

REPORT

DATE ISSUED: January 8, 2008 REPORT NO: HCR 08-08
ATTENTION: Chair and Members of the Housing Commission
For the Agenda of February 1, 2008
SUBJECT: Offer to Purchase – 3516 Del Sol Blvd., Unit G
Council District 8

REQUESTED ACTION:

Recommend Housing Authority acceptance of the \$120,000 offer to purchase the property located at 3516 Del Sol Blvd., Unit G.

STAFF RECOMMENDATION:

That the San Diego Housing Commission recommend Housing Authority approval to:

1. Determine the property located at 3516 Del Sol Blvd., Unit G to be surplus in accordance with the provisions of California Health and Safety Code 34315.7 and Housing Commission Policy No. 600.103; and to find that such determination will allow the Housing Commission to sell the property to Alberto Garcia Lopez under the provisions of Health and Safety Code Sections 34315.7;
2. Accept the \$120,000 offer to purchase the property at 3516 Del Sol Blvd., Unit G as submitted by Alberto Garcia Lopez; and
3. Authorize the President and Chief Executive Officer, or designee, to execute any and all documents and receive the sale proceeds.

BACKGROUND:

The subject property, located at 3516 Del Sol Blvd., Unit G is located in Otay Mesa in the South Bay area of San Diego (Attachment 1 – Location Map). It is part of a 140 unit condominium project known as Park Lido that was built in 1974. The unit has approximately 800 square feet with two bedrooms and one bath. It is considered to be in fair condition.

On December 3, 1999, the Housing Commission funded an \$11,800 shared equity loan using HOME funds to Baltazar and Reyna Zamora to help them purchase the unit. The shared equity loan was recorded in second position, junior to a \$44,250 first trust deed loan funded by Washington Mutual. The original purchase price for the Del Sol property was \$59,000. In February 2003, the owners refinanced the property by paying off the existing first trust deed loan and took out a loan that was junior to the Housing Commission's debt. Mr. and Mrs. Zamora refinanced once again in February 2004, resulting in a total of approximately \$67,000 in cash to the owners. Through the refinancing the Housing Commission's lien moved into first position.

Eventually, Mr. and Mrs. Zamora defaulted on the payment of their homeowner's association dues and the second trust deed loan with Wells Fargo Bank. On May 9, 2006 a Trustee's Sale was held on behalf of the bank and the property was purchased by Hassan Kahn for \$175,100. Mr. Kahn purchased the

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property subject to the Housing Commission's first trust deed shared equity loan. After the completion of the sale, Mr. Kahn was notified the Commission's loan was due and payable, including an equity share, because the property was no longer owner occupied and it had been sold and transferred Mr. Kahn via the foreclosure sale. Mr. Kahn refused to pay off the shared equity loan which resulted in staff recording a Notice of Default. Mr. Kahn believed the Housing Commission was not entitled to an equity share so he hired an attorney and had a restraining order placed against the property halting the Housing Commission's foreclosure action. The Housing Commission's General Counsel filed a motion for summary judgment to validate the right of the Housing Commission to proceed with its foreclosure and to obtain its equity share. The Superior Court ruled in favor of the Housing Commission. Mr. Kahn appealed the decision to the Court of Appeal. The appeal was dismissed. The Trustee's Sale was able to proceed and was held on November 21, 2007. There were no bidders at the sale and title to the property reverted to the Housing Commission. The property is owned free and clear of all liens.

In accordance with Housing Commission Loan Defaults, Foreclosures, and Disposition of Property Acquired Policy No. 600.103, the Chief Executive Officer analyzed the subject property to determine if it should be added to the Housing Commission's management portfolio and maintained as an affordable housing resource. Based on the adverse condition of the unit (and development) and additional costs to maintain a single separated unit from other maintained units, a decision was made to sell the unit. On December 7, 2008 the property was offered for sale at \$115,000 through a public notice in compliance with the conditions set forth in California Health and Safety Code Section 343415.7. One offer was received from Alberto Garcia Lopez for \$120,000. Mr. Lopez made the same offer to the previous owner and was in escrow to purchase the Del Sol property; however, the escrow was cancelled due to the Trustee's Sale. Mr. Lopez is not requesting any financial assistance from the Housing Commission to purchase the property. He has been prequalified by Chase for a mortgage loan of \$120,000.

Assuming escrow will close in March 2008, the sale would result in an estimated net gain of \$66,648.

