaction will be simplified, saving you time and worry. The rates charged by the McMillin Service Providers are competitive and reasonable. The agents and employees of the McMillin Service Providers are experienced and professional. We are confident that the McMillin Service Providers team is in a unique position to provide you with exceptional value and service in handling your transaction.

Thank you for this opportunity to inform you about the McMillin Service Providers. We appreciate your business.

Page 2 of 3

ACKNOWLEDGEMENT OF RECEIPT OF DISCLOSURE

I/we, the undersigned homebuyer(s), acknowledge(s) that I/we have received the attached Affiliated Business Arrangement Disclosure Statement from McMillin Communities. We understand that McMillin Communities may refer me/us to the McMillin Service Providers named in the Disclosure Statement, and that the one or all of the principals of McMillin Communities may receive a financial or other benefit as a result of the referral.

PL000166

Date: 1/5, 2013 [Signature] [Signature]

Dwain A. Perkins [Printed Name]

Date: 1/5/2013, 2013 [Signature] [Signature]

TIFFANY PERKINS [Printed Name]

NOTE TO SALES AGENT: PLEASE KEEP A SIGNED COPY OF THIS FORM.

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).

Buyer/Seller/Landlord/Tenant _____ Date 12/12/12
 Buyer/Seller/Landlord/Tenant X _____ Date 1/10/13
 Agent McMillin Homes Construction LLC DRE Lic. # 0184944
 By [Signature] Real Estate Broker (Firm) DRE Lic. # 01727871 Date 1/5/13

AGENCY DISCLOSURE COMPLIANCE (Civil Code §2079.14):

- When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.
- When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here:

Seller/Landlord _____ Date _____ Seller/Landlord _____ Date _____

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 1991-2008, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.
 THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.
 This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.

Published and Distributed by:
REAL ESTATE BUSINESS SERVICES, INC.
 a subsidiary of the California Association of REALTORS®
 525 South Virgil Avenue, Los Angeles, California 90020

AD REVISED 11/09 (PAGE 1 OF 2) PRINT DATE BD Mar 12

Reviewed by [Signature] Date 1/7/13



NatureSolv the environmentally responsible carbonless copier

**MASTER COPY
 DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)**

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

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

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

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

2079.16 Reproduced on Page 1 of this AD form.
2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller. (c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

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

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

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

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

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

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

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

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

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

Buyer's Initials (ABC) (TP)
Seller's Initials (STP) (STP)
Reviewed by FW Date 11/13



DWAIN & TIFFANY PERKINS

Jan 9, 2012
Date

Pay to the
Order of

WestStar Escrow

\$ 2500.00

Two thousand five hundred and 00/100

Dollars



**NAVY
FEDERAL**
Credit Union

+43

Jal

For

Harland Clarke

ISLAND BREEZES®

PL000170



AMERICAN NATIONAL CORPORATE CENTRE
1949 EAST SUNSHINE
SPRINGFIELD, MISSOURI 65899-0001
417-887-0220

CALIFORNIA HOMEOWNERS INSURANCE APPLICATION

Pacific Property And Casualty Company

Transaction <input checked="" type="checkbox"/> New Business <input type="checkbox"/> State-State Transfer <input type="checkbox"/> Trial Application <input type="checkbox"/> Company/Company Transfer		Policy Number [REDACTED]		Photo	Town Code 10132	Future Payment Method: <input checked="" type="checkbox"/> Insured <input type="checkbox"/> Easy Pay <input type="checkbox"/> 1 st Mortgagee <input type="checkbox"/> Other _____		
Agent No. D6670	Field Office No. 1-RX7	Effective Date 9/9/2013	Social Security Number for Account Owner (CIF) [REDACTED]		Home Office Use			
First Named Insured (Last, First, Middle) Perkins, Dwain A		Date of Birth 4/11/1978	Gender <input checked="" type="checkbox"/> M <input type="checkbox"/> F	Marital Status Married	Social Security Number [REDACTED]		Relation to Account Owner Account Owner	
Second Named Insured (Last, First, Middle) Perkins, Tiffany		Date of Birth 5/4/1982	Gender <input type="checkbox"/> M <input checked="" type="checkbox"/> F	Marital Status Married	Social Security Number [REDACTED]		Relation to Account Owner Spouse	
Mailing Address 1765 Jackson St				City Chula Vista		State CA	Zip Code 91913-4379	
County (Where Property Located) San Diego	How long lived at this residence? 4 mos.	Home Telephone Number (619) 852-1432		Account E-mail Address				
Property Location: Street Address, Subdivision/Addition or Legal Description 1765 Jackson St				City Chula Vista		State CA	Location Zip Code 91913-4379	
First Mortgagee Name Wells Fargo Bank Na#936 Its Successors And/or Assigns			Second Mortgagee Name					
Mailing Address Po Box 100515			Mailing Address					
City Florence		State SC		City		State		
Zip Code 29502-0000		Loan Number 0356673145		Zip Code		Loan Number		
LIST ANY ADDITIONAL INSURED OR MORTGAGEES AND THEIR ADDRESSES IN REMARKS SECTION								
RATING AND COVERAGE INFORMATION	COVERAGES		LIMITS	PREMIUMS		Protection Class: 03	Rating Zone: 055	Construction Year: 2013
	A - DWELLING		\$ 550,000	\$ 162.00		Dwelling Occupied By: 1 Families (list number of families)		
	B - OTHER STRUCTURES		\$ 55,000	\$ 0.00		Form: 3 <input checked="" type="checkbox"/> Sh-3 Gold 4 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
	C - UNSCHEDULED PERSONAL PROPERTY		\$ 412,500	\$ 0.00		Dwelling Type: <input checked="" type="checkbox"/> Conventional <input type="checkbox"/> Modular <input type="checkbox"/> Manufactured (where available)		
	D - ADD'L LIVING EXPENSE LOSS OF USE		\$ 137,500	\$ 0.00		<input type="checkbox"/> Apartment Number of Apts. Between Fire Walls: N/A		
	E - PERSONAL LIABILITY (EACH OCCURRENCE)		\$ 300,000	\$ 0.00		<input type="checkbox"/> Log Home <input type="checkbox"/> Unique Construction		
	F - MEDICAL PAYMENTS (EACH PERSON)		\$ 5,000	\$ 6.00		Construction: <input checked="" type="checkbox"/> Frame <input type="checkbox"/> Masonry <input type="checkbox"/> Masonry Veneer		
	OPTIONS/ENDORSEMENTS			PREMIUMS		<input type="checkbox"/> Siding <input type="checkbox"/> Fire Resistive		
	FX32000 - Enhanced Protect Pkg-gold			\$ 17.00		Is dwelling built on a hillside foundation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, do not bind.		
	FX9291 - Contents Replacement Cost			\$ 21.00		Has dwelling ever been moved? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, do not bind.		
438BFU - Lenders Loss Payable			\$ 0.00		Deductible (Minimum amounts may apply): _____			
			\$ _____		Inside City Limits? <input checked="" type="checkbox"/> YES, which city: Chula Vista			
			\$ _____		<input type="checkbox"/> NO, nearest town: _____ Distance: _____			
			\$ _____		Is dwelling accessible to emergency vehicles at all times and in all weather conditions? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, do not bind.			
			\$ _____		Is dwelling accessible only by boat or airplane? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, do not bind.			
			\$ _____		Name of Primary Responding Fire Department CHULA VISTA			
			\$ _____		NOTE: If subscription department, attach copy of paid fire receipt.			
Secure I.D. From ANPAC SM *			\$ _____		Is the property within the boundaries of a fire district (FD) or a township (TS)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
*E-mail Address Required: _____			\$ _____		If yes, which one? Fire District			
Attach a copy of quote		TOTAL POLICY PREMIUM		\$ 206.00		Feet To Fire Hydrant: <input checked="" type="checkbox"/> Under 601 <input type="checkbox"/> 601 - 1,000 <input type="checkbox"/> Over 1,000		
						Miles To Fire Station: <input checked="" type="checkbox"/> 0-3 <input type="checkbox"/> 3.1-5 <input type="checkbox"/> 5.1-6 <input type="checkbox"/> 6.1-7 <input type="checkbox"/> 7.1-10 <input type="checkbox"/> Over 10		
Has applicant previously been insured with American National? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No When? _____								
Multi Lines: <input type="checkbox"/> Auto _____ <input type="checkbox"/> Life _____ <input type="checkbox"/> Umbrella _____ <input type="checkbox"/> Other _____								

