

TICOR TITLE COMPANY OF CALIFORNIA

4120 Concourse, Suite 400, Ontario, CA 91764

Phone: (909) 579-1515 Fax: (909) 579-1525

Sellers Closing Statement

ESTIMATED - Figures subject to change

Escrow No: 00352373 - 005 HO5

Close Date: 12/15/2016

Proration Date:

Disbursement Date:

Seller(s): City of Redlands, a Municipal Corporation

Property: Vacant Land -Redlands
Redlands, CA

Brief Legal:

Description	Debit	Credit
TOTAL CONSIDERATION:		
Total Consideration		517,000.00
Sub Totals	0.00	517,000.00
Proceeds Due Seller	517,000.00	
Totals	517,000.00	517,000.00

THIS IS AN ESTIMATED STATEMENT ONLY. ACTUAL FIGURES AND CLOSING DATE MAY VARY AT CLOSE OF ESCROW.

TICOR TITLE COMPANY OF CALIFORNIA

4120 Concourse, Suite 400, Ontario, CA 91764

Phone: (909) 579-1515 Fax: (909) 579-1525

Sellers Closing Statement

ESTIMATED - Figures subject to change

Escrow No: 00352373 - 005 HO5

Close Date: 12/15/2016

Proration Date:

Disbursement Date:

Seller(s):

City of Redlands, a Municipal Corporation



By: Paul W. Foster, Mayor

Settlement Agent:

Ticor Title Company of California

by Loretta Hovey

THIS IS AN ESTIMATED STATEMENT ONLY. ACTUAL FIGURES AND CLOSING DATE MAY VARY AT CLOSE OF ESCROW.

RECORDING REQUESTED BY:

First American Title Insurance Company

WHEN RECORDED MAIL TO:

Timothy L. Randall
Songstad Randall Coffee & Humphrey LLP
3200 Park Center Drive, Suite 950
Costa Mesa, California 92626

DOCUMENTARY TRANSFER TAX \$ _____		(Space Above For Recorder's Use).
_____ Computed on the consideration or value of property conveyed; OR		
_____ Computed on the consideration or value less liens or encumbrances remaining at time of sale.	_____ Signature of Declarant or Agent determining tax-Firm Name	

GRANT DEED

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, CITY OF REDLANDS, a municipal corporation (the "Grantor"), hereby grants to REDLANDS PENNSYLVANIA, LLC, a Delaware limited liability company, the real property in the City of Redlands, County of San Bernardino, State of California, described in **Exhibit "A"** attached hereto and incorporated herein by this reference.

THIS GRANT AND CONVEYANCE IS MADE AND ACCEPTED SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, RIGHTS OF WAY AND EASEMENTS NOW OF RECORD.

[signature page follows]

MAIL TAX STATEMENTS TO:

Matthew A. Jordan
Diversified Pacific Development Group, LLC
10621 Civic Center Drive
Rancho Cucamonga, CA 91730

IN WITNESS WHEREOF, the Grantor has executed this grant deed as of
December 7, 2014, 2016.

GRANTOR:

CITY OF REDLANDS, a municipal
corporation

By: 
Paul W. Foster, Mayor

ATTEST:


Arthur Samuel Irwin, Jr.

A notary public or other officer completing this certificate verified only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF San Bernardino)

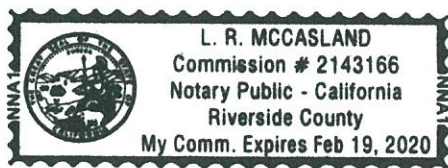
ss.

On Dec. 7, 2016, 2016, before me, L.R. McCasland,
Notary Public, personally appeared Paul Wesley Foster & Arthur Samuel Brown Jr.

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they/executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



L.R. McCasland

Notary Public

In and For Said County and State

EXHIBIT "A"

LEGAL DESCRIPTION

APPROXIMATELY 4.75 ACRES LOCATED IN THE CITY OF REDLANDS, CALIFORNIA,
SPECIFICALLY KNOWN AS APN: 0168-121-03.

