

## Intrastate Exemption Statement

Name of Seller: LandAuction.com  
Address: 1 Mauchly, Irvine, CA. 92618

Name of Subdivision: **Morro Strand**  
Location: San Luis Obispo County, California

Without representation or warranty, LandAuction.com discloses and has met its duty of disclosure to any prospective purchaser or purchaser of any lot(s) or parcel(s) of real property in the Morro Strand Subdivision of San Luis Obispo County, State of California, hereafter the "Property", regarding the liens, reservations, taxes, assessments, and restrictions which are applicable to the Property to be purchased, hereafter collectively the "Encumbrances".

The Property may be subject to the following Encumbrances:

**Liens:** None

(As used in this statement, liens are security interests such as mortgages or deeds of trust, tax liens, mechanics liens or judgements existing prior to the sale date to purchaser)

**Reservations:** (All easements and reservations affecting the Property)

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public record.
2. Easements over said Property for roadways, drainage, utilities and incidental purposes, as shown on the map of said subdivision as referred to in the legal description as Book 1191, Page 245 of the Official Records.
3. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
4. Easements, liens or encumbrances, or claims thereof, which are not shown by the public record.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims, or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

7. The lien of Supplemental Taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California.

8. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

9. Easements over the Property for roadways, access, drainage, holding basin, sewer, sanitary sewer, water, community or common access, public utilities, telephone lines, electrical lines to serve the subdivision, ingress, egress, slope purposes, subsurface oil, gas, or mineral rights reserved, and incidental purposes.

10. Terms, provisions, covenants, conditions and restrictions, easements, charges, assessments, and liens provided in the covenants, conditions and restrictions above mentioned, but omitting any covenant, condition, or restriction, if any, based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that the covenant, condition or restriction (a) is exempt under Title 42 of the United States Code, or (b) relates to Handicap, but does not discriminate against Handicapped persons.

11. Also Excepting therefrom 50% of all oil, gas and other mineral and hydrocarbon substances below a plane of 500 feet beneath the surface thereof, but without the right of surface entry.

**Taxes:** (Information to enable Purchaser to estimate the annual taxes due)

1. General and Special Taxes, including personal property taxes, for the calendar year of the Sale Date and for all periods of time from and after the Sale Date;
2. The lien of supplemental taxes assessed pursuant to chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code;
3. 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 1.03% of the full cash value. In some counties, the total tax rate could be well above 1.03% of the full cash value. For example, an issue of general obligation bonds approved by the voters and sold by county water district, a sanitation district or other district could increase the tax rate.

**Assessments:** (Assessments, fees and dues that have been or may be imposed)

1. The Property is located within the Morro Strand Subdivision and is subject to all taxes, assessments and obligations thereof, charges, for which, if any, are included in the County Taxes, including, but not limited to, hospital, fire, sewer, water, and electric;

**Restrictions:** (All restrictions that apply to the Property being offered)

1. Covenants, Conditions and Restrictions of record
2. Building Set Backs, Zoning, building codes, subdivision regulations, and/or any other land use restrictions.

Purchaser acknowledges receipt of a verbatim copy of any and all covenants, conditions, restrictions, reservations and easements prior to entering into any contract for purchase of the Property.

**Building Restriction:** At this time, per the San Luis Obispo County Coastal Zone Land Use Ordinance § 23.04.044e(2)(i) for a Single-family residence where a septic system and well are to be located on a single lot, a one acre parcel is required. Thus, building a Single-family residence in Morro Strand is restricted for parcels under one acre. This ordinance is subject to change by the County. Contact the County Planning and Building Department at 805-781-5600 for any questions concerning the Ordinance.

**Utility Cost Estimates:** (Good faith estimates for the cost to the Purchaser of providing water, electric, telephone, sewage disposal, and gas service to each lot)  
Vendor names and rates provided are for informational purposes only and in no manner does the Seller endorse any of the vendors' services or rates herein. Rates are subject to change. Buyers should contact area vendors for the most updated information and or restrictions prior to development.

**Streets and Roads:**

Currently there are no County maintained roads through the Morro Strand subdivision. Any roads that do exist are likely dirt trails or gravel. It is the owner's responsibility to build and maintain any road in the subdivision. Any roads that are built in the future will not be maintained by the County, via the San Luis Obispo Public Works Department, 805-781-4466. The nearest County maintained road is up to approximately ½-1 mile from the subdivision and is Hacienda Drive. Until roads are build and accessible in the Subdivision, utilities cannot be extended.

**Water:**

No central water lines run through the Morro Strand Subdivision. Currently there are no plans for the County to run central water lines.

Thus, the County of San Luis Obispo advises that each unit will need to have a well drilled for water service. Permits must be granted for drilling wells through the San Luis Obispo Health Department, 805-781-5544. Purchaser must contract with a licensed and bonded well driller. Additional labor and costs for drilling are dependent on the local driller. Set back from the septic tank must be at least 100 feet and must be pumped from a tank of at least 3,000 gallons. Moreover, there is no certainty that well water is attainable through drilling in the Subdivision based on its geology and its topographic location. Thus, well water may not be accessible within the Subdivision.

**Electricity:**

Electricity is provided to Morro Strand property owners by Pacific Gas and Electric. For current rate information please visit PG & E's website at <http://www.pge.com>. Most lots will require a line extension for an additional fee. Currently, the most remote lots within Morro Strand are approximately 2 miles from the nearest power source or poles.