<p>1. Occupation Employer Yrs. Emp.</p> <p>1st Named Insured EM_Engineer</p> <p>2nd Named Insured ES_Homemaker</p> <p>2. Are there boarders/roomers/unrelated persons living in household? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, give name(s) and relation to insured.</p> <p>Condominium rented to others? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, is rental agreement period: <input type="checkbox"/> less than 6 months per renter? DO NOT BIND. <input type="checkbox"/> 6 months or more per renter? (Add Rented to Others Endorsement.)</p> <p>3. Please Note: There are special coverage limitations in the Homeowners policy for some specific items of personal property such as silverware, jewelry, guns, computer hardware and software, etc. Please indicate whether or not you have been advised that certain items of personal property may be scheduled and/or the policy endorsed to provide additional coverage. <input checked="" type="checkbox"/> Yes, I have been advised. <input type="checkbox"/> No, I have not been advised.</p> <p>4. Has home been retrofitted? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, initial here to certify that retrofitting has been done. _____ (Applicant's Initials)</p> <p>5. List previous address 4070 Kansas St, San Diego, CA 92104-2552</p> <p>6. Have you or any member of your household ever been convicted of a felony or drug possession? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, do not bind. May submit a Trial Application with conviction date, type, and description.</p> <p>7. For Form 4 (Tenant) only, is dwelling located adjacent or connected to a commercial exposure? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, do not bind.</p> <p>8. Former Carrier No. of Yrs. With</p> <p>Policy Number Amount of Dwelling Insurance \$</p>	<p>9. Purchase Price Purchase Date Current Market Value</p> <p>\$ 550,000</p> <p>10. Building Occupancy: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Under Const. <input type="checkbox"/> Secondary/Seasonal <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant</p> <p>If vacant, explain</p> <p>11. Is Principle Heating System a central system and thermostatically controlled? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, do not bind.</p> <p>12. If there is a Supplemental Heating System, is it thermostatically controlled? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, do not bind.</p> <p>13. Property inspected by Agent on? (Required on ALL applications.) 6/6/2013</p> <p>14. Enter year utilities were completely replaced? (documentation required) Heating 2013 Cooling 2013</p> <p>15. A. Roof Year 2013 (documentation required)</p> <p>B. Roof Type Concrete Tile</p> <p>Is roof an asbestos or corrugated metal roof?* <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Is roof overlaid with more than two layers of shingles?* <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Is wood roof overlaid on composition shingles?* <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Is roof overlaid on wood shake or shingle?* <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No *If Yes, do not bind.</p> <p>C. Impact Resistance (documentation required). <input type="checkbox"/> UL1 <input type="checkbox"/> UL2 <input type="checkbox"/> UL3 <input type="checkbox"/> UL4</p> <p>NOTE: If not transmitting electronic application, attach UH-88 Property Inspection Form on any home over 20 years old and on all Modular homes.</p>									
<p>16. Special liability exposures:</p> <p>A. Dog: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No How many? 0 Breed? Has anyone been bitten by dog? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, do not bind.</p> <p>B. Pool: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, fenced/locked? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, do not bind.</p> <p>C. Skateboard Ramp? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, do not bind.</p> <p>D. Trampoline? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, fenced yard? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, do not bind.</p> <p>E. No. of Acres at this location? Less than 1</p> <p>F. Any farming operation at this location? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe</p> <p>G. Any silos on premises? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>H. Saddle Animals or Livestock? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe How many? 0 Personal Use Only? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>I. Does the applicant have any inherently vicious or dangerous animals? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, do not bind.</p> <p>17. Does the applicant have flood insurance through the National Flood Program? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>18. Is dwelling exposed to hazards such as brush or forest fire, landslide, flood, etc? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe</p> <p>19. Business pursuits conducted on premises? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe, add FX-9042, and attach UH-135. Type of Inventory Value of Inventory \$</p> <p>20. Any child care services on premises? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Number of children besides your own: <input type="checkbox"/> None <input type="checkbox"/> 1-3 <input type="checkbox"/> 4-6 <input type="checkbox"/> More than 6 If 1-3 children, add Home Day Care Endorsement. If 4 or more, Underwriter approval required.</p> <p>21. Any Appurtenant Structures or Buildings? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe and give value(s). If larger than 10 X 20, submit photo.</p> <p>22. Claim History - Have you or any member of your household had a loss in the past six years, whether insured or not? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes:</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Date</th> <th>Details and Loss Type</th> <th>Amount Paid</th> </tr> <tr> <td></td> <td></td> <td>\$</td> </tr> <tr> <td></td> <td></td> <td>\$</td> </tr> </table> <p>23. Protection/Security Devices: <input type="checkbox"/> Local Burglar Alarm <input checked="" type="checkbox"/> Central Burglar Alarm (Credit only given when Certificate is attached) <input checked="" type="checkbox"/> Central Fire Alarm (Credit only given when Certificate is attached) <input checked="" type="checkbox"/> Interior Sprinkler System <input checked="" type="checkbox"/> Exterior Sprinkler System <input type="checkbox"/> Gated Community</p> <p>24. Do one of the named insureds qualify for the 55 Plus Retirement Discount? Insured must initial certifying he/she is 55 years or older and not employed or seeking employment. _____ (Applicant's Initials)</p>		Date	Details and Loss Type	Amount Paid			\$			\$
Date	Details and Loss Type	Amount Paid								
		\$								
		\$								
<p>FLOOD INSURANCE</p> <p>This policy does not cover flood losses. Flood Insurance Coverage is available from the National Flood Insurance Program.</p>										

REMARKS

FAIR CREDIT REPORTING PRE-NOTIFICATION

This is to inform you that as a part of our procedure for processing your application, an investigative report may be made whereby information is obtained through personal interviews with third parties, business associates, financial sources, or others with whom you are acquainted. This inquiry includes information as to your character, general reputation, personal characteristics, and mode of living, whichever may be applicable. You have the right to make a written request within a reasonable period of time for a complete and accurate disclosure of additional information concerning the nature and scope of the investigation.

ANTIFRAUD WARNING

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

ELECTRONIC TRANSMISSION AGREEMENT

It is hereby agreed and understood that my application will be submitted to the company electronically. I have been made aware of the various coverages and options available. In consultation with my agent, I have identified the property to be insured and have selected the coverages, limits, and deductibles that I desire or that is required by state law. I confirm that my agent has accurately recorded my selection in each of these areas. I further understand that the premium quoted is an estimate only and the premium charged will be in accordance with the company's filed rates.

EARTHQUAKE INSURANCE NOTICE

This policy does not cover earthquake losses. Earthquake coverage is available and may be obtained through your Pacific Property And Casualty Company Agent.

I, the undersigned, agree that the statements given to the Agent are made for the express purpose of inducing the Company (Pacific Property And Casualty Company) to issue an insurance policy and these statements are true, correct, and complete. I understand that any policy issued as a result of this application process will be based on the facts and answers provided. I have read the FAIR CREDIT REPORTING PRE-NOTIFICATION, ANTIFRAUD WARNING, and ELECTRONIC TRANSMISSION AGREEMENT statements. I authorize the Company to obtain copies of any investigative report necessary for the purpose of underwriting and/or rating this application for one year from the date signed below. I also authorize the Company to obtain copies of credit reports or any other investigative report necessary for the purpose of investigating any claims presented for the duration of the claim. I understand that the Company may report claim information to insurance support organizations.

If this is a **TRIAL APPLICATION**, I understand that no insurance is bound and agree that no insurance shall be effective until this application is approved by the Company.

This agreement shall be effective when signed below or in counterpart, and photocopy, facsimile, electronic or other copies shall have the same effect for all purposes as an ink-signed original.

Applicant's Signature 

DATE AND TIME OF APPLICATION (Month) (Day) (Year) (Time)		AMOUNT RECEIVED	AGENT'S NAME (Print or Stamp)	X Renny Bowden
11/4/2013 2:11	<input type="checkbox"/> A.M. <input checked="" type="checkbox"/> P.M.	\$	AGENT'S SIGNATURE	X
License No.				

NOTICE TO CONSUMERS – CALIFORNIA RESIDENTIAL INSURANCE DISCLOSURE

This disclosure is required by Section 10102 of the California Insurance Code. This form provides general information related to residential property insurance and is not part of your residential property insurance policy. Only the specific provisions of your policy will determine whether a particular loss is covered and the amount payable. The information provided does not preempt existing California law.

PRIMARY FORMS OF RESIDENTIAL DWELLING COVERAGE

You have purchased the coverage(s) checked below. NOTE: Actual Cash Value Coverage is the most limited level of coverage listed. Guaranteed Replacement Cost is the broadest level of coverage.

 ACTUAL CASH VALUE COVERAGE pays the costs to repair the damaged dwelling minus a deduction for physical depreciation. If the dwelling is completely destroyed, this coverage pays the fair market value of the dwelling at time of loss. In either case, coverage only pays for costs up to the limits specified in your policy.

 REPLACEMENT COST COVERAGE is intended to provide for the cost to repair or replace the damaged or destroyed dwelling, without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Coverage only pays for replacement costs up to the limits specified in your policy.

 X **EXTENDED REPLACEMENT COST COVERAGE** is intended to provide for the cost to repair or replace the damaged or destroyed dwelling without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Extended Replacement Cost provides additional coverage above the dwelling limits up to a stated percentage or specific dollar amount. See your policy for the additional coverage that applies.

 NA **GUARANTEED REPLACEMENT COST COVERAGE** covers the full cost to repair or replace the damaged or destroyed dwelling for a covered peril regardless of the dwelling limits shown on the policy declaration page.

 X **BUILDING CODE UPGRADE COVERAGE**, also called Ordinance and Law coverage, is an important option that covers additional costs to repair or replace a dwelling to comply with the building codes and zoning laws in effect at the time of loss or rebuilding. These costs may otherwise be excluded by your policy. Meeting current building code requirements can add significant costs to rebuilding your home. Refer to your policy or endorsement for the specific coverage provided and coverage limits that apply.

READ YOUR POLICY AND POLICY DECLARATION PAGE CAREFULLY: The policy declaration page shows the specific coverage limits you have purchased for your dwelling, personal property, separate structures such as detached garages, and additional living expenses. The actual policy and endorsements provide the details on extensions of coverage, limitations of coverage, and coverage conditions and exclusions. The amount of any claim payment made to you will be reduced by any applicable deductibles shown on your policy declaration page. It is important to take the time to consider whether the limits and limitations of your policy meet your needs. Contact your agent, broker, or insurance company if you have questions about what is covered or if you want to discuss your coverage options.

INFORMATION YOU SHOULD KNOW ABOUT RESIDENTIAL DWELLING INSURANCE

AVOID BEING UNDERINSURED: Insuring your home for less than its replacement cost may result in your having to pay thousands of dollars out of your own pocket to rebuild your home if it is completely destroyed. Contact your agent, broker, or insurance company immediately if you believe your policy limits may be inadequate.

THE RESIDENTIAL DWELLING COVERAGE LIMIT: The coverage limit on the dwelling structure should be high enough so you can rebuild your home if it is completely destroyed. Please note:

- The cost to rebuild your home is almost always different from the market value.
- Dwelling coverage limits do not cover the value of your land.
- The estimate to rebuild your home should be based on construction costs in your area and should be adjusted to account for the features of your home. These features include but are not limited to the square footage, type of foundation, number of stories, and the quality of the materials used for items such as flooring, countertops, windows, cabinetry, lighting and plumbing.
- The cost to rebuild your home should be adjusted each year to account for inflation.
- Coverage limits for contents, separate structures, additional living expenses and debris removal are usually based on a percentage of the limit for the dwelling. If your dwelling limit is too low, these coverage limits may also be too low.

You are encouraged to obtain a current estimate of the cost to rebuild your home from your insurance agent, broker, or insurance company or an independent appraisal from a local contractor, architect, or real estate appraiser. If you do obtain an estimate of replacement value, and wish to change your policy limits, contact your insurance company. While not a guarantee, a current estimate can help protect you against being underinsured.

DEMAND SURGE: After a widespread disaster, the cost of construction can increase dramatically as a result of the unusually high demand for contractors, building supplies and construction labor. This effect is known as demand surge. Demand surge can increase the cost of rebuilding your home. Consider increasing your coverage limits or purchasing Extended Replacement Cost coverage to prepare for this possibility.

CHANGES TO PROPERTY: Changes to your property may increase its replacement cost. These changes may include the building of additions, customizing your kitchen or bathrooms, or otherwise remodeling your home. Failure to advise your insurance company of any significant changes to your property may result in your home being underinsured.

EXCLUSIONS: Not all causes of damage are covered by common homeowners or residential fire policies. You need to read your policy to see what causes of loss or perils are not covered. Coverage for landslide is typically excluded. Some excluded perils such as earthquake or flood can be purchased as an endorsement to your policy or as a separate policy. Contact your agent, broker, or insurance company if you have a concern about any of the exclusions in your policy.

CONTENTS (PERSONAL PROPERTY) COVERAGE DISCLOSURE:

This disclosure form does not explain the types of contents coverage provided by your policy for items such as your furniture or clothing. Contents may be covered on either an actual cash value or replacement cost basis depending on the contract. Almost all policies include specific dollar limitations on certain property that is particularly valuable such as jewelry, art, or silverware. Contact your agent, broker or insurance company if you have any questions about your contents coverage. You should create a list of all personal property in and around your home. Pictures and video recordings also help you document your property. The list, photos, and video should be stored away from your home.

CONSUMER ASSISTANCE

If you have any concerns or questions, contact your agent, broker, or insurance company. You are also encouraged to contact the California Department of Insurance consumer information line at (800) 927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.