California Commercial Disclosure Report

Property Address: VACANT LAND - APN 0168-121-03
REDLANDS, CA 92374
Parcel Number: 0168-121-03

Date: 9/18/2015
Order Number: 150918-00016

ACKNOWLEDGEMENT FOR RECEIPT OF DISCLOSURES, NOTICES AND ADVISORIES

The transferor and his or her agent(s) or a third-party consultant disclose the following information with the knowledge that even though this is not a warranty, prospective transferees may rely on this information in deciding whether and on what terms to purchase the subject property. Transferor hereby authorizes any agent(s) representing any principal(s) in this action to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE TRANSFEROR AND HIS OR HER AGENT(S) HAVE PROVIDED THE PROSPECTIVE TRANSFEE(S) INFORMATION INCLUDED WITHIN THE DISCLOSURE REPORT ABOUT:

NATURAL HAZARD DISCLOSURES:

IF THE PROPERTY IS LOCATED IN A FLOOD, FIRE, SEISMIC/GEOLOGIC, OR FAULT HAZARD(S) AS PER MAPS FROM CITY, COUNTY, STATE OR FEDERAL SOURCES.

AIRPORT INFLUENCE AND AIRPORT PROXIMITY:

IF THE PROPERTY IS AFFECTED BY AN AIRPORT INFLUENCE AREA AND THE PROPERTY'S PROXIMITY TO ANY AREA WITH AIRCRAFT LANDING FACILITIES.

WILLIAMSON ACT:

IF THE PROPERTY IS IN A WILLIAMSON ACT ZONE AS DEPICTED ON THE MAP FROM THE CALIFORNIA DEPARTMENT OF CONSERVATION.

RIGHT TO FARM DISCLOSURE:

OF THE EXISTENCE OF PRIME FARMLAND WITHIN ONE MILE OF THE SUBJECT PROPERTY.

MINING OPERATIONS DISCLOSURE:

OF THE EXISTENCE OF MINING OPERATIONS WITHIN ONE MILE OF THE SUBJECT PROPERTY.

ENVIRONMENTAL INFORMATION:

INFORMATION REGARDING SITES WITH ENVIRONMENTAL CONCERNS.

TRANSFER FEE NOTICE AND NOTICE OF SUPPLEMENTAL PROPERTY TAX BILL:

TRANSFER FEE NOTICE AND NOTICE OF SUPPLEMENTAL PROPERTY TAX BILL.

GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES NOTICE:

NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES.

TOXIC MOLD NOTICE:

A TRANSFEROR NOTICE OF ANY MOLD CONDITIONS.

METHAMPHETAMINE CONTAMINATED PROPERTY NOTICE:

INFORMATION ABOUT METHAMPHETAMINE CONTAMINATED PROPERTY NOTIFICATION REQUIREMENTS.

MEGAN'S LAW NOTICE:

INFORMATION REGARDING PERSONS WHO ARE REQUIRED TO REGISTER WITH THE DEPARTMENT OF JUSTICE RESULTING FROM A CONVICTION FOR A SEXUALLY BASED OFFENSE.

FLOOD INSURANCE NOTICE:

A NOTICE CONTAINING INFORMATION ABOUT FUTURE DISASTER RELIEF AVAILABILITY IN RELATION TO PAST DISASTER RELIEF ASSISTANCE AND FLOOD INSURANCE REQUIREMENT.

MILITARY ORDNANCE LOCATION NOTICE:

A NOTICE REGARDING FORMERLY USED FEDERAL/STATE MILITARY ORDNANCE SITES.

NONRESIDENTIAL BUILDING ENERGY USE DISCLOSURE PROGRAM:

A NOTICE CONTAINING INFORMATION ABOUT THE BUILDING ENERGY USE DISCLOSURE PROGRAM.

HABITAT SENSITIVITY AREA/ENDANGERED SPECIES ADVISORY:

OF THE EXISTENCE OF ENDANGERED SPECIES AND HABITAT SENSITIVITY AREAS IN THE STATE.