Sales price	\$120,000
Less: Original shared equity loan	11,800
Attorney's fees	29,243
Miscellaneous expenses incurred to date	2,706
Estimated closing cost (2% of sales price)	2,400
Cooperating Broker fee (request per Offer to Purchase 3% of sales price)	3,600
3% credit to buyer for closing costs (request per Offer to Purchase)	<u>3,600</u>
ESTIMATED NET GAIN	\$ 66,648

FISCAL CONSIDERATIONS:

Sale of the property for \$120,000 would result in the recovery of the shared equity loan funds and expenses, plus a profit of approximately \$66,648.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Pursuant to California Health and Safety Code Section 34315.7 and Housing Commission Policy No. 600.103, a public notice was issued. If multiple offers had been received they would have been considered in the order and upon the terms set forth in the code section and Policy No. 600.103.

ENVIRONMENTAL REVIEW:

This activity is not a project within the meaning of California Environmental Quality Act and is categorically exempt and/or excluded under the provisions of National Environmental Protection Act; see 24 CFR 58.35(a).

Respectfully submitted,


Cissy Fisher

Directory of Housing Finance and Development

Approved by,

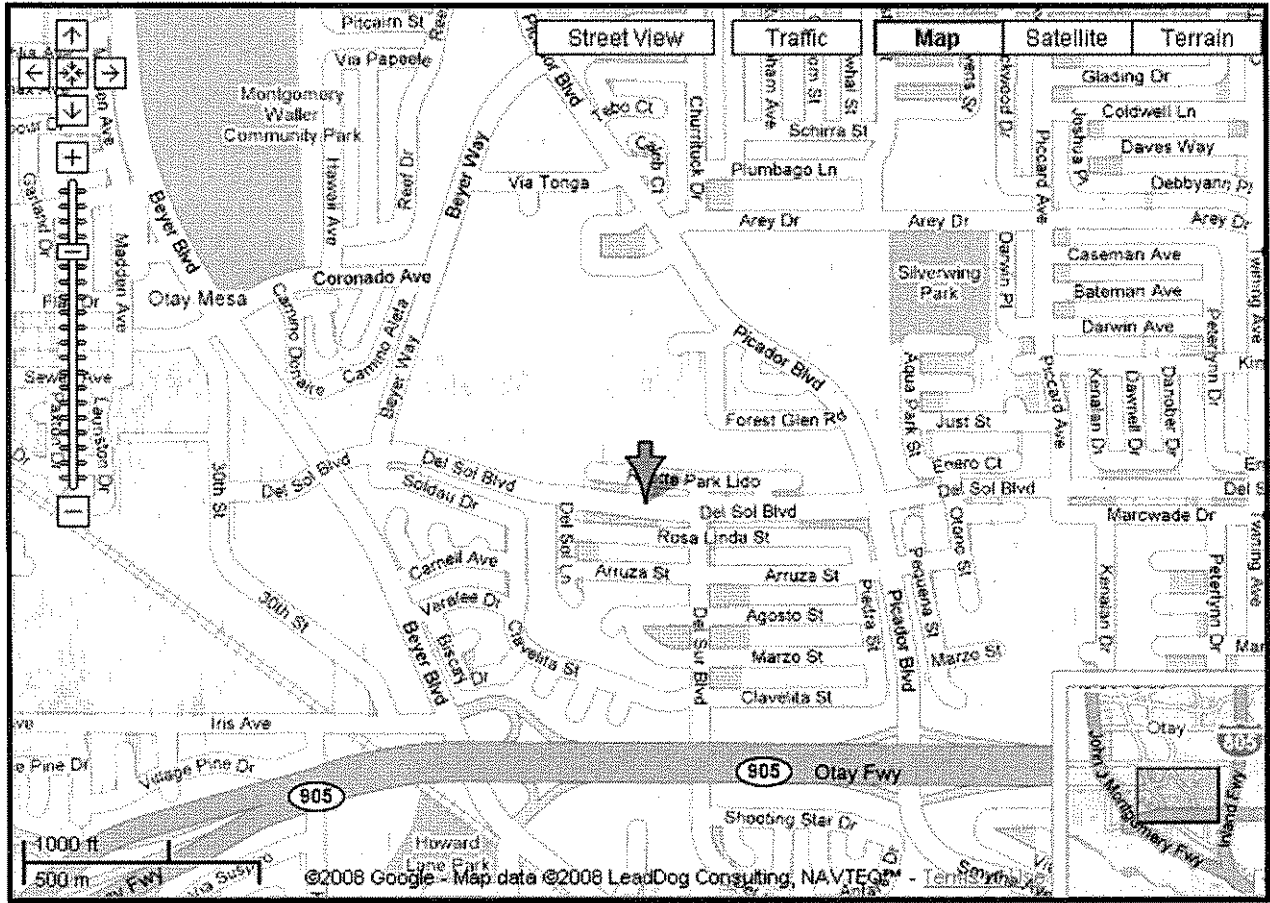

Carrol M. Vaughan

Interim President & Chief Executive Officer

- Attachments: 1 – Location Map
2 – California Residential Purchase Agreement and Joint Escrow Instructions

Distribution of these attachments may be limited. Copies available for review during business hours at the Housing Commission offices at 1122 Broadway, Main Lobby.