Applicant's Signature

11/4/2013

Date

Pacific Property And Casualty Company

This notice contains only a general description of the changes in coverage and is not a statement of contract. All coverages are subject to the insuring agreements, exclusions and conditions of the policy, and applicable endorsements.



IMPORTANT NOTICE

YOU MAY BE ELIGIBLE FOR A SPRINKLER SYSTEM PREMIUM CREDIT

Pacific Property And Casualty Company offers Protective Device Credits when an Interior Sprinkler System or Exterior Sprinkler System is properly installed and maintained on the residence premises. If your home meets the following requirements, you may be eligible for additional savings on your homeowners insurance.

A premium credit will be applied to the home for each of the following devices which are properly installed and maintained. Please indicate which device(s) are present in the home.

- Interior Sprinkler System
- Exterior Sprinkler System (intended for brush fire suppression)

To obtain this premium credit, the named insured must sign this form and return it to your agent certifying that your home meets the above qualification(s). If you are already receiving this credit, please disregard this flyer.

Signature: D. CR

Date: 11/4/13

Please **contact your agent** if you have questions regarding this premium credit.



Pacific Property And Casualty Company

This notice contains only a general description of the changes in coverage and is not a statement of contract. All coverages are subject to the insuring agreements, exclusions and conditions of the policy, and applicable endorsements.

Preferred Payment PlanSM Authorization Form

Match your mortgage payments to your payday cycle

Thank you for selecting Wells Fargo Home Mortgage for your home financing. Managing your mortgage payments is easy when you enroll in the Preferred Payment Plan. Simply choose the option below that matches your personal payday cycle, and your monthly payments will be withdrawn automatically from your checking or savings account. The Preferred Payment Plan is free, secure and more convenient than writing checks and mailing payments.

Please note: Enrolling in the Preferred Payment Plan does not change the principal and interest payment arrangement specified in your mortgage loan documents. Withdrawn funds may be applied to your mortgage when sufficient funds have accumulated to make a full monthly payment as outlined in your mortgage note.

To enroll in the Preferred Payment Plan, follow the steps below and fax this signed form to 1-866-287-6241.

1. Select the Preferred Payment Plan option that matches your pay schedule.

Please check the appropriate box to mark your choice. If this form is signed but no option is selected, you will be set up for monthly withdrawals on your due date.

If you choose either the Weekly or Bi-weekly option, withdrawals in addition to the amount needed to cover your monthly mortgage payments will naturally occur 2 to 5 times per year. The additional withdrawn funds will be automatically applied to your principal balance - helping you pay off your mortgage faster.

- Weekly:** One-quarter of your monthly payment will be withdrawn every week, including principal, interest, applicable tax and insurance payments. In a year's time, 52 withdrawals will be made.

Request a withdrawal start date (must be Monday-Friday and 4 weeks prior to due date): ___/___/___

- Bi-weekly (every other week):** Half of your monthly payment amount will be withdrawn every other week, including principal, interest, applicable tax and insurance payments. In a year's time, 26 withdrawals will be made.

Request a withdrawal start date (must be Monday-Friday and 3 weeks prior to due date): ___/___/___

- Semi-monthly (twice a month):** Half of your monthly payment will be withdrawn on the 15th of the month prior to the due date, and the second half of your monthly payment will be withdrawn on the 1st of month in which payment is due. Each withdrawal will equal one-half of the total monthly payment due, including principal, interest, applicable tax and insurance payments. In a year's time, 24 withdrawals will be made.

- Monthly:** Your monthly payment amount will be withdrawn on your due date (usually the 1st day of every month) or up to 4 days after your due date. The withdrawal amount will equal the total monthly payment due, including principal, interest, applicable tax and insurance payments.

Please select day for withdrawal: Due Date 1 day after 2 days after 3 days after 4 days after

2. Specify additional principal, if any

You can choose to add an additional amount to each of your electronic withdrawals to be applied to your outstanding loan principal.

- Yes, please add \$ _____ to each of my automatic electronic withdrawals.

3. Supply your account information (Do not include voided check).

Account type: Checking Savings¹

Customer Bank Routing Number: _____
(9-digit number at the bottom left of your check)

Customer Bank Account Number: _____
(To the right of the Bank Routing Number on your check)

4. Signature

By signing below, I agree to the Terms and Conditions listed here and online at wellsfargo.com/preferredterms.

Mortgage Loan Number: 0356673145

Date Signed: _____

Customer Name: DWAIN A. PERKINS

Customer Signature: _____

Preferred Payment Plan Terms and Conditions

- I authorize Wells Fargo, its authorized representatives and service providers to initiate electronic withdrawals from my designated account to make monthly payments on my mortgage.
- I understand that I will receive confirmation specifying the date the electronic withdrawals will begin. I understand that I will continue to make my payment until I receive this confirmation and electronic withdrawals begin.
- I understand that this authorization and the program services in no way alter or lessen my obligation under my existing mortgage contract regarding the amount of monthly payments, when payments are due, the applications of payments, the assessment of late charges or the determination of delinquencies. I must maintain sufficient funds in my account for withdrawal of my monthly payment.
- I understand that withdrawn funds may not be applied to my mortgage until sufficient funds have accumulated for a full monthly payment to be made.
- I understand the electronic withdrawal amount will vary with changes in escrow or principal and interest components, if applicable.
- I understand that I must provide Wells Fargo notice of at least 10 days for any requests to modify, change or terminate participation in this program. I understand that if I modify, change, or terminate participation in the program, I may not realize the benefits.
- I agree to be bound by the program's Terms and Conditions, which are stated here and online.

For questions about your enrollment, please retain this form and call 1-866-386-8519, using authorization code AMPTAC.

Settlement Agent: Please provide the customer with a copy of the completed form and keep the original in the closing package.

¹ Excess Activity Fees may apply if you exceed these federally-mandated transaction limits for savings accounts:

- Three withdrawals in a month by check, draft, point-of-sale purchase, check card, or other similar withdrawal payable to a third party
- A total of six transfers and/or withdrawals in a month including: those listed above, preauthorized or automatic transfers (including overdraft protection transfers and payment to third parties), and transfers made online or by telephone

For more information, please refer to your account agreement with your financial institution. Wells Fargo Home Mortgage is a division of Wells Fargo Bank, N.A. © 2013 Wells Fargo Bank, N.A. All rights reserved. NMLSR ID 399801



Earthquake Insurance Notice for Condominium Projects



Borrower Name(s): DWAIN A. PERKINS TIFFANY PERKINS	Lender: WELLS FARGO BANK, N.A. 2535 TRUXTUN RD, STE 207 SAN DIEGO, CA 92106
Property Address: 1765 JACKSON STREET CHULA VISTA, CA 91913	Date: 06/07/2013

Pursuant to California Civil Code, Section 2955.1 Chapter 925, if earthquake insurance is required or an additional fee or other condition is imposed on a condominium unit, you must be advised of the following:

1. The lender or an institutional third party requires earthquake insurance or imposes a fee or other condition in lieu thereof pursuant to an underwriting requirement imposed by an institutional third party purchaser.
2. Not all lenders or institutional third parties require earthquake insurance or impose a fee or other condition in lieu thereof pursuant to an underwriting requirement imposed by an institutional third party purchaser.
3. Earthquake insurance may be required on the entire condominium project (making you responsible for earthquake insurance on your unit).
4. The lender or an institutional third party may also require that a condominium project maintain, or demonstrate an ability to maintain, financial reserves in the amount of the earthquake insurance deductible.

For purposes of this disclosure an institutional third party is the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association or other substantially similar institution, either public or private.

I/We have read the above disclosure and acknowledge receiving a copy by signing below.

Borrower	Date		Borrower DWAIN A. PERKINS	Date
Borrower	Date		Borrower TIFFANY PERKINS	Date

FHA/VA Amendatory Clause and Certifications

Date

06/07/2013

Buyer(s) Name(s)

DWAIN A. PERKINS, TIFFANY PERKINS

Property Address

1765 JACKSON STREET, CHULA VISTA, CA 91913

"IT IS EXPRESSLY AGREED THAT, NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS CONTRACT, THE PURCHASER SHALL NOT BE OBLIGATED TO COMPLETE THE PURCHASE OF THE PROPERTY DESCRIBED HEREIN OR TO INCUR ANY PENALTY BY FORFEITURE OF EARNEST MONEY DEPOSITS OR OTHERWISE UNLESS THE PURCHASER HAS BEEN GIVEN IN ACCORDANCE WITH HUD/FHA OR VA REQUIREMENTS A WRITTEN STATEMENT ISSUED BY THE FEDERAL HOUSING COMMISSIONER, DEPARTMENT OF VETERANS AFFAIRS, OR A DIRECT ENDORSEMENT LENDER, SETTING FORTH THE APPRAISED VALUE OF THE PROPERTY OF NOT LESS THAN \$500,000.00 . THE PURCHASER SHALL HAVE THE PRIVILEGE AND OPTION OF PROCEEDING WITH THE CONSUMMATION OF THE CONTRACT WITHOUT REGARD TO THE AMOUNT OF THE APPRAISED VALUATION. THE APPRAISED VALUATION IS ARRIVED AT TO DETERMINE THE MAXIMUM MORTGAGE THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WILL INSURE. HUD DOES NOT WARRANT THE VALUE NOR THE CONDITION OF THE PROPERTY. THE PURCHASER SHOULD SATISFY HIMSELF/HERSELF THAT THE PRICE AND CONDITION OF THE PROPERTY ARE ACCEPTABLE."

Certification of Borrower, Seller, Agent

We, the undersigned seller(s), borrower(s) and real estate agent(s)/broker(s) involved in this loan transaction do certify that the terms of the sales contract are true to the best of our knowledge and belief. All agreements entered into by any of the following parties are fully disclosed and attached to the sales contract.

(2)
(X)

Purchaser DWAIN A. PERKINS

Date

Purchaser

Date

Purchaser TIFFANY PERKINS

Date

Purchaser

Date

Purchaser

Date

Purchaser

Date

Purchaser

Date

Purchaser

Date

Seller

Date

Seller

Date

Seller

Date

Seller

Date

Real Estate Agent/Broker

Date

Real Estate Agent/Broker

Date

Warning: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010. This form is required by HUD Handbook 4155.1 Rev-4 paragraph 1-22 for Sales Agreements intended to be financed by an FHA-Insured Mortgage and by VA Lender's Handbook Section 36.4303(j) for Sales Agreements intended to be financed by a VA-guaranteed Mortgage.

PROVIDERS OF SERVICE

Date Printed: 06/07/2013

PARTICULAR PROVIDER AND REQUIRED USE INFORMATION

The Lender requires the use of specific providers of certain services in connection with your loan. Listed below are the service providers from which the Lender will choose for your loan. The estimates on the Good Faith Estimate are based on the charges for these designated providers. The Lender has repeatedly required borrowers to use these providers within the past 12 months. Rels Valuation is an affiliate of the Lender.