OIL AND GAS WELLS ADVISORY:

OF THE EXISTENCE OF ABANDONED OIL AND GAS WELLS IN THE STATE.

NATURALLY OCCURRING ASBESTOS ADVISORY:

OF THE SOURCE OF INFORMATION REGARDING NATURALLY OCCURRING ASBESTOS.

RADON ADVISORY:

OF THE SOURCE OF INFORMATION REGARDING RADON ZONES.

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. TRANSFEE(S) AND TRANSFEROR(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE REGARDING THOSE HAZARDS AND OTHER HAZARDS THAT MAY AFFECT THE PROPERTY.

TRANSFEROR(S) AND TRANSFEE(S) ACKNOWLEDGE RECEIPT OF THE INFORMATION REFERENCED ABOVE INCLUDED IN THE REPORT FOR THE ABOVE DESCRIBED PROPERTY

Signature of Transferor (Seller) [Signature]

Date Dec. 7, 2014

Signature of Transferor (Seller) _____

Date _____

Agent(s) _____

Date _____

Agent(s) _____

Date _____

Signature of Transferee (Buyer) _____

Date _____

Signature of Transferee (Buyer) _____

Date _____



820 N. Mountain Ave., Suite 100
Upland, CA 91786
Escrow Branch Phone: (909) 579-1515
Escrow Officer's Direct Line: (909) 579-1515
Fax: (909) 579-1525

ACCEPTANCE INSTRUCTIONS

Loretta Hovey
Ticor Title Company of California
820 N. Mountain Ave., Suite 100
Upland, CA 91786
Phone: (909) 579-1515 Fax: (909) 579-1525

Date: September 18, 2015
Escrow No.: 00352373 - 005 - HO5
Property: Vacant Land -Redlands
Redlands, CA

The instructions in this escrow are hereby modified, amended and/or supplemented in the following particulars only:

ACKNOWLEDGEMENT: All parties (Sellers and Buyers) have acknowledged receipt of Escrow Holder's executed Acceptance and that all agreements, counter offers and any addendums have been deposited with Escrow Holder and that there are no other outstanding agreements, counter offers and/or addendums which effect the closing of this transaction. Ticor Title Company of California is relieved of any and all responsibility/liability and will be held harmless as it relates to said documents not deposited to escrow.

APPROVAL OF LEGAL DESCRIPTION OF SUBJECT PROPERTY: Seller(s) signature(s) on the conveying Grant Deed, and Buyer(s) approval of the Preliminary Report, shall be deemed as each party's approval of the legal description contained therein as the exact description for the subject property of this escrow and Escrow Holder may rely upon such approval in processing this transaction.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

SELLER/TRANSFEROR STATES THAT PROPERTY ADDRESS(ES) IS/ARE: Vacant Land -Redlands, Redlands, CA

POLICY OF TITLE INSURANCE: Policy(ies) of Title Insurance for a Undeveloped Land will be issued by Ticor Title Company of California at the close of escrow in accordance with the contract terms.

PURCHASE PRICE: The purchase price for the subject property is Five Hundred Seventeen Thousand Dollars and No/100's Dollars (\$517,000.00).

ESCROW HOLDER IS INSTRUCTED TO SHOW TITLE VESTED AT CLOSE AS: Redlands Pennsylvania, LLC, a Delaware Limited Liability Company

CLOSE OF ESCROW: Close of escrow to be in accordance with Item 7.1 of the Original Purchase and Sale Agreement and Joint Escrow Instructions dated September 1, 2015.

OPEN ESCROW DATE: Parties agree that escrow opened on September 18, 2015

TITLE REVIEW DATE: Parties agree that the Title Review date is October 18, 2015

DUE DILIGENCE DATE: Parties agree that the Due Diligence date is November 17, 2015

BUYER TO PAY FOR NATURAL HAZARD DISCLOSURE REPORT.

WAIVER OF INTEREST: Buyer herein waives the Interest requirement 2.1.2 of the Purchase and Sale Agreement and Joint Escrow Instructions dated September 1, 2015.

