

AUCTION BIDDING INSTRUCTIONS

San Joaquin River
Executive Residence and Almond Orchard
58.2± acres
Fresno, California

The property will be auctioned on Wednesday, December 3rd, 2008
at 1:30pm
Pearson Realty Fresno Office
7480 North Palm, Ste. 101
Fresno, CA 93711

Sealed Bid Process

All sealed bids must be in writing, signed and submitted to Jim Olivas, or Charise Weisenborn of Pearson Realty before 1:30PM, Wednesday, December 3rd, 2008. Each sealed bid should include the following:

Sealed Bid – Step 1

1. Signed sealed bid auction form. (Exhibit A);
2. 10% deposit made payable to Pearson Realty Trust Account. Successful Bidder's deposit will become non-refundable at opening of escrow.
3. All sealed bids must be in possession of Pearson Realty before 1:30pm on day of auction.

Live Auction – Step 2

All sealed Bidders will be eligible to participate in a **live overbid** auction at 1:30pm on Wednesday, December 3rd at Pearson Realty 7480 North Palm, Ste. 101, Fresno, California. No overbids will be accepted unless a sealed bid has been received and verified as a qualified bid. In the event there are no overbids then the highest sealed bidder will receive the right to complete the purchase of this property. The acceptance is subject to the terms and conditions specified in these instructions, signed sealed bid form and purchase agreement. No changes or modifications to these agreements will be acceptable. The first minimum overbid will start at \$500 above the highest sealed bid. After the first overbid any amount can be bid until the highest bid price is reached. The auction is considered **absolute** and the highest bidder will be awarded the property subject to the terms and conditions of this auction and purchase agreement.

INVITATION

All Bidders and guests are invited to a pre-auction reception at 12:00 noon at Pearson Realty, 7480 North Palm Avenue, Ste. 101, to share refreshments and have auction staff review any questions prior to opening of the sealed bids at 1:30pm.

Absentee Bidders

If Bidder is unable to physically attend the auction then arrangements can be made directly with Auction Management for overbid by proxy or the auction company can connect via audio or visual hookups. Please contact the auction company or administrator within 48 hours of scheduled auction.

Absolute Sale and Suggested

Minimum suggested sealed bid is \$1,460,000 cash. Any amount can be bid subject to Sellers' final acceptance. No bid will be considered or accepted without a signed bid form and deposit. Sellers reserve the right to accept or reject any bid not qualifying or reaching minimum acceptable levels.

Terms and Conditions of Sale

The transfer of this property is for all cash. Bidder must be prepared and qualified to complete this transaction by December 19th, 2008. Highest bidder will be notified on the following day after sealed bids are opened.

The winning bidder will be required to sign a purchase contract (See Exhibit I), within 2 business days after notification of acceptance. Winning bidders deposit will be delivered to Chicago Title Company of Fresno with mutually signed contract.

The highest bid shall be considered an agreement to buy and is final. Buyers acknowledge that this parcel is being sold at public auction subject to all existing covenants, conditions, restrictions, reservations, easements, rights of way, assessments, zoning and all governmental doctrines. (See Prelim Exhibit G)

Seller Representations

Other than specifically disclosed herein Sellers have not made, does not make and expressly disclaims any warranties, representations, covenants or guarantees expressed or implied or arising out of operation of law as to the merchantability, habitability, quantity, quality or environmental conditions of the property or its suitability of fitness for any particular purpose or use.

Property

Description (Residence)

Beautiful villa built in **2001** located adjacent to the river and with approximately $\frac{3}{4}$ miles of the San Joaquin River bottom frontage. Includes 4,550± sq.ft. of living space plus spacious gardens, pool and hot tub. 3,674±sq.ft. main house includes 4 bedrooms, 3 full bathrooms, all generously sized. One of the bedrooms has a patio overlooking the river. It shares the master bath and could be a workout room or office. Living room, dining room and stairway boast Brazilian cherry hardwood floors. A single chimney serves 3 fireplaces – living room, master bedroom upstairs and outside patio. A spacious kitchen has granite counter tops, SUB-ZERO refrigerator, large sitting/eating or entertaining area.