Appraisal Services

Rels Valuation, 8009 34th Ave South #1300, Bloomington, MN 55425 (800) 825-8483
Lender's Service, Inc., 700 Cherrington Parkway, Coraopolis, PA 15108-4315 (800) 722-0300
ServiceLink, ATTN: Wells Fargo Valuations, 345 Rouser Road, Caraopolis, PA 15108 (855)717-5484

Credit Reporting

CoreLogic Credco, LLC, 1500 NW Bethany Blvd #300, Beaverton, OR 97006 (877) 216-9150
Equifax Information Services, PO Box 740241, Atlanta, GA 30374 (800) 685-1111 or (404) 885-8000

Document Preparation Services for Loans with a Property Address in Texas

Brown, Fowler & Alsup, 10333 Richmond Ave. #860, Houston, TX 77042 (713) 468-0400
Beadles, Newman & Lawler, 3500 Hulen Street, Fort Worth, TX 76107 (817) 731-6469
Polunsky and Beitel, LLP, 8000 I.H. 10, Suite 1600, San Antonio, TX 78230 (210) 349-4488

Title Guaranty Certificate for Loans with a Property Address in Iowa

Iowa Finance Authority, Title Guaranty Division, 2015 Grand Avenue, Des Moines, IA 50312
(515) 242-4989

SERVICES FOR WHICH YOU MAY SHOP

Listed below are service providers from which you may choose from if you do not have one of your own. The estimates on the Good Faith Estimate are based on the charges we typically incur for these services.

Flood Zone Determination*

Wells Fargo Flood Services, 600 S. Highway 169, Suite 1200, St. Louis Park, MN 55426 (800) 805-9423
CoreLogic Flood Services, 11902 Burnet Road #400, Austin, TX 78758-2902 (800) 447-1772

Tax Service Vendors*

Wells Fargo Real Estate Tax Services, LLC, 1 Home Campus, MAC# X2301-032, Des Moines, IA 50328
(800) 499-4829
CoreLogic, 1 CoreLogic Drive, Westlake, TX 76262 (800) 229-8426

**The Lender typically utilizes an affiliate as a provider of this service. If you choose not to use the affiliate vendor, please inform the Lender immediately, as the Lender will then utilize the alternative vendor listed as a provider for this service.*

Settlement Agent / Attorney Coordination Services

DataQuick Title, 5700 Smetana Drive, #400, Minnetonka, MN 55343 (800) 501-2766.
Note: If you choose to use DataQuick Title, the lender can place the order for you.

The following services for which you may shop may be required in conjunction with your property. For your convenience, we have listed a few service providers that you may choose from if you do not have one of your own.

Home, Termite/Pest, Roof, Smoke Detector/CO2 Test, Structural and Well Inspections

HouseMaster, HomeServiceNet: 888-469-3900 www.HouseMasterBlock6.com

Survey/Plat/Improvement Certification

HouseMaster, HomeServiceNet: 888-469-3900 www.HouseMasterBlock6.com

Water Testing

HouseMaster, HomeServiceNet: 888-469-3900 www.HouseMasterBlock6.com

If the subject property is located in New York:

The Lender will require that a New York law firm satisfactory to Lender be designated to represent the Lender and provide the closing/settlement services. The estimated settlement or closing fee is based on the estimated charges of New York firms with whom the Lender has relationships. The Lender has repeatedly required borrowers to use the services of a New York law firm within the last 12 months.

If mortgage insurance is required:

The Lender will designate a mortgage insurance company from an approved list to provide private mortgage insurance. The estimated mortgage insurance premium is based on the estimated charges of the designated provider. The Lender has repeatedly required borrowers to use the services of one of the providers within the last 12 months.

Prepared For:
 Dwain Perkins
 Tiffany Perkins
 1765 Jackson St
 Chula Vista, CA 91913

Presented By:
 Renny Bowden
 4732 Dunham CT
 San Diego, CA 92130-1361
 Office: (858) 756-3440
 Email Address :
 renny.bowden@american-national.com

This is an estimate, not a binder of coverage nor a recommendation of coverage. This is an example of some of the coverages and limits available. The premium shown is based upon the rating factors available at the time of quote. Actual premium may increase or decrease from premium shown. This notice contains only a general description of coverage and is not a statement of contract. All coverages are subject to the insuring agreements, exclusions, and conditions of the policy and applicable endorsements.

Zone	055	Building Size		Effective Date	06/22/2013
Protection Class	03	Construction Type	Frame	Base Rates Eff. (NB)	06/22/2013
Form	SH-3 Gold	Deductible	\$1000 All Peril		
County	SAN DIEGO	FDID	10132		
Miles to Station	0 - 3.0	City Limits	In		
Year of Construction	2013	Feet to Hydrant	Under 601		

Coverages

A: Dwelling	550,000	\$230.00
B: Other Structures	55,000	\$0.00
C: Personal Property	412,500	\$0.00
D: Loss of Use	137,500	\$0.00
E: Personal Liability	300,000	\$0.00
F: Medical Payments	5,000	\$6.00

Total Coverage Premium: \$236.00

Endorsements

FX32000 Enhanced Protect Pkg-Gold	\$17.00
FX9291 Contents Replacement Cost	\$28.00

Total Endorsement Premium: \$45.00

Discounts

All discounts except for Tri-Line Discount (if applicable) have been previously figured in the Coverage Premium.
 Claim Free Plus -19% Utilities/Roof -79% Prot Dev Credit -15%

Surcharges

All surcharges have been previously figured in the Coverage Premium.
 Deductible 00%

Total Premium(s): \$281.00

Policy Term: 12 Months

Coverage C - Special Limits of Liability

Within the homeowners policy under Coverage C-Personal Contents, there are special limits of liability that restrict the amount of coverage for specific types of property.

\$550.00(1/10 of 1% of Coverage A) for money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins, and medals. Total Limit \$550.00.

\$2,750.00(1/2% of Coverage A) for securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets, and stamps. This dollar limit applies to these categories regardless of the medium. Total Limit \$2,750.00.

\$2,000.00 for watercraft, including their trailers, furnishings, equipment, and outboard motors.***

\$1,500.00 for trailers not used with watercraft.***

\$5,000.00 for grave markers.***

\$1,000.00 per article for loss by theft of jewelry, watches, furs and precious and semiprecious stones. The total limit of liability for all such articles is. Total Limit \$2,750.00.

\$5,500.00(1% of Coverage A) for theft of silverware, silverplated ware, goldware, goldplated ware, pewterware, plated ware, flatware, hollowware, tea sets and trays. Total Limit \$5,500.00.

\$5,500.00(1% of Coverage A) for theft of guns and related equipment. Total Limit \$5,500.00.

\$2,750.00(1/2% of Coverage A) for property used or intended for use in business at residence premise except personal property customary to use of residence. Property used for business away from residence premises is limited to \$1,000. Certain types of property not covered. Total Limit \$2,750.00.

\$10,000.00 for theft of Oriental rugs, tapestries, wall hangings, or similar articles. Oriental rugs include, but are not limited to, Persian(Iranian), Turkish, Chinese, and Indian rugs.

\$5,500.00(1% of Coverage A) for computer hardware and software, whether used for personal or business reasons except as limited under Property Not Covered. Total Limit \$5,500.00.

\$250.00 per article for loss by theft of comic books, including those part of a collection, and collectable cards, including but not limited to sports cards, fictional character cards and other similar cards. The total limit of liability is \$2,500.***

For additional needs, please speak with your agent about endorsements that will increase your coverage above the Special Limits of Liability.

*** These articles are not subject to a percentage increase. Only a flat limit is applicable.

This is an estimate, not a binder of coverage nor a recommendation of coverage. This is an example of some of the coverages and limits available. The premium shown is based upon the rating factors available at the time of quote. Actual premium may increase or decrease from premium shown. This notice contains only a general description of coverage and is not a statement of contract. All coverages are subject to the insuring agreements, exclusions, and conditions of the policy and applicable endorsements.

ANPAC®
American National Property And Casualty Company
American National General Insurance Company
American National Lloyds Insurance Company
Pacific Property And Casualty Company
ANPAC Louisiana Insurance Company
and
American National County Mutual Insurance Company
(serviced by ANPAC®)

IMPORTANT NOTICE
of Privacy Policy
and Information Practices

Issued pursuant to California Insurance Code Sections 791 et. seq. and the federal
Gramm-Leach-Bliley Privacy Act 15 U.S.C. Section 6501 et.seq.

American National Property And Casualty Company, its subsidiaries and its affiliates (ANPAC®), are committed to providing insurance and annuity products and services designed to meet your needs. Your privacy is important to us. We are doing everything we can to protect the information about you that we receive. Please read this notice so that you may understand what information we collect, how it is used, and how we protect it.

What Information We Collect

To provide a financial product or service to you, it is important for us to obtain some personal information about you. Some of the information we get comes directly from you when you fill out applications or other forms. Some information you may provide when you visit our web site. We may also receive information from doctors, test laboratories, and other health providers. Some information may come from consumer reporting agencies. The types of information we receive may include:

- addresses
- social security number
- family information
- current and past medical history.

We may also receive financial information, such as transactions that you make with other financial institutions. In some cases, this information may rightfully be obtained without notice to you or permission from you.

What Information We Disclose

We do not disclose nonpublic personal information about our current or former customers to any non-affiliated entity, except when the law permits us to.

Some examples of the disclosures we are permitted by law to make include:

- Those necessary to service or provide an insurance or annuity product that you requested or authorized.
- Those made with your consent or at your direction.
- Those made to your legal representative; or those made in response to a subpoena or an inquiry from an insurance or other regulatory authority.
- Those made to comply with federal, state or local laws.
- Those made to protect against fraud.

Where allowed by law, such disclosures may be made without further notice to or permission from you.

Our Privacy Protection Procedures

We protect your information from being viewed by those not authorized to do so. For example, we use secure technologies to maintain the security of information you may provide through our web sites. Only those persons that need this information to provide you service are allowed access to it.

UM-55 CA (3-03)

P-1

Examples of activities requiring access to personal information include:

- underwriting
- claims processing
- reinsurance
- serving you as our policyholder.

Come visit us at WWW.ANPAC.COM

Our employees and agents are trained on our privacy policies. Violators may be disciplined. Finally, we have established and maintain procedures to comply with all state and federal laws and regulations regarding the security of personal information.

Your Right To Review Information About You

- You have the right to review the personal information about you contained in our files.
- You have the right to get a copy of such information.
- You have the right to ask that we correct, change or delete any information if it is in error.

If you do not want us to keep this information, you may ask us to correct, change, or delete it. However, this will only be done if it is not necessary for us to have this information to properly service or provide your insurance. At your request, we will send you the following:

- A copy of our Information Practices.
- A copy of our Privacy Policy.
- The procedures for you to receive copies of your personal information we have in our files.
- The procedures for you to request corrections to your personal information we have in our files.