CAR ACCEPTANCE INSTRUCTIONS
(continued)

INSURANCE ON CASH TRANSACTION: This is an "ALL CASH" transaction and no financing will be secured on the subject property through this escrow. Additionally, Escrow Holder is instructed to close this escrow without regard or concern about fire insurance coverage for the subject property (unless property is a condominium/townhouse, in which case, Escrow Holder's only concern is to transfer the Seller's interest in the master policy to Buyer at the close of escrow.) Buyer(s) is/are to obtain his/her/their own insurance coverage outside of escrow and does hereby release and hold harmless Escrow Holder from any responsibility in connection with Buyer having property insurance on the subject property herewith.

FOR SALE BY OWNER: The parties hereto understand and acknowledge that the duties of the escrow holder are limited solely to the specific provisions incorporated in these instructions. Functions that would normally be handled by a real estate licensee, including but not limited to, the preparation of purchase agreements and disclosures, notification of required City, County or State disclosure reports, ordering of any reports and inspections, and representing the physical conditions of improvements and the real property, shall all be the total responsibility of the principals to this transaction.

Ticor Title Company Of California recommends the parties hereto obtain the opinion of an attorney or the advise of a real estate agent on any particulars pertaining to the transfer of subject property. The parties further relieve Ticor Title Company Of California from all liability whatsoever in connection with such matters.

Buyer and Seller herein acknowledge that these instructions are the only agreement, either written or oral, between the parties herein.

All parties agree there are no Real Estate Agents involved in this transaction.

NO HOMEOWNERS ASSOCIATION: All Parties acknowledge and agree that Escrow Holder HAS NOT been handed any information regarding the existence of a Homeowners Association regarding the subject property and also agree that there is no Homeowners Association associated with the above referenced transaction.. Escrow Holder is relieved of any and all liability in connection with same.

REPORTS/INSPECTIONS: Please be aware that Ticor Title Company Of California does not order the natural hazard disclosure report, structural pest control report, home warranty policy, septic/well inspections and/or reports, including the 9A. Escrow Holder is relieved of all responsibility for ordering any City, County or State inspections and/or reports which may be required. If specifically instructed, Escrow Holder will pay fees for same if billings are submitted prior to the close of escrow (with the approval of the seller/buyer). Approvals of such reports and/or inspections shall be handled outside of escrow. The Buyer shall procure and pay for said reports outside of escrow directly from the City Officials and herein releases Escrow Holder of any and all liability in connection with same.

GENERAL INSTRUCTIONS

1. Seller is aware that interest on the existing loan(s) does not stop accruing at close of escrow, but continues until the actual day of receipt of the payoff by Lender.

Seller is aware that interest will accrue through weekends or holidays.

Seller is aware he/she/they are responsible for payment of all of such interest and will indemnify and hold Escrow Holder harmless in connection with the payment of such interest.

2. The undersigned Buyer hands you herewith Preliminary Change of Ownership Report as provided for in Section 480.34 of the Revenue and Taxation Code, State of California which you are to cause to be filed concurrently with the Deed in our favor. If form is rejected by the County, a surcharge may be imposed by said County and is to be paid by buyer herein.
3. Checks to be issued at Close of Escrow: I/We the undersigned Buyer/Borrower/Seller hereby acknowledge that we are aware the Ticor Title Company of California will issue a check payable to the undersigned in payment of Seller's proceeds/Borrower's proceeds or Buyer's excess deposit refund. I/We further acknowledge and agree that said check will be presented to the bank for deposit as soon as possible after receipt, and collection and payment of the funds will only be done through the regular banking channels.

CAR ACCEPTANCE INSTRUCTIONS
(continued)

In addition, in the event there are liens to be paid on the undersigned's behalf, we hereby also acknowledge that I/we will not use the pay-by-phone electronic system to pay/collect the funds as Ticor Title Company of California will not honor such payments. The parties herein agree to be responsible for any stop payment and reissue charges and/or losses that may be incurred in connection with any and all electronic debits to Ticor Title Company of California's Trust Accounts.