The 875± sq.ft. guest house next to the pool has a large entertainment room with sound system and wet bar, natural gas fireplace, bedroom and full bathroom. (In-Laws or Guest residence)

Other amenities include 3 car attached garage, clay tile roof, super vac, burglar alarm, 3 water heaters plus heating A/C in all living areas. The house overlooks an area of sandy beach on the river.

The all-weather rock based road into the house is located approximately $\frac{5}{8}$ mile north of Ashlan on the west side of Lake Avenue, northeast of Kerman in Fresno County. Travel time to some of Fresno's western retail areas is approximately 25 minutes.

Description (Almond Orchard)

There are 33.88± net acres of 10 year old planted almonds. Varieties $\frac{1}{2}$ Non-pareil and $\frac{1}{2}$ Aldrich. 7 acres is spaced 22'x18' and 27 acres is spaced 22'x20'. Remainder of acreage is river frontage. Great for recreational and conservational uses.

Production for 2004 - 2,631 lbs/ac., 2005 – 2,206 lbs/ac., 2006 – 3,057 lbs/ac., and 2007 – 2,425 lbs/ac. Production figures are meat pounds after shelling at the Huller. Owner estimates 2008 net income from almond orchard to be approximately \$75,000±.

There is a 15HP pump (records available). Orchard is irrigated with a micro irrigation spray system. A portion of the almond acreage, but not the home, has a high water mark running through it in flood years. Soils are mostly Class I Grangeville series with a small portion of Wunje silt loam. Sellers have Bureau of Interior letter stating they have **RIPARIAN WATER** rights – confirmation recommended.

(Shown by Appointment Only)

To tour the farm or residence property contact Gus Bonner, Pearson Realty, direct line 559.447.6240 or cell 559.269.3600, email gbonner@pearsonrealty.com or Teri Zumwalt of Guarantee Real Estate at business 559.451.3445, cell 559.213.8374, email teri@guarantee.com

Buyer Affirmation

Upon submission of sealed form Buyer affirms that it has:

1. Investigated and inspected the property to their satisfaction and are familiar with the condition of the property and has made their own determination as to the merchant ability, quantity, and quality condition of the property including the presence of toxic or hazardous substances.
2. Acknowledge that the property is suitable for fitness for Buyer's particular use. Buyer hereby accepts the property in its present condition on an "As Is, Where Is", basis and acknowledges the existing condition of the property and therefore Sellers shall be under no obligation whatsoever to undertake any repairs or alterations with respect to any portion of the property.

Title Escrow and Fees

The Sellers warrant that title to the property on the date of sale is free of all monetary liens unless disclosed. Title insurance, documentary transfer tax, auction fees, ½ of escrow fee and Home Warranty if required will be paid by Seller. Chicago Title, Barbie Clothier, Escrow Officer, Phone 559.451.3734 at 7330 North Palm Avenue, Fresno will process all escrow documentation and title transfer.

Buyer's Broker Participation

A 2% fee will be paid to any properly licensed real estate broker who registers a successful bidder according to the broker participation agreement. Buyer registration forms are available from the auction office and must be signed by the broker and bidder. Fax or Email completed and signed forms to Pearson Realty, Jim Olivas at jolivas@pearsonrealty.com, no later than 24 hours before auction.

Information Packages

A complete property due diligence information package has been prepared to assist the Buyers in evaluating this property. The property information package is available online www.pearsonrealtyauction.com or by contacting Jim Olivas (559-302-1903, email jolivas@pearsonrealty.com) or Charise Weisenborn (559-302-1901, email cweisenborn@pearsonrealty.com) at Pearson Realty Visalia Office (559) 732-7300.

Disclaimer

Dimensions and acreage are based on information provided by the Sellers and public records, and are believed to be correct. However, Purchaser and/or Purchaser's Agent shall bear the responsibility to confirm all calculations prior to auction. The auction company believes the information contained herein to be correct. It is obtained from sources which we regard as reliable, but auction company and real estate brokers assume no liability for its accuracy.

For additional property information:

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