Current cost of extending these facilities from the nearest pole with a transformer to lots in the Morro Strand Subdivision will be determined by a Service Planner from PG & E, the cost ranges from \$20-\$23 per ft. costs will be finalized once an application for New Construction has been submitted. Complete Step-by-step process guide is available through their website. The service connection fee is built into any cost for extending lines to the lot, and rate information can be reviewed at PG & E's website. An additional deposit according to an applicant's credit may be required in addition to the cost of extending lines to install service in an average single family residence. Moreover, depending on the location of the lot and the nearest pole, easements may be required in order to reach an owner's particular lot, which PGE can obtain.

### **Telephone:**

Telephone and cellular service in Morro Strand and San Luis Obispo County are provided and maintained by **AT&T**. AT&T can be reached at, 1-800-310-2355. The nearest line may be approximately ½-1 mile from the subdivision and service will have to be run either aerial or underground to the property at a cost of \$1.04 per foot to extend the line. Aerial lines are the responsibility of AT&T and customers incur a set up fee and activation charge of \$40.00. If the lines must be run underground based on the geography of the property, the owner is responsible for digging the trench and building the conduit for the lines on their lot. The **AT&T** Engineering Department can be reached at 805-546-7207 and can be consulted on the need for aerial or underground lines for the property.

Cellular telephone service is also available to this Property. The telephone number of Cingular Wireless, a service provider in the area is: 1-866-Cingular. Service can also be set up directly through AT&T.

### **Sewage Disposal:**

At this time there are no central sewer lines running into the Morro Strand Subdivision. In the future, the County may or may not decide to run central lines.

Thus, the lots in the subdivision require septic tanks and leaching systems for sewage disposal. A percolation test must be done to determine a lot's suitability for the system. Many lots are unable to be developed because of the requirements of this test, the topography and the lots proximity to potential geological hazards, etc. Consult a geologist or engineer before any purchase in Morro Strand.

Septic systems must be used for sewage disposal in Morro Strand. You must pay for your septic system. As of January, 2008, a permit for installation of new septic systems is calculated at .035 a sq. ft.. As of January 2008, estimates for septic tank systems or leaching systems alone start from \$5,000 to \$7,000 for a conventional system. Costs of both septic tanks and leaching systems start from \$7,000 to \$9,000. Costs of other types of septic systems, or for larger than average systems, can be anticipated to be greater than costs of a conventional system. Prior to purchasing a lot and commencing construction, you should contact the local health department for specifications, requirements and any local problems. You will be required to have a percolation test on

your lot prior to receiving approval from San Luis Obispo County to install a septic tank. You should be aware that any particular lot may or may not pass such a test.

Please contact the County of San Luis Obispo Building and Planning Department, at 805-781-5600 or [www.sloplanning.org](http://www.sloplanning.org) for consultation on preinstallation percolation tests and engineered specifications for septic systems, and for semi-annual inspections for all installed systems. The engineer's fees are passed on to the property owner, and are subject to change. This fee may or may not cover a post-installation inspection and approval.

**Gas:**

There is presently no natural gas in the Morro Strand Subdivision. Propane may be supplied from the following providers:

**Delta Liquid Energy**

**Northern San Luis**

**Obispo County**

1960 Ramada Drive  
Paso Robles, CA 93446  
(805) 239-0616

**San Luis Butane**

(805) 929-3101  
Hwy 1 & Halcyon Rd  
Arroyo Grande, CA  
93420

**Suburban Propane**

[www.suburbanpropane.com](http://www.suburbanpropane.com)

Below is an example of propane services for Morro Strand quoted by Delta Liquid Energy:

TANK CAPACITY	TANK RENTAL	PRICE PER GALLON
250 tank	\$80 per year	\$3.00

NOTE: Price of fuel is subject to change according to the wholesale price.

Service labor is charged \$72.00 per hour. The cost to plumb in propane lines from the tank to the house range between \$150.00 up to \$300.00. All prices will be plus sales tax, except labor. There may be a deposit required for all new accounts based on credit check.

The undersigned Purchaser(s) acknowledge(s), that prior to entering into any contract to purchase any Property, he/she/they have read, received and understand the foregoing Intrastate Exemption Statement listing all liens, reservations, taxes, assessments, restrictions and estimates of utility costs applicable to the Property located in the Morro Strand Subdivision, San Luis Obispo County, California from LandAuction.com Purchaser agrees that this Intrastate Statement document in its entirety is made a part of the sales contract for the Property as though fully set forth therein.

Purchaser(s) represent(s) and warrant(s) that Purchaser is a legal resident of the State of California and that Purchaser(s) have made a personal on-the-lot inspection of the Property which Purchaser is purchasing, which Property is the lot I am interested in buying; I acknowledge that the Property (the lot I/we are purchasing) is specified on the sales contract.

Under Federal Law, if you receive this Intrastate Exemption Statement and inspected the property prior to signing the contract or agreement, you have the option to cancel your contract or agreement of sale by notice to the seller until midnight of the seventh day following the signing of the contract or agreement. However, if the state having jurisdiction over this transaction provides more than seven business days in which to cancel your Contract, you are automatically entitled to this longer period. If you are entitled to more than seven business days in which to cancel your Contract, you will find a full explanation of that right in your Contract.

Purchaser(s):

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

\_\_\_\_\_

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