Please read this notice carefully. If you have any questions about this notice or your personal information contained in our files, please call or write to us at:

American National Property And Casualty Company
American National General Insurance Company
American National Lloyds Insurance Company
Pacific Property And Casualty Company
ANPAC Louisiana Insurance Company
American National County Mutual Insurance Company (serviced by ANPAC®)

American National Corporate Centre
1949 East Sunshine Street
Springfield, Missouri 65899-0001

Telephone: Toll Free (877) 662-6722 (This number is only for calls related to the Privacy Policy and Information Practices Act.) Toll: (417) 887-4990 or (417) 887-0220

This Notice has been provided to you to comply with the Financial Services Modernization Act of 1999, U.S. Pub. L. 106-102, 113 U.S. Stat. 1338, for information purposes only. No action is required on your part.



American National Property And Casualty Company
American National General Insurance Company
American National Lloyds Insurance Company
Pacific Property And Casualty Company
ANPAC Louisiana Insurance Company
American National County Mutual Insurance Company (serviced by ANPAC®)





3055 Clearview Way, San Mateo, CA 94402
 T (888) SOL-CITY F (650) 638-1029 SOLARCITY.COM

NSHP AMENDMENT

Homeowner Name and Address:	Co-Owner Name (If Any)	Installation Location:	CA: CSLB 888104
Dwain Perkins 1765 Jackson St Chula Vista CA 91913	Tiffany Perkins	1765 Jackson St Chula Vista CA 91913	

NSHP REBATE INFORMATION

From the California Energy Commission New Solar Home Partnership Guidebook: The California New Solar Homes Partnership (“NSHP”) “provides financial incentives and other support for installing eligible solar energy systems on new residential buildings that receive electricity from specified investor-owned utilities.” The California Energy Commission (CEC) implements the NSHP in coordination with the California Public Utilities Commission (CPUC) and NSHP is aimed at “benefit[ing] the end-use customer by directly and exclusively reducing the lease payments for the system or the cost of electricity produced by the system.”

NSHP REBATE DISCLOSURES

If otherwise **not** included in the SolarLease® Agreement between SolarCity and You (the “Agreement”), you hereby agree to the following amendments to the Agreement:

1. EQUIPMENT & SYSTEM INSTALLATION DESCRIPTION

- a. If **not** included in Section 3 of the Agreement, “System Description” is expanded to include the following:

ITEM

Photovoltaic System: 2.640 kW DC (STC)
 Modules: Yingli Green Energy YL240P-29b H4 (11)
 Inverter(s): POWER-ONE # AURORA PVI-3.0-OUTD-S-US-Z (1)
 Mounting System
 Free SolarGuard Solar Energy Monitoring System (20 Years)
 System Installation

2. STATEMENT OF END-USE CUSTOMER BENEFIT

- b. If **not** included in Section 4(d) of the Agreement, “Total of Payments” is expanded to include the following:

Total System Costs:	\$12,936.00
Estimated NSHP Rebate:	\$6,368.00
SolarCity 20 Year Lease Savings:	\$4,324.00
Post-Rebate Total Payments:	\$2,244.00

3. SYSTEM PURCHASE & ACCESSIBILITY OPTIONS

If you are not in default under this Lease, you will have an option **at the end of the Lease term, but not sooner:**

- a) to purchase the System for \$10,256.40 and Section 4(e) of the Agreement is amended accordingly;
- b) to renew this Agreement pursuant to Section 11 of the Agreement; or
- c) if you have not purchased the System or renewed the Agreement, SolarCity will remove the system at no cost pursuant to Section 17 of the Agreement.

4. EARLY TERMINATION PENALTIES

The following language is added to the end of Section 16:

If the System is removed from its original installation location within the first ten (10) years of the Lease Term, the California Energy Commission may require that SolarCity repay some or all of the NSHP rebate awarded for the System. As lessee of the System, I understand that if the System is removed from its original installation location within the first ten (10) years of the Lease Term at my request or due to my default, I will be responsible for reimbursing SolarCity for the amount of the NSHP rebate repaid to the California Energy Commission.

5. DESIGNATION OF AUTHORIZED REPRESENTATIVE

The following language is added to the end of Section 5(a) of the Agreement:

YOU HEREBY AUTHORIZE SOLARCITY TO SIGN AS YOUR AUTHORIZED REPRESENTATIVE ON ALL "NEW SOLAR HOMES PARTNERSHIP" REBATE FORMS.

6. SUBMISSION OF STATUS REPORT

The following language is added to the end of Section 5(a) of the Agreement:

SolarCity is responsible for the submission of the annual status report on the operation of your System as required in Chapter II, Section O., of the NSHP Guidebook.

I have read this Amendment in its entirety and I acknowledge that I have received a complete copy of this Amendment. This Amendment clarifies and, if applicable, supersedes any prior lease contents from the above-named sections that are inconsistent with the subject matter contained herein.

Owner's Name: Dwain Perkins

Signature: _____

Date: _____

Co-Owner's Name (if applicable): Tiffany Perkins

Signature: _____

Date: _____

Γ

Γ

[SolarCity Signature Here]

Date: _____

In Process

NSHP Frequently Asked Questions



3055 Clearview Way, San Mateo, CA 94402
T (888) SOL-CITY F (650) 638-1029 SOLARCITY.COM

**NSHP
AMENDMENT**

Homeowner Name and Address: John Doe 5555 Solar System Blvd. San Mateo CA 94402	Co-Owner Name (If Any)	Installation Location: 5555 Solar System Blvd. San Mateo CA 94402	CA: CSLB 55555
-------------------------------------------------------------------------------------------------	-------------------------------	--------------------------------------------------------------------------------	-----------------------

NSHP REBATE INFORMATION

From the California Energy Commission New Solar Home Partnership Guidebook: The California New Solar Homes Partnership (“NSHP”) “provides financial incentives and other support for installing eligible solar energy systems on new residential buildings that receive electricity from specified investor-owned utilities.” The California Energy Commission (CEC) implements the NSHP in coordination with the California Public Utilities Commission (CPUC) and NSHP is aimed at “benefit[ing] the end-use customer by directly and exclusively reducing the lease payments for the system or the cost of electricity produced by the system.”

NSHP REBATE DISCLOSURES

If otherwise **not** included in the SolarLease® Agreement between SolarCity and You (the “Agreement”), you hereby agree to the following amendments to the Agreement:

1. EQUIPMENT & SYSTEM INSTALLATION DESCRIPTION

- a. If **not** included in Section 3 of the Agreement, “System Description” is expanded to include the following:

ITEM	
Photovoltaic System:	2.580 kW DC (STC)
Modules:	KYOCERA SOLAR KD215GX-LPU (12)
Inverter(s):	Fronius USA IG PLUS V 3.0-240 (1)
	Mounting System
	Free SolarGuard Solar Energy Monitoring System (20 Years)
	System Installation

2. STATEMENT OF END-USE CUSTOMER BENEFIT

- b. If **not** included in Section 4(d) of the Agreement, “Total of Payments” is expanded to include the following:

Total System Costs:	\$XXXXX.XX
Estimated NSHP Rebate:	\$XXXXX.XX
SolarCity 20 Year Lease Savings:	\$XXXXX.XX
Post-Rebate Total Payments:	\$ XXXXX.XX

Comment [ID1]: This shows your the specifications of your solar panel.

Comment [ID2]: This Section shows the initial cost of the system that was rolled into the cost of your home.

3. SYSTEM PURCHASE & ACCESSIBILITY OPTIONS

If you are not in default under this Lease, you will have an option **at the end of the Lease term, but not sooner:**

- a) to purchase the System for \$XXXXX.XX and Section 4(e) of the Agreement is amended accordingly;
- b) to renew this Agreement pursuant to Section 11 of the Agreement; or
- c) if you have not purchased the System or renewed the Agreement, SolarCity will remove the system at no cost pursuant to Section 17 of the Agreement.

Comment [ID3]: This section provides the homeowner to purchase the system after their lease is up. This is one of the purposes of the NSHP Amendment in giving you the option of purchasing the system.

4. EARLY TERMINATION PENALTIES

The following language is added to the end of Section 16:

If the System is removed from its original installation location within the first ten (10) years of the Lease Term, the California Energy Commission may require that SolarCity repay some or all of the NSHP rebate awarded for the System. As lessee of the System, I understand that if the System is removed from its original installation location within the first ten (10) years of the Lease Term at my request or due to my default, I will be responsible for reimbursing SolarCity for the amount of the NSHP rebate repaid to the California Energy Commission.

Comment [ID4]: This is being enforced by the California Energy Commission. It is already in Section 16 of your original contract. If the system is removed you will owe SolarCity for the lost revenue.

5. DESIGNATION OF AUTHORIZED REPRESENTATIVE

The following language is added to the end of Section 5(a) of the Agreement:

YOU HEREBY AUTHORIZE SOLARCITY TO SIGN AS YOUR AUTHORIZED REPRESENTATIVE ON ALL "NEW SOLAR HOMES PARTNERSHIP" REBATE FORMS.

Comment [ID5]: Since SolarCity owns the system and we are leasing it to you, we are entitled to the rebate. However, the rebate cost has already been fixed into the cost of the system.

6. SUBMISSION OF STATUS REPORT

The following language is added to the end of Section 5(a) of the Agreement:

SolarCity is responsible for the submission of the annual status report on the operation of your System as required in Chapter II, Section O., of the NSHP Guidebook.

Comment [ID6]: The California Energy Commission requires an annual report to confirm that your system is still active.

I have read this Amendment in its entirety and I acknowledge that I have received a complete copy of this Amendment. This Amendment clarifies and, if applicable, supersedes any prior lease contents from the above-named sections that are inconsistent with the subject matter contained herein.

Owner's Name: John Doe

Signature: _____

Date: _____

REQUEST FOR FINANCING & DEMAND ON ESCROW

BUILDER: MCMILLIN COMMUNITY/LOT: INDIGO 43	MORTGAGE TYPE: VA HOMEBUYER: PERKINS, DWAIN & TIFFANY
PHASE: 11A	PLAN: 3B

A. FLOORING UPGRADES:	\$13,975.00
B. COUNTER TOP UPGRADE:	\$0.00
C. WINDOW UPGRADE:	\$3,810.00
D. BUILDER OPTION	\$0.00

PAYMENT BREAKDOWN INFORMATION:

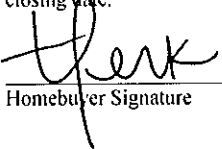
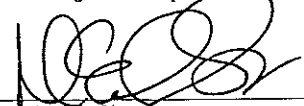
1. UPGRADE TOTALS:	\$17,785.00
2. DEPOSIT RECEIVED:	\$3,587.00
3. CASH BALANCE DUE:	\$0.00
4. (ESCROW CREDIT TO BUYER FOR DEPOSIT):	\$0.00
5. ASSIGNMENT OF FUNDS	\$1,987.00
6. MORTGAGE INCLUSION/ADD TO LOAN:	\$12,211.00
TOTAL BALANCE DUE TO PFD FROM ESCROW:	\$14,198.00

The undersigned homebuyer acknowledges and understands the total amount of items purchased through picketfence design is required to be added to the purchase price of the home. The deposit received is subject to the terms of the purchase contract. In the event financing is not obtained for any for these items (other than the homebuyer not qualifying for the loan), the undersigned homebuyer agrees to pay picketfence design the total contract amount per the terms of the contract. If the homebuyer's contract with picketfence design is cancelled after notification of loan approval from the builder, the homebuyer agrees to pay picketfence design for restocking charges, administrative costs, and material installed prior to cancellation notice.