4. Facsimile Signature: Escrow Holder is hereby authorized and instructed that, in the event any party utilizes "facsimile" transmitted signed documents or instructions to Escrow Holder, you are to rely on the same for all escrow instruction purposes and the closing of escrow as if they bore original signatures.
5. Buyer acknowledges deposit of balance of funds to close escrow to be in the form of wire transfer, certified check, cashier's check or teller's check payable to Ticor Title Company of California pursuant to the "Deposit of Funds", Paragraph 1 contained in the General Provisions attached hereto and made a part hereof.
6. The undersigned hereby authorize and instruct Escrow Holder to charge each party to the escrow for their respective Federal Express and/or special mail handling/courier fees. Unless specified in writing by the undersigned, Escrow Holder is authorized to select special mail/delivery or courier service to be used.

Date: September 18, 2015
Escrow No.: 00352373-005-HO5
Escrow Officer: Loretta Hovey

GENERAL PROVISIONS

1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub escrow account prior to disbursement of any funds. Only wire-transferred funds can be given immediate availability upon deposit. Cashier's checks, teller's checks and Certified checks may be available one business day after deposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all fundings should be wire transferred. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks.

Deposit of funds into general escrow trust account unless instructed otherwise. You may instruct Escrow Holder to deposit your funds into an interest bearing account by signing and returning the "Escrow Instructions - Interest Bearing Account", which has been provided to you. If you do not so instruct us, then all funds received in this escrow shall be deposited with other escrow funds in one or more general escrow trust accounts, which include both non-interest bearing demand accounts and other depository accounts of Escrow Holder, in any state or national bank or savings and loan association insured by the Federal Deposit Insurance Corporation (the "depository institutions") and may be transferred to any other such escrow trust accounts of Escrow Holder or one of its affiliates, either within or outside the State of California. A general escrow trust account is restricted and protected against claims by third parties and creditors of Escrow Holder and its affiliates.

Receipt of benefits by Escrow Holder and affiliates. The parties to this escrow acknowledge that the maintenance of such general escrow trust accounts with some depository institutions may result in Escrow Holder or its affiliates being provided with an array of bank services, accommodations or other benefits by the depository institution. Some or all of these benefits may be considered interest due you under California Insurance Code Section 12413.5. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations, and other benefits shall accrue to Escrow Holder or its affiliates and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of such services, accommodations, interest or other benefits.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in an interest-bearing account. All disbursements shall be made by check of Titor Title Company of California. The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instruction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTION, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.

2. PRORATIONS AND ADJUSTMENTS

All prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. You are to use information contained on last available tax statement, rental statement as provided by the Seller, beneficiary's statement and fire insurance policy delivered into escrow for the prorations provided for herein.

3. SUPPLEMENTAL TAXES

The within described property may be subject to supplemental real property taxes due to the change of ownership taking place through this or a previous escrow transaction. Any supplemental real property taxes arising as a result of the transfer of the property to Buyer shall be the sole responsibility of Buyer and any supplemental real property taxes arising prior to the closing date shall be the sole responsibility of the Seller. TAX BILLS OR REFUNDS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.

4. UTILITIES/POSSESSION

Transfer of utilities and possession of the premises are to be settled by the parties directly and outside escrow.

5. PREPARATION AND RECORDATION OF INSTRUMENTS

Escrow Holder is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date instruments are recorded.

6. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instructions, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

7. RIGHT OF CANCELLATION

Any principal instructing you to cancel this escrow shall file notice of cancellation in your office in writing. You shall, within two (2) working days thereafter, deliver, one copy of such notice to each of the other principals at the addresses stated in this escrow. UNLESS WRITTEN OBJECTION TO CANCELLATION IS FILED IN YOUR OFFICE BY A PRINCIPAL WITHIN TEN (10) DAYS AFTER DATE OF SUCH DELIVERY, YOU ARE AUTHORIZED TO COMPLY WITH SUCH NOTICE AND DEMAND PAYMENT OF YOUR CANCELLATION CHARGES. If written objection is filed, you are authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions, or by final order of a court of competent jurisdiction.