Location Map:



Full Location Address:

3516 Del Sol Blvd, Unit G
San Diego, CA 92154



RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

For Use With Single Family Residential Property — Attached or Detached

(C.A.R. Form RPA-CA, Revised 1/06)

Date 12/7/07, at San Diego, California.

1. OFFER:

A. THIS IS AN OFFER FROM Alberto Garcia Lopez ("Buyer").

B. THE REAL PROPERTY TO BE ACQUIRED is described as 3576 Del Sol Blvd #G San Diego, Assessor's Parcel No. 830-280-17-07, situated in San Diego County of San Diego, California, ("Property").

C. THE PURCHASE PRICE offered is One Hundred Twenty Thousand Dollars \$ 120,000

D. CLOSE OF ESCROW shall occur on 1/4/2008 (date) (or Days After Acceptance).

2. FINANCE TERMS: Obtaining the loans below is a contingency of this Agreement unless: (i) either 2K or 2L is checked below; or (ii) otherwise agreed in writing. Buyer shall act diligently and in good faith to obtain the designated loans. Obtaining deposit, down payment and closing costs is not a contingency. Buyer represents that funds will be good when deposited with Escrow Holder.

A. INITIAL DEPOSIT: Buyer has given a deposit in the amount of \$ 1,000 to the agent submitting the offer (or to Escrow), by personal check (or made payable to Escrow), which shall be held uncashed until Acceptance and then deposited within 3 business days after Acceptance (or into Broker's trust account).

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$

C. FIRST LOAN IN THE AMOUNT OF \$ 120,000

(1) NEW First Deed of Trust in favor of lender, encumbering the Property, securing a note payable at maximum interest of 6.5% fixed rate, or % initial adjustable rate with a maximum interest rate of %, balance due in 30 years, amortized over 30 years. Buyer shall pay loan fees/points not to exceed. (These terms apply whether the designated loan is conventional, FHA or VA.)

(2) FHA VA: (The following terms only apply to the FHA or VA loan that is checked.) Seller shall pay % discount points. Seller shall pay other fees not allowed to be paid by Buyer, not to exceed \$. Seller shall pay the cost of lender required Repairs (including those for wood destroying pest) not otherwise provided for in this Agreement, not to exceed \$. (Actual loan amount may increase if mortgage insurance premiums, funding fees or closing costs are financed.)

D. ADDITIONAL FINANCING TERMS: Seller financing, secondary financing, assumed financing. Seller to credit buyer 3% of purchase price toward closing cost recurring & non recurring.

E. BALANCE OF PURCHASE PRICE (not including costs of obtaining loans and other closing costs) in the amount of \$ to be deposited with Escrow Holder within sufficient time to close escrow.

F. PURCHASE PRICE (TOTAL): \$ 120,000

G. LOAN APPLICATIONS: Within 7 (or Days) After Acceptance, Buyer shall provide Seller a letter from lender or mortgage loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for the NEW loan specified in 2C above.

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 2G) shall, within 7 (or Days) After Acceptance, provide Seller written verification of Buyer's down payment and closing costs.

I. LOAN CONTINGENCY REMOVAL: (i) Within 17 (or Days) After Acceptance, Buyer shall, as specified in paragraph 14, remove the loan contingency or cancel this Agreement; OR (ii) (if checked) the loan contingency shall remain in effect until the designated loans are funded.

J. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked, is NOT) contingent upon the Property appraising at no less than the specified purchase price. If there is a loan contingency, at the time the loan contingency is removed (or, if checked, within 17 (or Days) After Acceptance), Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency or cancel this Agreement. If there is no loan contingency, Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency within 17 (or Days) After Acceptance.

K. NO LOAN CONTINGENCY (If checked): Obtaining any loan in paragraphs 2C, 2D or elsewhere in this Agreement is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

L. ALL CASH OFFER (If checked): No loan is needed to purchase the Property. Buyer shall, within 7 (or Days) After Acceptance, provide Seller written verification of sufficient funds to close this transaction.

3. CLOSING AND OCCUPANCY:

A. Buyer intends (or does not intend) to occupy the Property as Buyer's primary residence.

B. Seller-occupied or vacant property: Occupancy shall be delivered to Buyer at 5:00 AM/PM on the date of Close Of Escrow; or on; or no later than Days After Close Of Escrow. (C.A.R. Form PAA, paragraph 2.) If transfer of title and occupancy do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement; and (ii) consult with their insurance and legal advisors.