If an Assignment of Funds / Builder incentive has been authorized by the builder, it is to be paid to picketfence design from the Seller's (Builder's) proceeds.

This instruction shall also constitute an irrevocable assignment of seller's proceeds to picketfence design in the full amount of the demand set out herein.

The undersigned homebuyer acknowledges and understands that a demand is being placed on escrow for the payment of the balance due of these items if homebuyer is adding all/or portion of purchase to loan. Escrow is instructed to pay picketfence design located at: 9220 Trade Pl., San Diego, Ca. 92126 immediately upon close of escrow. The undersigned homebuyer instructs escrow holder that this demand is irrevocable: unless written consent of change or cancellation is given from picketfence design to escrow prior to closing date.

 _____ Homebuyer Signature	8/1/13 _____ Date	 _____ PFD Rep Signature	8/1/13 _____ Date
_____ Co-Homebuyer Signature	_____ Date	_____ Builder/Escrow	_____ Date





Quote

9220 trade place san diego, ca 92126

858.271.1820

lic. #: 818307

Acct # 6051
For: 619 852.1432 Fax

Ship To: 619 852.1432

PERKINS, DWAIN & TIFFANY
1765 JACKSON STREET
CHULA VISTA, CA 91913

PERKINS, DWAIN & TIFFANY / INDIGO,
PLAN 3B
1765 JACKSON STREET
PHASE 11A | LOT 43
CHULA VISTA, CA 91913

Quote #
19302
Customer PO
Contract #
0
Date
6/11/2013
Sales Person1
EDMONSTON,
Sales Person2

Quantity	General Information / Description	Unit Cost	Total
1	<p>CARPET: SOFT & WOW COLOR: EAGLE</p> <p>FURNISH AND INSTALL IN THE FOLLOWING AREAS PER DIAGRAM: UNDERSTAIRS STORAGE DEN STAIRS UPSTAIRS HALL BED 2/CLOSET BED 3/CLOSET BED 4/CLOSET/ LOFT OPTION MASTER BEDROOM/WIC</p> <p>PAD 1/2" 6LB</p>	\$5,280.00	\$5,280.00
1	<p>TILE 1: MONTEGO 18X18 COLOR: COASTAL IVORY STANDARD CRISTALLA MANTEL</p> <p>FURNISH AND INSTALL IN THE FOLLOWING AREAS PER DIAGRAM: KITCHEN NOOK PANTRY FAMILY ROOM FIREPLACE FACE & HEARTH - PICTURE FRAME HEARTH</p> <p>GROUT: TEC 940 ANT WHITE INSTALL STRAIGHT</p>	\$5,727.00	\$5,727.00
1	<p>TILE 1: MONTEGO 12X12 COLOR: COASTAL IVORY</p> <p>FURNISH AND INSTALL IN THE FOLLOWING AREAS PER DIAGRAM: BATH 3 - ENTIRE BATH MASTER BATH - ENTIRE BATH</p> <p>GROUT: TEC 940 ANT WHITE INSTALL STRAIGHT</p>	\$2,154.00	\$2,154.00
1	<p>VINYL: VEGA II COLOR: SUNBERRY 3437</p> <p>FURNISH AND INSTALL IN THE FOLLOWING AREAS PER DIAGRAM: BATH 2 - ENTIRE BATH LAUNDRY</p>	\$88.00	\$88.00

R 6/18/13

PL000192

Continuation For: PERKINS, DWAIN & TIFFANY, Quote # 19302

Quantity	General Information / Description	Unit Cost	Total
1	<p>LAMINATE: BRUCE RESERVE PREMIUM COLOR: SAPELE LONG PLANK WROUGHT IRON</p> <p>FURNISH AND INSTALL IN THE FOLLOWING AREAS PER DIAGRAM:</p> <p>ENTRY</p> <p>HALL TO BATH 3</p> <p>WALKWAY</p> <p>DINING ROOM</p> <p>LIVING ROOM</p> <p>INSTALL THE PLANKS FRONT TO BACK</p> <p>T-MOLDS WHERE TILE MEETS LAMINATE</p> <p>ENDCAPS WHERE CARPET MEETS LAMINATE AND AT ENTRY AND EXIT POINTS</p>	\$4,032.00	\$4,032.00
1	HOMEBUYER STANDARD ALLOWANCE	-\$2,508.00	-\$2,508.00
1	CALIFORNIA CARPET STEWARDSHIP ASSESSMENT	\$13.00	\$13.00
<p>BUYER WILL PLAN ON BUILDER INCENTIVE AND MORTGAGE INCLUSION, IF ANY PORTION DOES NOT ROLL INTO THE LOAN HOMEBUYER WILL PAY PICKET FENCE DESIGN DIRECTLY. 20% DEPOSIT COLLECTED</p>			

JP 6/18/13

PL000193

Quantity	General Information / Description	Unit Cost	Total
----------	-----------------------------------	-----------	-------

Totals		
Grand Total		\$14,786.00
Deposit	Date	Ck #

DP 8/1/13 #13975

STATEMENT OF TERMS AND CONDITIONS

- All floor coverings, plain or patterned, are subject to variations in shading, marking, coloring, and texture, etc. Cut samples, therefore, suggest the goods to be delivered and are only typical of the general coloring and marking; and exact match is neither implied nor guaranteed. The Seller assumes no liability for industry accepted variations in quality, pattern, or color from the Seller's showroom samples. Pattern layout will be determined by the installer unless otherwise specified in writing as part of this order.
- The Floor Diagram and Designer/Customer Checklist and Product Information attached hereto are incorporated herein entirely by this reference. This order is valid when approved by an officer of Picketfence Design, Inc. This agreement represents the entire agreement between the parties. Any oral or written representations not specifically made a part of this agreement are void and are of no effect. All work described is to be done according to area and material specified in this order. Seller's obligations of performance is subject to receipt of payment as herein provided.
- In the event of a cancellation, Buyer agrees to pay Seller for material restocking costs, material costs in full if not returnable, administrative costs, materials fabricated or installed prior to cancellation notice. All cancellations shall be in writing and served personally or sent by Registered or Certified United States Mail and addressed to Picketfence Design, Inc. at the address indicated above. Buyer understands and agrees that this contract cannot be altered or canceled after the start of fabrication or installation.

Production and installation schedules are contingent upon manufacturer's delivery; and any back orders shall not constitute a reasonable basis for cancellation of this agreement, suit thereon, or non-payment of this agreement. Such delays shall require rescheduling of this order. Should Seller be unable to fill any of the above order, Seller shall refund any amount paid by Buyer thereon and thereafter shall have no further liability to Buyer.

4. By placement of the order herein, it is acknowledged that all payments due hereunder are to be made at the offices of Picketfence Design, Inc. as shown in this agreement, in the City of San Diego, County of San Diego, State of California.

This agreement and the purchase of this order shall be governed by the laws of the State of California; and the parties herein agrees; that in the event of a dispute arising between them from the terms of this agreement, that they shall submit said dispute to binding arbitration for final resolution and settlement, before the American Arbitration Association, State of California. The prevailing party shall be entitled to the costs and reasonable attorney's fees.

5. The agreed terms of payment are deposit upon Buyer's acceptance of this contract with balance due at completion. On accounts past due over thirty (30) days after completion of installation, a 1% service charge will be added, annual percentage rate of 12%.

6. Workmanship is warranted for a period of one year from the date of installation. Products are warranted to be free of manufacturing defects for a period of one year from the date of installation except in those instances where manufacturers have given specific extended warranties. In the event a product is defective in its material or workmanship, Seller's liability is limited to the repair or replacement of the product with a product which is the same, or similar subject to availability of the product. All products will be installed in a manner consistent with industry standards. The warranty is given only for materials described herein and only in connection with the use of such material in a normal and reasonable manner. In the event of replacement of any materials under the terms of this warranty, the replacement material shall be covered by these terms and conditions for the balance of the term of this warranty.

Specific exclusions from the Seller's warranty are: crushing or matting of carpet; pooling or shading where the carpet pile is oriented in different directions causing light reflection to give the appearance of a change in shades; visible seams in carpet and vinyl unless improperly made; hard surface products cracking, buckling, staining or other defects when caused by moisture in the floor or cracking of the slab due to expansion or contraction; hard surface product damage cause by the high pressure exerted by women's high heeled shoes; and scratching and gouging of vinyl and wood floors.

"WARNING: Drilling, sawing, sanding or machining wood products generates wood dust, a substance known to the State of California to cause cancer or reproductive harm. Avoid inhaling wood dust or use a dust mask or other safeguards for personal protection."

Contractors are required by law to be licensed and regulated by the Contractor's State License Board. Any questions concerning a contractor may be referred to the Registrar, Contractors State License Board, P.O. Box 26000, Sacramento, California 95826.

Buyer [Signature] Date 8/1/13 Seller [Signature] PL000194 8/18/13



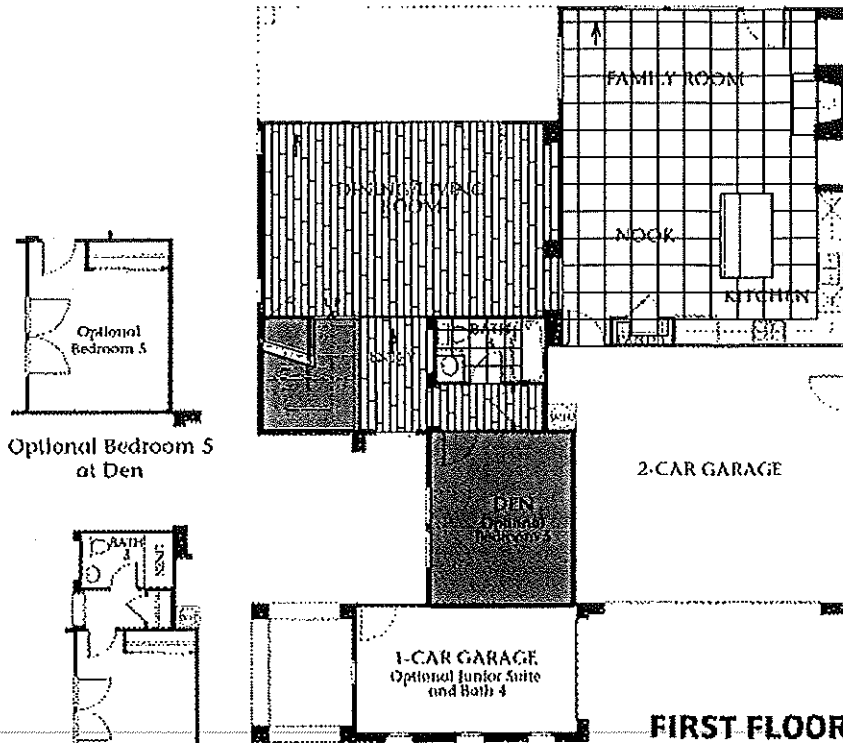
INDIGO

Plan 3







TABARET

3 Bed 4 Bathrooms 911sq ft 1153 sq ft 2 Bath 2,504 Square Feet



FIRST FLOOR

-  Tile: Montego 18x18 Color: Coastal Ivory
Install Straight Tec 940 Ant White
-  Tile: Montego 12x12 Color: Coastal Ivory
Install Straight Tec 940 Ant White
-  Carpet: Soft & Wow Color: Eagle
Pad: 1/2" 6lb
-  Laminate: Bruce-Reserve-Premium
Sapele-Long Plank Wrought Iron*
Install Front to Back