8. PERSONAL PROPERTY

No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

By signing these General Provisions, the parties to the escrow hereby acknowledge that they are indemnifying the Escrow Holder against any and all matters relating to any "Bulk Sales" requirements, and instruct Escrow Agent to proceed with the closing of escrow without any consideration of matter of any nature whatsoever regarding "Bulk Sales" being handled through escrow.

9. RIGHT OF RESIGNATION

Escrow Holder has the right to resign upon written notice delivered to the principals herein. If such right is exercised, all funds and documents shall be returned to the party who deposited them and Escrow Holder shall have no liability hereunder.

10. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable clause and/or such other endorsements as may be required, and forward such policy(s) to the principals entitled thereto. It is not your responsibility to verify the information handed you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handled directly by the principals, and outside of escrow.

11. ACTION IN INTERPLEADER

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in

Date: September 18, 2015
Escrow No.: 00352373-005-HO5

interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefore to be rendered by the court. Upon the filing of such action, you shall thereupon be fully released and discharged from all obligations imposed by the terms of this escrow or otherwise.

12. TERMINATION OF AGENCY OBLIGATION

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether it be at the request of any of the principals or otherwise, the fees and charges due Titor Title Company of California, including expenditures incurred and/or authorized shall be borne equally by the parties hereto (unless otherwise agreed to specifically).

13. CONFLICTING INSTRUCTIONS

Upon receipt of any conflicting instructions, you are to take no action in connection with this escrow until non-conflicting instructions are received from all of the principals to this escrow (subject to sections 7, 9, 11 and 12 above).

14. DELIVERY/RECEIPT

Delivery to principals as used in these instructions unless otherwise stated herein is to be by hand in person to the principal, regular mail, email or fax to any of the contact information provided in these instructions. If delivered by regular mail receipt is determined to be 72 hours after such mailing. All documents, balances and statements due to the undersigned may be delivered to the contact information shown herein. All notices, change of instructions, communications and documents are to be delivered in writing to the office of Titor Title Company of California as set forth herein.

15. STATE/FEDERAL CODE NOTIFICATIONS

According to Federal Law, the Seller, when applicable, will be required to complete a sales activity report that will be utilized to generate a 1099 statement to the Internal Revenue Service.

Pursuant to State Law, prior to the close of escrow, Buyer will provide Escrow Holder with a Preliminary Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon recording of the Grant Deed, Buyers acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of Buyer for same at close of escrow.

16. NON-RESIDENT ALIEN

The Foreign Investment in Real Property Tax Act (FIRPTA), Title 26 U.S.C., Section 1445, and the regulations thereunder, provide in part, that a transferee (buyer) of a U.S. real property interest from a foreign person (non-resident alien) must withhold a tax equal to ten percent (10%) of the amount realized on the disposition, report the transaction and remit the withholding to the Internal Revenue Service within twenty (20) days after the transfer. Titor Title Company of California has not and will not participate in any determination of whether the FIRPTA tax provisions are applicable to the subject transaction, nor act as a Qualified Substitute nor furnish tax advice to any party to the transaction. Titor Title Company of California is not responsible for determining whether the transaction will qualify for an exception or an exemption and is not responsible for the filing of any tax forms with the Internal Revenue Service as they relate to FIRPTA. Titor Title Company of California is not the agent for the Buyer for the purposes of receiving and analyzing any evidence or documentation that the Seller in the subject transaction is a U.S. citizen or resident alien. The Buyer is advised they must independently make a determination of whether the contemplated transaction is taxable or non-taxable and the

applicability of the withholding requirement to the subject transaction, and should seek the advice of their attorney or accountant. Titor Title Company of California is not responsible for the payment of this tax and/or penalty and/or interest incurred in connection therewith and such taxes are not a matter covered by the Owner's Policy of Title Insurance to be issued to the Buyer. The Buyer is advised they bear full responsibility for compliance with the tax withholding requirement if applicable and/or for payment of any tax, interest, penalties and/or other expenses that may be due on the subject transaction.