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Buyer's Initials (ALG) Seller's Initials

Reviewed by Date



C. Tenant-occupied property: (i) Property shall be vacant at least 5 (or _____) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.

OR (ii) (if checked) Tenant to remain in possession. The attached addendum is incorporated into this Agreement (C.A.R. Form PAA, paragraph 3.);

OR (iii) (if checked) This Agreement is contingent upon Buyer and Seller entering into a written agreement regarding occupancy of the Property within the time specified in paragraph 14B(1). If no written agreement is reached within this time, either Buyer or Seller may cancel this Agreement in writing.

D. At Close Of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale and shall provide any available Copies of such warranties. Brokers cannot and will not determine the assignability of any warranties.

E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

4. ALLOCATION OF COSTS (If checked): Unless otherwise specified here, this paragraph only determines who is to pay for the report, inspection, test or service mentioned. If not specified here or elsewhere in this Agreement, the determination of who is to pay for any work recommended or identified by any such report, inspection, test or service shall be by the method specified in paragraph 14B(2).

A. WOOD DESTROYING PEST INSPECTION:

(1) Buyer Seller shall pay for an inspection and report for wood destroying pests and organisms ("Report") which shall be prepared by _____, a registered structural pest control company. The Report shall cover the accessible areas of the main building and attached structures and, if checked: detached garages and carports, detached decks, the following other structures or areas _____

Property is a condominium or located in a common interest subdivision, the Report shall include only the separate interest and any exclusive-use areas being transferred and shall not include common areas, unless otherwise agreed. Water tests of shower pans on upper level units may not be performed without consent of the owners of property below the shower.

OR (2) (If checked) The attached addendum (C.A.R. Form WPA) regarding wood destroying pest inspection and allocation of cost is incorporated into this Agreement.

B. OTHER INSPECTIONS AND REPORTS:

(1) Buyer Seller shall pay to have septic or private sewage disposal systems inspected _____

(2) Buyer Seller shall pay to have domestic wells tested for water potability and productivity _____

(3) Buyer Seller shall pay for a natural hazard zone disclosure report prepared by Seller Choice

(4) Buyer Seller shall pay for the following inspection or report _____

(5) Buyer Seller shall pay for the following inspection or report _____

C. GOVERNMENT REQUIREMENTS AND RETROFIT:

(1) Buyer Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance in accordance with state and local Law, unless exempt.

(2) Buyer Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. _____

D. ESCROW AND TITLE:

(1) Buyer Seller shall pay escrow fee 50/50 Split
Escrow Holder shall be Seller Choice

(2) Buyer Seller shall pay for owner's title insurance policy specified in paragraph 12E _____
Owner's title policy to be issued by Seller Choice

(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

E. OTHER COSTS:

(1) Buyer Seller shall pay County transfer tax or transfer fee _____

(2) Buyer Seller shall pay City transfer tax or transfer fee _____

(3) Buyer Seller shall pay HOA transfer fee _____

(4) Buyer Seller shall pay HOA document preparation fees _____

(5) Buyer Seller shall pay the cost, not to exceed \$ 250,000, of a one-year home warranty plan, issued by Seller Choice, with the following optional coverage: _____

(6) Buyer Seller shall pay for Transaction Coordination fee to century 21 Award \$495.00

(7) Buyer Seller shall pay for _____

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

A. (1) Seller shall, within the time specified in paragraph 14A, deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures and pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the California Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice of actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordinance location disclosure (C.A.R. Form SSD).

(2) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.

(3) In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.