McMillin Communities

Sierra Collection
Color: Auburn Sandalwood
 1701

TP 3/1/13

Customer Name: Perkins, Dwain & Tiffany
 Customer Address: INDIGO II | PHASE 11A
 Customer Address: 1765 Jackson Street
 Customer Address: Chula Vista, CA 91913
 Job Info: Lot 43 | Plan 3B
 Telephone #1: [REDACTED]
 Telephone #2: [REDACTED]
 File Name:

Z:\Floor Right Files\Nikki - New Homes\Indigo\Phase 11A\Lot 43 Perkins\Plan 3B Perkins Lot 43.flr

PL000195

TP 6/18/13



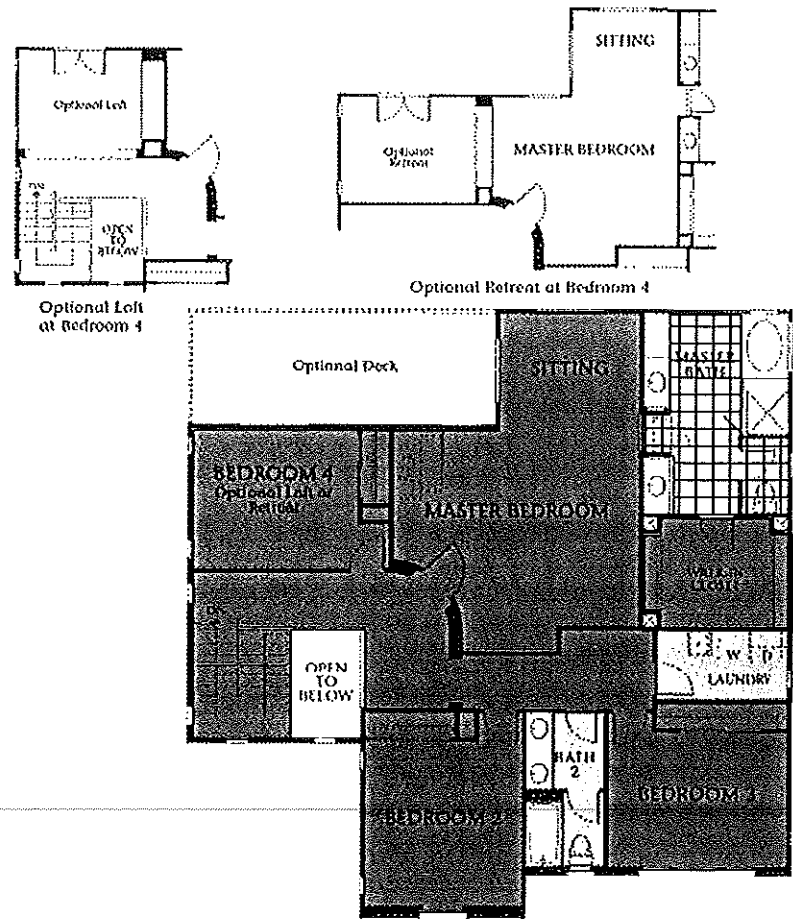
Plan 3



TABARET

INDIGO

Area: Bedrooms & Bathrooms 107.55 sq. ft. 2,500 sq. ft. Square Feet



 **McMillin Communities**

-  **Tile: Montego 12x12 Color: Coastal Ivory**
Install Straight Tec 940 Ant White
-  **Carpet: Soft & Wow Color: Eagle**
Pad: 1/2" 6lb
-  **Vinyl: Vega II Color Sunberry 3437**

Customer Name: Perkins, Dwain & Tiffany
 Customer Address: INDIGO II | PHASE 11A
 Customer Address: 1765 Jackson Street
 Customer Address: Chula Vista, CA 91913
 Job Info: Lot 43 | Plan 3B
 Telephone #1: XXXXXXXXXX
 Telephone #2: XXXXXXXXXX
 File Name:

Z:\Floor Right Files\Wikki - New Homes\Indigo\Phase 11A\Lot 43 Perkins\Plan 3B Perkins Lot 43.fr

PL000196

to 10/18/13

picketfence

9730 Trade Place San Diego, CA 92176

619 452 1432

619 452 1432

Quote

Quote # 19364
 Customer PO
 Contract #
 Date 6/18/2013
 Sales Person1 EDMONSTON
 Sales Person2

Acct # 6061
 Fax 619 452 1432

Ship To 619 452 1432

PERKINS, DWAIN & TIFFANY
 1765 JACKSON STREET
 CHULA VISTA, CA 91913

PERKINS, DWAIN & TIFFANY / INDIGO,
 PLAN 2B
 1765 JACKSON STREET
 PHASE 11A | LOT 43
 CHULA VISTA, CA 91913

Quantity	General Information / Description	Unit Price	Total Price
1	SOFTWOOD FAUX BLINDS 2" HORIZONTAL BLINDS COLOR: ALMOND-WT-18-- <i>SW43</i> FURNISH AND INSTALL IN THE FOLLOWING AREAS PER DIAGRAM: 4-19, 23-38 → <i>Kitchen only #110</i> DO NOT COVER: 20, 21 & 22 PRICE INCLUDES CUSTOM MEASURE, PRODUCT AND INSTALLATION AFTER THE CLOSE OF ESCROW. WINDOWS TO BE ROLLED INTO THE LOAN BY HOMEBUYER. 20% DEPOSIT COLLECTED. IF AMOUNT CANNOT BE ROLLED INTO THE LOAN THE HOMEBUYER WILL PAY PICKETFENCE DESIGN DEIRECTLY.	\$2,999.00	\$2,999.00

1-3, 5-15, 17-19, 23-38

2" Wood Blinds Color: 2010 Pecan

Jp 8/1/13

Initials *Jp* Date *6/25/13* INITIAL HERE

Continuation For: PERKINS, DWAIN & TIFFANY, Quote # 19364

Quantity	General Information / Description	Unit Cost	Total
----------	-----------------------------------	-----------	-------

Totals	
Grand Total	\$2,999.00
Deposit	\$3,049
Date	01/1/13
Ck #	

STATEMENT OF TERMS AND CONDITIONS

- All window coverings, plain or patterned, are subject to variations in shading, marking, coloring, and texture, etc. Cut samples, therefore suggest the goods to be delivered and are only typical of the general coloring and marking; and exact match is neither implied nor guaranteed. The Seller assumes no liability for industry accepted variations in quality, pattern, or color from the Seller's showroom samples.
- Window Coverings will not be installed until after the close of escrow. Window Covers are ordered upon notification by the builder of loan approval and release for installation. Hence, delays may result from window covering material and fabrication backlogs beyond the control of the Seller. Wood shutters in particular may not be installed for several weeks after close of escrow. Payment in full at time of order will generally allow sufficient time for window coverings to be on hand, ready for installation as soon as possible after the close of escrow.
- This agreement represents the entire agreement between the parties. Any oral or written representation not specifically made a part of this agreement are void and are of no effect. All work described is to be done according to area and material specified in this order. Seller's obligations of performance is subject to receipt of payment as herein provided. Prices shown are net of builder allowance if applicable, unless otherwise specified.
- In the event of a cancellation, Buyer agrees to pay Seller for material restocking costs, material costs in full if not returnable, administrative costs, and materials fabricated or installed prior to cancellation notice. All cancellation shall be in writing and served personally or sent by Registered or Certified United States Mail and addressed to Pickelfence Design, Inc., at the address indicated above. Buyer understands and agrees that this contract cannot be altered or canceled after the start of fabrication or installation which shall not occur prior to loan approval or notification of an all cash purchase of the home.

Installation schedules are contingent upon manufacturer's delivery; and any back orders shall not constitute a reasonable basis for cancellation of this agreement, suit thereon, or non-payment of this agreement. Such delays shall require rescheduling of this order. Should Seller be unable to fill any of the above order, Seller shall refund any amount paid by Buyer thereon and thereafter shall have no further liability to Buyer.

5. By placement of the order herein, it is acknowledged that all payments due hereunder are to be made at the offices of Pickelfence Design, Inc. as shown in this agreement, in the City of San Diego, County of San Diego, State of California.

This agreement and the purchase of this order shall be governed by the laws of the State of California; and should any action be commenced for the enforcement of the terms thereof, collection thereunder, or for the declaration of the rights and responsibilities of the parties hereto; such action shall be commenced in the applicable Court located in County of San Diego, State of California. The prevailing party in any such action shall be entitled to the costs of suit including reasonable attorney's fees.

6. The agreed terms of payment are deposit upon Buyer's acceptance of this contract with balance due in cash prior to installation; or when included in the home mortgage loan and/or escrow, balance is due net cash at close of escrow. In the event that escrow does not close for any reason, payment is due upon demand. On accounts past due over thirty (30) days after completion of installation, a 1% service charge will be added, annual percentage rate of 12%.

It is the Buyer's responsibility to insure that upgrades submitted for mortgage inclusion are in fact approved as part of the loan and included for payment at the close of escrow. Should Buyer select a third party to provide financing, Buyer covenants, promises and agrees to pay on demand for the upgrade/purchase if for any reason whatsoever that financing is not consummated.

7. Workmanship is warranted for a period of one year from the date of installation. Products are warranted to be free of manufacturing defects for a period on one year from the date of installation except in those instances where manufacturers have given specific extended warranties. In the event a product is defective in material or workmanship, Seller's liability is limited to the repair or replacement of the product with a product which is the same, or similar subject availability of the product. All products will be installed in a manner consistent with industry standards. The warranty is given only for materials described herein and only in connection with the use of such material in a normal and reasonable manner. In the event of replacement of any materials under the terms of this warranty, the replacement material shall be covered by these terms and conditions for the balance of the term of this warranty.

Seller does not guarantee the drapery material or window coverings furnished in this order against any fading, and sagging or shrinkage caused by changes in temperature and/or moisture conditions, nor against the effects of any cleaning.