17. ENCUMBRANCES

Escrow Holder is to act upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

You are authorized, without the need for further approval, to debit my account for any fees and charges that I have agreed to pay in connection with this escrow, and for any amounts that I am obligated to pay to the holder of any lien or encumbrance to establish the title as insured by the policy of title insurance called for in these instructions. If for any reason my account is not debited for such amounts at the time of closing, I agree to pay them immediately upon demand, or to reimburse any other person or entity who has paid them.

18. ENVIRONMENTAL ISSUES

Titor Title Company of California has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to forms of toxification, if applicable, will be done directly and by principals outside of escrow. Titor Title Company of California is released of any responsibility and/or liability in connection therewith.

19. USURY

Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any responsibility or liability therefore.

20. DISCLOSURE

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

21. FACSIMILE/ELECTRONIC SIGNATURE

Escrow Holder is hereby authorized and instructed that, in the event any party utilizes electronic or "facsimile" transmitted signed documents or instructions to Escrow Holder, you are to rely on the same for all escrow instruction purposes and the closing of escrow as if they bore original signatures. "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law.

22. CLARIFICATION OF DUTIES

Titor Title Company of California serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

The agency and duties of Escrow Holder commence only upon receipt of copies of these Escrow Instructions executed by all parties.

23. FUNDS HELD IN ESCROW

When the company has funds remaining in escrow over 90 days after close of escrow or estimated close of escrow, the Company shall impose a monthly holding fee of \$25.00 that is to be charged against the funds held by the Company.

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

Date: September 18, 2015
Escrow No.: 00352373-005-HO5

MY SIGNATURE HERETO CONSTITUTES INSTRUCTION TO ESCROW HOLDER OF ALL TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

Ticor Title Company of California conducts escrow business under a Certificate of Authority No. 371 issued by the California Department of Insurance.

BUYER:

Redlands Pennsylvania, LLC
a Delaware limited liability company,

By: Diversified Pacific Development Group, LLC,
a California limited liability company,
Its: Manager

By: Matthew A. Jordan
Managing Member

Date: _____
Current Mailing Address: _____
Forwarding Mailing Address: _____
Home Phone Number: _____ Fax Number: _____
Cell Phone Number: _____ Email Address: _____

SELLER:

City of Redlands, a Municipal Corporation



By: Paul W. Foster, Mayor

Date: December 7, 2016
Current Mailing Address: P.O. Box 3005 Redlands, CA 92373
Forwarding Mailing Address: N/A
Home Phone Number: N/A Fax Number: 909) 798-7655
Cell Phone Number: N/A Email Address: MFoster@cityofredlands.org

EXHIBIT A

PARCEL NO. 1:

The North Half of the West Half of the East Half of the Northwest Quarter of the Northwest Quarter of Section 24, Township 1 South, Range 3 West, San Bernardino Base and Meridian, in the City of Redlands, County of San Bernardino, State of California, according to the Official Plat of said land filed in the District Land Office, February 24, 1869, being also described as Lot 40 of Tolles Lugonia Drawing of April 27, 1887.

EXCEPTING THEREFROM the North 33 feet for street purposes as conveyed to the City of Redlands, in Deed recorded in Book 825, Page(s) 372 of Deeds.

PARCEL NO. 2:

An easement for road purposes over the South 25 feet of the West Half of the Northwest Quarter of the Northwest Quarter of Section 24, Township 1 South, Range 3 West, San Bernardino Base and Meridian, in the City of Redlands, County of San Bernardino, State of California, according to the Official Plat of said land filed in the District Land Office, February 24, 1869, being also described as an easement for road purposes over the South 25 feet of Lot(s) 38 and 39 of Tolles Lugonia Drawing of April 27, 1887.

TOGETHER WITH a 1/12th interest in the flume extending along the East side of Lot 12 of said Tolles Drawing.