Buyer's Initials (ALB) _____
Seller's Initials _____

Reviewed by _____ Date _____



- (4) If any disclosure or notice specified in 5A(1), or subsequent or amended disclosure or notice is delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within **3 Days** After delivery in person, or **5 Days** After delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent. (Lead Disclosures sent by mail must be sent certified mail or better.)
 - (5) **Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.**
 - B. **NATURAL AND ENVIRONMENTAL HAZARDS:** Within the time specified in paragraph 14A, Seller shall, if required by Law:
 - (i) deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
 - C. **DATA BASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
 - 6. **CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:**
 - A. **SELLER HAS: 7 (or _____) Days** After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned unit development or other common interest subdivision (C.A.R. Form SSD).
 - B. If the Property is a condominium or is located in a planned unit development or other common interest subdivision, Seller has **3 (or _____) Days** After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3).
 - 7. **CONDITIONS AFFECTING PROPERTY:**
 - A. Unless otherwise agreed: (i) **the Property is sold (a) in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights;** (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
 - B. **SELLER SHALL, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, AND MAKE OTHER DISCLOSURES REQUIRED BY LAW (C.A.R. Form SSD).**
 - C. **NOTE TO BUYER: You are strongly advised to conduct investigations of the entire Property in order to determine its present condition since Seller may not be aware of all defects affecting the Property or other factors that you consider important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**
 - D. **NOTE TO SELLER: Buyer has the right to inspect the Property and, as specified in paragraph 14B, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that you make Repairs or take other action.**
 - 8. **ITEMS INCLUDED AND EXCLUDED:**
 - A. **NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 8B or C.
 - B. **ITEMS INCLUDED IN SALE:**
 - (1) All EXISTING fixtures and fittings that are attached to the Property;
 - (2) Existing electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms; and
 - (3) The following items: _____
 - (4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
 - (5) All items included shall be transferred free of liens and without Seller warranty.
 - C. **ITEMS EXCLUDED FROM SALE:** _____
9. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
 - A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
 - B. Buyer shall complete Buyer Investigations and, as specified in paragraph 14B, remove the contingency or cancel this Agreement. Buyer shall give Seller, at no cost, complete Copies of all Buyer Investigation reports obtained by Buyer. Seller shall make the Property available for all Buyer Investigations. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

Buyer's Initials (ALG)(_____)
Seller's Initials (____)(_____)

Reviewed by _____ Date _____



D. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES : If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.

E. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. **Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A party may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**

15. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final inspection of the Property within 5 (or _____) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 7A; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement.

16. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award.
BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT. (C.A.R. FORM RID)

Buyer's Initials ALG / _____ Seller's Initials _____ / _____

17. DISPUTE RESOLUTION:

A. MEDIATION: Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Paragraphs 17B(2) and (3) below apply to mediation whether or not the Arbitration provision is initialed. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.**

B. ARBITRATION OF DISPUTES: (1) Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 17B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.

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

(3) BROKERS: Buyer and Seller agree to mediate and arbitrate disputes or claims involving either or both Brokers, consistent with 17A and B, provided either or both Brokers shall have agreed to such mediation or arbitration prior to, or within a reasonable time after, the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the Agreement.

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

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

Buyer's Initials ALG / _____ Seller's Initials _____ / _____

Buyer's Initials ALG (_____) (_____)
 Seller's Initials _____ (_____) (_____)

Reviewed by _____ Date _____



27. AGENCY:

- A. **DISCLOSURE:** Buyer and Seller each acknowledge prior receipt of C.A.R. Form AD "Disclosure Regarding Real Estate Agency Relationships."
- B. **POTENTIALLY COMPETING BUYERS AND SELLERS:** Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer-broker agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.
- C. **CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
 Listing Agent San Diego Housing Commission (Print Firm Name) is the agent of (check one): the Seller exclusively; or both the Buyer and Seller.
 Selling Agent Century 21 Award (Print Firm Name) (if not same as Listing Agent) is the agent of (check one): the Buyer exclusively; or the Seller exclusively; or both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

28. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 2, 4, 12, 13B, 14E, 18, 19, 24, 25B and 25D, 26, 28, 29, 32A, 33 and paragraph D of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 29 or 32A, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.
- B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or _____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraphs 29, 32A and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraphs 29 and 32A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.

29. **BROKER COMPENSATION FROM BUYER:** If applicable, upon Close Of Escrow, Buyer agrees to pay compensation to Broker as specified in a separate written agreement between Buyer and Broker.

30. **TERMS AND CONDITIONS OF OFFER:**

This is an offer to purchase the Property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

Buyer's Initials (ALG) (_____)

Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



31. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by NONE OTHER, who is authorized to receive it by 5:00 PM on the third Day after this offer is signed by Buyer (or, if checked, by 3:00 (date), at 3:00 AM/PM)

Date 12-07-07 Date _____
BUYER Alberto G. Lopez BUYER _____
Alberto Garcia Lopez
(Print name) (Print name)
(Address) 578 Blackshaw Ln. San Ysidro Ca 92173

32. BROKER COMPENSATION FROM SELLER:
A. Upon Close Of Escrow, Seller agrees to pay compensation to Broker as specified in a separate written agreement between Seller and Broker.
B. If escrow does not close, compensation is payable as specified in that separate written agreement.

33. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to deliver a Signed Copy to Buyer.
 (If checked) SUBJECT TO ATTACHED COUNTER OFFER, DATED _____

Date _____ Date _____
SELLER _____ SELLER _____
(Print name) (Print name)
(Address) _____

CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____ AM/PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:
A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
B. Agency relationships are confirmed as stated in paragraph 27.
C. If specified in paragraph 2A, Agent who submitted the offer for Buyer acknowledges receipt of deposit.
D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (i) the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or (ii) (if checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker.
Real Estate Broker (Selling Firm) Century 21 Award DRE Lic. # 862656
By Mona E. Hernandez DRE Lic. # 862656 Date 12/7/07
Address 9370 Skyport Court #170 City San Diego State Ca Zip 92123
Telephone (619) 843-4625 Fax (619) 934-6664 E-mail estherhernandez@century21award.com
Real Estate Broker (Listing Firm) San Diego Housing Commission DRE Lic. # _____
By _____ DRE Lic. # _____ Date _____
Address _____ City _____ State _____ Zip _____
Telephone _____ Fax _____ E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:
Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, a deposit in the amount of \$ _____), counter offer numbers _____ and _____, and agrees to act as Escrow Holder subject to paragraph 28 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____
Escrow Holder _____ Escrow # _____
By _____ Date _____
Address _____
Phone/Fax/E-mail _____
Escrow Holder is licensed by the California Department of Corporations, Insurance, Real Estate. License # _____

(_____/_____) REJECTION OF OFFER: No counter offer is being made. This offer was reviewed and rejected by Seller on (Seller's Initials) _____ (Date) _____

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Reviewed by _____ Date _____





Property Address: 3516 Del Sol Blvd. #G San Diego Ca 92154 ("Property").

A. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. For this reason, you should conduct thorough investigations of the Property personally and with professionals who should provide written reports of their investigations. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

B. BUYER RIGHTS AND DUTIES: You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. The purchase agreement gives you the right to investigate the Property. If you exercise this right, and you should, you must do so in accordance with the terms of that agreement. This is the best way for you to protect yourself. It is extremely important for you to read all written reports provided by professionals and to discuss the results of inspections with the professional who conducted the inspection. You have the right to request that Seller make repairs, corrections or take other action based upon items discovered in your investigations or disclosed by Seller. If Seller is unwilling or unable to satisfy your requests, or you do not want to purchase the Property in its disclosed and discovered condition, you have the right to cancel the agreement if you act within specific time periods. If you do not cancel the agreement in a timely and proper manner, you may be in breach of contract.

C. SELLER RIGHTS AND DUTIES: Seller is required to disclose to you material facts known to him/her that affect the value or desirability of the Property. However, Seller may not be aware of some Property defects or conditions. Seller does not have an obligation to inspect the Property for your benefit nor is Seller obligated to repair, correct or otherwise cure known defects that are disclosed to you or previously unknown defects that are discovered by you or your inspectors during escrow. The purchase agreement obligates Seller to make the Property available to you for investigations.

D. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as soil stability, geologic or environmental conditions, hazardous or illegal controlled substances, structural conditions of the foundation or other improvements, or the condition of the roof, plumbing, heating, air conditioning, electrical, sewer, septic, waste disposal, or other system. The only way to accurately determine the condition of the Property is through an inspection by an appropriate professional selected by you. If Broker gives you referrals to such professionals, Broker does not guarantee their performance. You may select any professional of your choosing. In sales involving residential dwellings with no more than four units, Brokers have a duty to make a diligent visual inspection of the accessible areas of the Property and to disclose the results of that inspection. However, as some Property defects or conditions may not be discoverable from a visual inspection, it is possible Brokers are not aware of them. If you have entered into a written agreement with a Broker, the specific terms of that agreement will determine the nature and extent of that Broker's duty to you. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

E. YOU ARE ADVISED TO CONDUCT INVESTIGATIONS OF THE ENTIRE PROPERTY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:

- 1. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS: Foundation, roof, plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa, other structural and non-structural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property. (Structural engineers are best suited to determine possible design or construction defects, and whether improvements are structurally sound.)
2. SQUARE FOOTAGE, AGE, BOUNDARIES: Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. (Professionals such as appraisers, architects, surveyors and civil engineers are best suited to determine square footage, dimensions and boundaries of the Property.)
3. WOOD DESTROYING PESTS: Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms and other infestation or infection. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. A registered structural pest control company is best suited to perform these inspections.
4. SOIL STABILITY: Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage. (Geotechnical engineers are best suited to determine such conditions, causes and remedies.)