Contractors are required by law to be licensed and regulated by the Contractors' State License Board. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

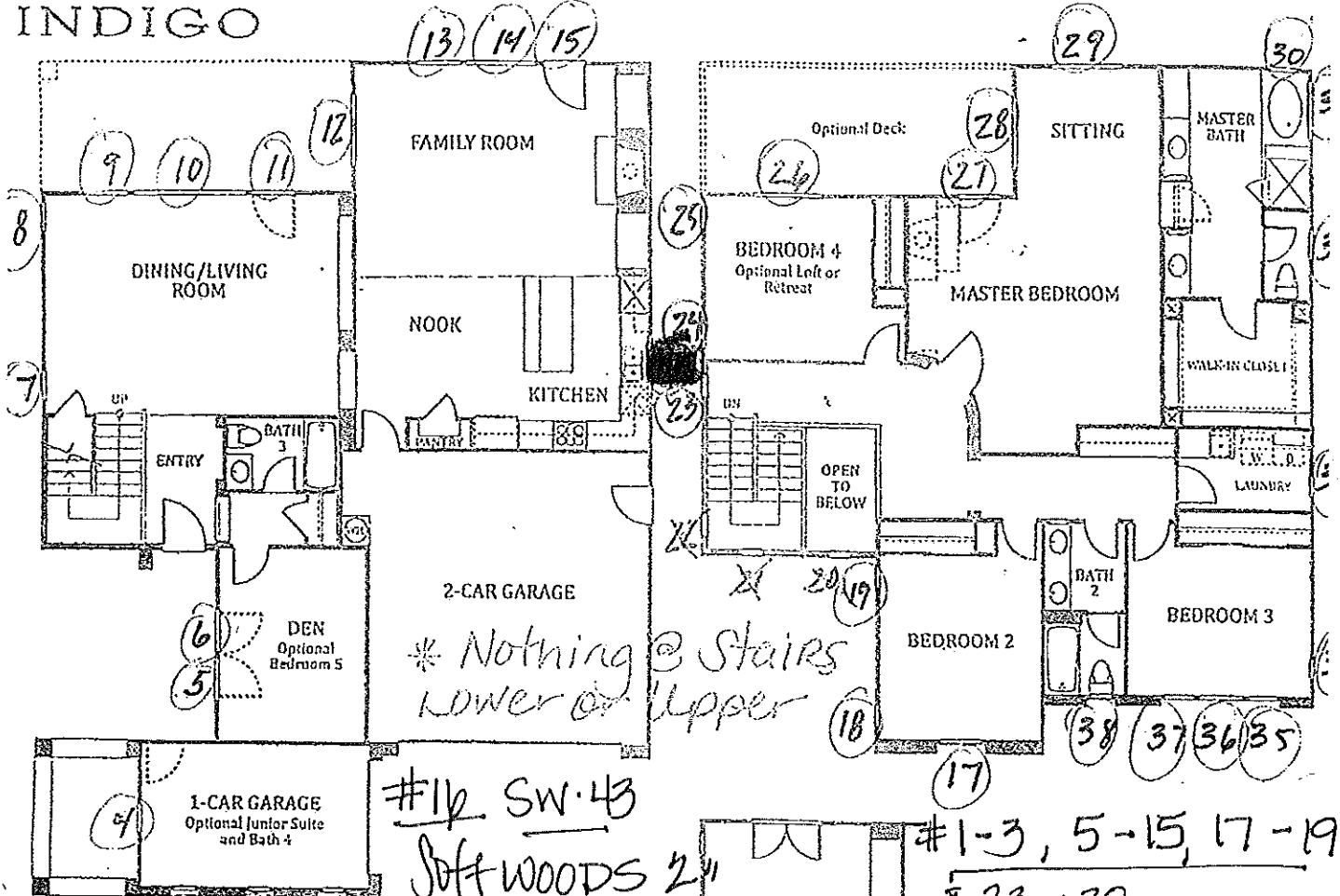
Initials DW Date 6/25/13 INITIAL HERE



Tabaret — Plan 3B

Perkins / 642
B:

INDIGO

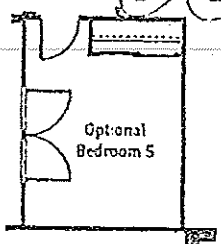


* Nothing @ Stairs
Lower or Upper

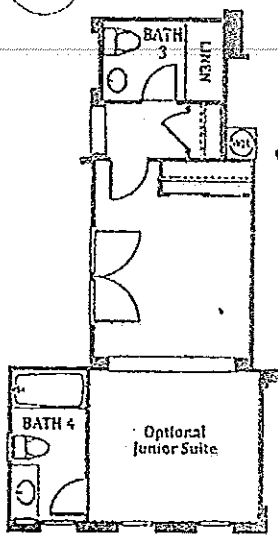
#16 SW-43
Softwoods 2"

#1-3, 5-15, 17-19
#23-38:

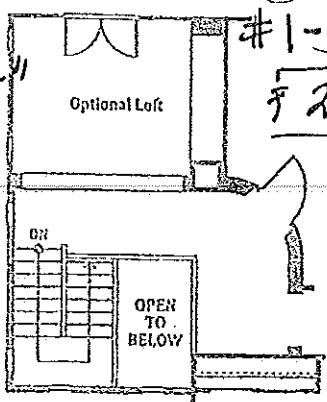
2" WOOD
COLOR: 2010
Pecan



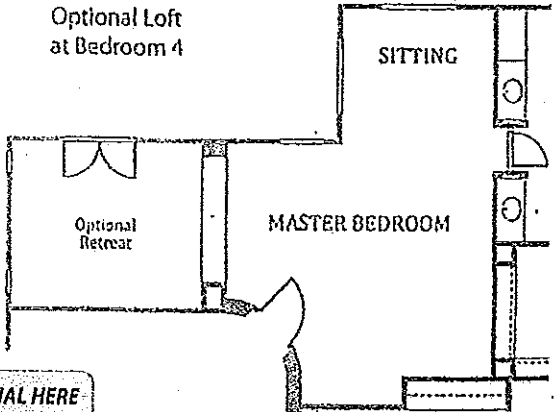
Optional Bedroom 5 at Den



Optional Junior Suite and Bath 4 at 1-Car Garage



Optional Loft at Bedroom 4



Optional Retreat at Bedroom 4

All Windows
French
Door to
Live:

Initials oap Date 6/25/13 INITIAL HERE

Softwoods 2" French Color: Autumnal W/10

REQUEST TO RESERVE LOT OR UNIT

IS A TENTATIVE RESERVATION AND NOT A CONTRACT TO PURCHASE)

COMMUNITY NAME: Indigo II
PHASE # 11 (Per 12) LOT OR UNIT # 1, 2, 3, 4, 5, 41, 42 (43)
PLAN # 313 SALES PRICE \$ 487,990

McMillin Homes (seller's agent), hereby acknowledges receipt from:
NAME Dwain Perkins Email: dwain.perkins@ymail.com
ADDRESS 4070 Kansas St #312
CITY/STATE/ZIP SD 92104 PHONES _____

the sum of Twenty Five Thousand Dollars
as deposit on above unit. Buyer(s) hereby agree to execute a purchase agreement for above property on
Date _____ at _____ (a.m./p.m.)

and grants McMillin Communities permission to hold deposit until that time. If purchase agreement is not executed by above date, McMillin Communities, shall have the right to cancel this reservation and return above deposit in full. Be it known that this is not an offer to purchase and that the sale price stated above is tentative only.

Public Report 128160LA - App Expires 7/22/2017
Buyer to apply for a loan with McMillin Home Mortgage within seven (7) days

Within SEVEN (7) days after Buyer signs this reservation form, Buyer shall submit to McMillin Mortgage Co., a completed loan application for the new loan together with all other information and fees required by such lender.

Westar Escrow

BUYER INFORMATION

FULL NAME(S) OF PARTIES TO HOLD TITLE:

- 1. Dwain A. Perkins
- 2. TIFFANY A. PERKINS
- 3. _____

DOWN PAYMENT:

AMOUNT \$ 0 VA SOURCE: _____

DO YOU HAVE TO SELL YOUR PRESENT HOME? _____

APPROXIMATE EQUITY _____ DATE _____

SALES COUNSELOR: Jalle BUYER _____

PO Box 85104, San Diego, CA 92186 (619) 471-4771



**DISCLOSURE REGARDING
REAL ESTATE AGENCY RELATIONSHIP**

(As required by the Civil Code)
(C.A.R. Form AD, Revised 11/09)

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).

Buyer/Seller/Landlord/Tenant _____ Date 12/9/12

Buyer/Seller/Landlord/Tenant _____ Date _____

Agent McMillin Homes Construction LLC DRE Lic. # 0184944

By _____ Real Estate Broker (Firm) DRE Lic. # 01727871 Date _____

AGENCY DISCLOSURE COMPLIANCE (Civil Code §2079.14):

- When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.
- When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here:

Seller/Landlord	Date	Seller/Landlord	Date
-----------------	------	-----------------	------

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 1991-2008, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.
THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.
This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.

Published and Distributed by:
REAL ESTATE BUSINESS SERVICES, INC.
a subsidiary of the California Association of REALTORS®
525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____



2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (e) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (f) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (g) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (h) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (i) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent which becomes the contract for the sale of the real property upon acceptance by the seller. (j) "Real property" means any estate specified by subdivision (1) or (2) of Section 701 in property which constitutes or is improved with one to four dwelling units, any leasehold in this type of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (k) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (l) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (m) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (n) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (o) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

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

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

2079.16 Reproduced on Page 1 of this AD form.

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

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE, SAMPLE ONLY) _____ is the agent of (check one): the seller exclusively; or both the buyer and seller.
 (Name of Listing Agent)

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

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

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

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

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

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

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

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

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

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



RECEIPT FOR PUBLIC REPORT

The Laws and Regulations of the California Real Estate Commissioner require that you as a prospective purchaser or lessee be afforded an opportunity to read the public report for this subdivision before you make any written offer to purchase or lease a subdivision interest or before any money or other consideration toward purchase or lease of a subdivision interest is accepted from you.

In the case of a preliminary or interim public report, you must be afforded an opportunity to read the public report before a written reservation or any deposit in connection therewith is accepted from you.

In the case of a conditional public report, delivery of legal title or other interest contracted for will not take place until issuance of a final public report. Provision is made in the sales agreement and escrow instructions for the return to you of the entire sum of money paid or advanced by you if you are dissatisfied with the final public report because of a material change. (See California Business and Professions Code Section 11012.)

**DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED
A COPY OF THE PUBLIC REPORT AND HAVE READ IT.**

I read the Commissioner's Public Report on 128160LA-A02***amended on 7/23/2012,
(FILE NUMBER)

MAP NO. 15105

"INDIGO II" - PHASE 12
(TRACT NUMBER OR NAME)

I understand the public report is not a recommendation or endorsement of the subdivision, but is for information only.

The issue date of the public report which I received and read is: 11/27/2006***.

X 
(SIGNATURE)

X 12/9/12
(DATE)

1765 Jack Sam St
(ADDRESS)
Chula Vista CA
91913

DWAIN & TIFFANY PERKINS

Jan 9, 2012
Date

Pay to the
Order of

WestStar 65000

\$ 2500.00

Two thousand five hundred and 00/100 Dollars

 SECURITY
FEATURES
DETAILS ON
BACK

NAVY
FEDERAL
Credit Union

6743

Jal

MP

For

ISLAND BREEZES[®]

Island Clear