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Buyer's Initials (ALG) () ()
Seller's Initials () () ()

Reviewed by _____ Date _____





WOOD DESTROYING PEST INSPECTION AND ALLOCATION OF COST ADDENDUM

(C.A.R. Form WPA, Revised 10/02)

This is an addendum to the [X] California Residential Purchase Agreement or [] Other ... on property known as 3516 Del Sol Blvd. #6 San Diego 92154 ... between Alberto Garcia Lopez and San Diego Housing Commission

THE FOLLOWING SHALL REPLACE THE WOOD DESTROYING PEST INSPECTION PARAGRAPH (4A in the California Residential Purchase Agreement (RPA-CA)) and shall supercede any conflicting terms in any previously-generated agreement:

WOOD DESTROYING PESTS

- A. [] Buyer [X] Seller shall pay for a Pest Control Report for wood destroying pests and organisms only ("Report"). The Report shall be prepared by Seller Choice ... B. (Section 1) [] Buyer [X] Seller shall pay for work recommended to correct "Section 1" conditions ... (Section 2) [] Buyer [X] Seller shall pay for work recommended to correct "Section 2" conditions

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

Date 12-07-07 Date ... Buyer Alberto G Lopez Seller ... Buyer Seller

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Reviewed by _____ Date _____



ADDENDUM TO THE PURCHASE AGREEMENT

This is a form created by the San Diego Association of REALTORS® and as such is not covered by the C.A.R. User Protection Agreement. This form is intended for use primarily in the San Diego County area.

This is an addendum ("Addendum") to the Residential Purchase Agreement (RPA) ("Agreement"), dated 12/7/07, on property known as 3516 Del Sol Blvd. #6 ("Property"), in which Alberto Garcia Lopez is referred to as ("Buyer"), and San Diego Housing Commission is referred to as ("Seller"). (The definitions in the Agreement are applicable to this Addendum.)

If the Agreement or any addendum thereto conflicts with this Addendum, this Addendum shall prevail, except that any provision in the Agreement that is manually typed or handwritten shall prevail over any printed provision in this Addendum.

1. **SELLER'S ADDITIONAL DISCLOSURES:** Seller shall provide Buyer with the Seller's Additional Disclosures Addendum (SAD) (or if checked, Seller Property Questionnaire (C.A.R. Form SPQ)) to the Real Estate Transfer Disclosure Statement within seven (7) days of acceptance. If Seller fails to deliver to Buyer the SAD (or the SPQ) within this time period, Buyer may give Seller a notice to deliver the SAD (or the SPQ), using C.A.R. form Notice to Seller to Perform (NSP). If Seller fails to deliver the SAD (or the SPQ) within the time specified in the NSP, then Buyer may cancel the Agreement in writing and receive a return of Buyer's deposit.

2. **CONTINUATION OF ESCROW: SELLER'S and BUYER'S RIGHT TO CANCEL:** If escrow does not close on or before the agreed upon closing date, either party not then in default ("Serving Party") may cancel the Agreement by first giving the other Party ("Non-closing Party") a Demand to Close Escrow (C.A.R. Form DCE). The Demand to Close Escrow shall (i) be in writing; (ii) be signed by the Serving Party; and (iii) give the Non-closing Party at least three (3) days (or if box is checked, _____ days) to close escrow following delivery to and personal receipt by the Non-closing Party or his/her authorized agent of the written Demand to Close Escrow. A Demand to Close Escrow may not be given any earlier than two (2) days prior to the agreed upon closing date. If escrow does not close within the time specified in the Demand to Close Escrow, either Party not then in default may cancel the Agreement in writing. By canceling the Agreement or by closing escrow pursuant to this paragraph, neither Party is waiving any other right or remedy that may be available due to any breach. If escrow is canceled, any deposits in escrow shall be handled as set forth in paragraph 14.E. of the Agreement.

3. **FINANCIAL INTERESTS:** One or both Brokers may have a financial interest in the lender, escrow company or insurance company(s) that may be utilized by Buyer or Seller in this transaction. The parties are not required to use such company, and are encouraged to investigate other service providers. The company(s) in which one Broker or the other has a financial interest or an affiliated business relationship is/are:

(Check box if additional disclosures are attached.)

This paragraph does not satisfy any additional disclosures that may be required by the Real Estate Settlement Procedures Act (RESPA).

Buyer and Seller acknowledge receipt of copy of this page, which constitutes Page 1 of 2 pages.

Buyer's Initials ALG (_____) Date: 12-07-07 Seller's Initials (_____) (_____) Date: _____

NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION.

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Revision Date: April 2006

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Reviewed by Broker or Designee: _____
Date: _____

1. IDENTITY OF LISTING BROKER, PROPERTY AND SELLER:

San Diego Housing Commission ("Listing Broker") is a real estate broker who has entered into a written agreement for the marketing and sale or lease of the real property, manufactured home, or business opportunity described as _____ Assessor's Parcel No. 630-280-17-07, situated in 3516 Del Sol Blvd. #C 92154, County of San Diego, California ("Property") for San Diego Housing Commission ("Seller").

2. IDENTITY OF COOPERATING (SELLING) BROKER AND BUYER:

Century 21 Award ("Cooperating Broker") is a real estate broker licensed to practice real estate in California (or if checked _____) and represents Alberto Garcia Lopez ("Buyer") who has offered, is contemplating making an offer, or has entered into a contract, to purchase or lease the Property.

3. LISTING BROKER COMPENSATION TO COOPERATING BROKER:

Provided the transaction between the principals closes, and Listing Broker receives compensation for the transaction, Listing Broker agrees to pay Cooperating Broker, and Cooperating Broker agrees to accept, compensation as follows:

A. PROPERTY LISTED WITH THE _____ MULTIPLE LISTING SERVICE ("MLS"):

- Confirmation of Compensation in MLS:** Cooperating Broker is a participant in the MLS or reciprocal MLS and accepts the offer of compensation published in the MLS as: _____% of the selling (or leasing) price or \$_____.
- OR** **Modification of Compensation in MLS:** Cooperating Broker is a participant in the MLS or reciprocal MLS and accepts the offer of compensation published in the MLS as modified herein: _____% of the selling (or leasing) price or \$_____.
- OR** **Cooperating Broker Not a Member of the MLS or Reciprocal MLS:** Cooperating Broker compensation shall be _____% of the selling (or leasing) price or \$_____.

B. PROPERTY NOT LISTED WITH ANY MULTIPLE LISTING SERVICE ("MLS"):

Cooperating Broker compensation shall be 3% of the selling (or leasing) price or \$_____.

C. COOPERATING BROKER HAS PROCURED A TENANT FOR THE PROPERTY LISTED FOR LEASE, AND THAT TENANT ACQUIRES THE PROPERTY DURING THE TERM OF THE LEASE OR ANY EXTENSION:

Cooperating Broker compensation on the sale shall be _____% of the selling price or \$_____.

4. LISTING BROKER INSTRUCTION TO ESCROW HOLDER:

Listing Broker and Cooperating Broker instruct Escrow Holder to disburse to Cooperating Broker the amount specified in paragraph 3, out of Listing Broker's proceeds in escrow, and upon Close Of Escrow of the Property. This compensation instruction can be amended or revoked only with the written consent of both Brokers. Escrow Holder shall immediately notify Brokers if either Broker instructs Escrow Holder to change the terms of this instruction.


5. ACKNOWLEDGMENT:

By signing below, the undersigned acknowledges that each has read, understands, accepts and has received a Copy of this Agreement.

Listing Broker (Firm) San Diego Housing Commission DRE Lic. # _____
By (Agent) _____ DRE Lic. # _____ Date _____
Address _____ City _____ State _____ Zip _____
Telephone _____ Fax _____ E-mail _____

Cooperating Broker (Firm) Century 21 Award DRE Lic. # 86 2650
By (Agent) Maria Esther Hernandez DRE Lic. # 862650 Date 12/7/07
Address 9370 Sky Park Court #170 City San Diego State Ca Zip 92123
Telephone (619) 843-4625 Fax (619) 934-6664 E-mail _____

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CBC REVISED 11/06 (PAGE 1 OF 1) Print Date Nov 06

Reviewed by _____ Date _____



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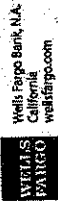
ALBERTO G LOPEZ
378 BLACKSHAW LN
SAN DIEGO, CA 92173

237
11-4288/1210 4160
0051471282

11-03-07
Date

Pay to the Order of
EERRON \$ 1,000.00
Security
Deposit to
Bank

One Thousand ⁰⁰/₁₀₀ xx Dollars



Wells Fargo Bank, N.A.
California
wellsfargo.com

For Del Sol Unit #6

Alberto Lopez

⑆ 121042882⑆ 0051471282⑆ 00237

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December 8, 2007

Certificate of Pre-Qualification

Based upon the information received,

Alberto G. Lopez

Has been pre-qualified for a

Conventional

Loan in the amount of

\$120,000

To purchase a home of approximately

\$120,000

This pre-approval has been administered by

Jose A. Hernandez

Sr. Loan Consultant

Please contact Jose @ 619-279-7424 with any questions.

Phone (619) 279-7424 Fax (619) 934-9656

This certificate does not guarantee loan approval. In order to obtain loan approval a loan application and supporting documentation must be submitted for verification.



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 Alberto G Lopez Date 11-12-07 Time AM/PM
BUYER/SELLER Date Time AM/PM
AGENT Century 21 Award By Maria E. Hernandez Date 11/20/07
(Please Print) (Associate-Licensee or Broker Signature)

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

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