For APN/Parcel ID(s): 0168-121-03

NOTICE OF AVAILABLE DISCOUNTS

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Companies

CTC – Chicago Title Company
CLTC – Commonwealth Land Title Company
FNTC – Fidelity National Title Company
FNTCCA – Fidelity National Title Company of California
TICOR – Ticor Title Company of California
LTC – Lawyer's Title Company

Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY TITLE REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC, FNTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 to 36 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

DISASTER LOANS (CTIC, CLTIC, FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% to 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 32% to 50% of the appropriate title insurance rate, depending on the type of coverage selected.

FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing real estate- and loan-related services (collectively, "FNF", "our" or "we") respect and are committed to protecting your privacy. This Privacy Notice lets you know how and for what purposes your Personal Information (as defined herein) is being collected, processed and used by FNF. We pledge that we will take reasonable steps to ensure that your Personal Information will only be used in ways that are in compliance with this Privacy Notice. The provision of this Privacy Notice to you does not create any express or implied relationship, or create any express or implied duty or other obligation, between Fidelity National Financial, Inc. and you. See also **No Representations or Warranties** below.

This Privacy Notice is only in effect for any generic information and Personal Information collected and/or owned by FNF, including collection through any FNF website and any online features, services and/or programs offered by FNF (collectively, the "Website"). This Privacy Notice is not applicable to any other web pages, mobile applications, social media sites, email lists, generic information or Personal Information collected and/or owned by any entity other than FNF.

How Information is Collected

The types of personal information FNF collects may include, among other things (collectively, "Personal Information"): (1) contact information (e.g., name, address, phone number, email address); (2) demographic information (e.g., date of birth, gender marital status); (3) Internet protocol (or IP) address or device ID/UDID; (4) social security number (SSN), student ID (SIN), driver's license, passport, and other government ID numbers; (5) financial account information; and (6) information related to offenses or criminal convictions.

In the course of our business, we may collect Personal Information about you from the following sources:

- Applications or other forms we receive from you or your authorized representative;
- Information we receive from you through the Website;
- Information about your transactions with or services performed by us, our affiliates, or others; and
- From consumer or other reporting agencies and public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others.

Additional Ways Information is Collected Through the Website

Browser Log Files. Our servers automatically log each visitor to the Website and collect and record certain information about each visitor. This information may include IP address, browser language, browser type, operating system, domain names, browsing history (including time spent at a domain, time and date of your visit), referring/exit web pages and URLs, and number of clicks. The domain name and IP address reveal nothing personal about the user other than the IP address from which the user has accessed the Website.

Cookies. From time to time, FNF or other third parties may send a "cookie" to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive and that can be re-sent to the serving website on subsequent visits. A cookie, by itself, cannot read other data from your hard disk or read other cookie files already on your computer. A cookie, by itself, does not damage your system. We, our advertisers and other third parties may use cookies to identify and keep track of, among other things, those areas of the Website and third party websites that you have visited in the past in order to enhance your next visit to the Website. You can choose whether or not to accept cookies by changing the settings of your Internet browser, but some functionality of the Website may be impaired or not function as intended. See the **Third Party Opt Out** section below.

Web Beacons. Some of our web pages and electronic communications may contain images, which may or may not be visible to you, known as Web Beacons (sometimes referred to as "clear gifs"). Web Beacons collect only limited information that includes a cookie number; time and date of a page view; and a description of the page on which the Web Beacon resides. We may also carry Web Beacons placed by third party advertisers. These Web Beacons do not carry any Personal Information and are only used to track usage of the Website and activities associated with the Website. See the **Third Party Opt Out** section below.

Unique Identifier. We may assign you a unique internal identifier to help keep track of your future visits. We may use this information to gather aggregate demographic information about our visitors, and we may use it to personalize the information you see on the Website and some of the electronic communications you receive from us. We keep this information for our internal use, and this information is not shared with others.

Third Party Opt Out. Although we do not presently, in the future we may allow third-party companies to serve advertisements and/or collect certain anonymous information when you visit the Website. These companies may use non-personally identifiable information (e.g., click stream information, browser type, time and date, subject of advertisements clicked or scrolled over) during your visits to the Website in order to provide advertisements about products and services likely to be of greater interest to you. These companies typically use a cookie or third party Web Beacon to collect this information, as further described above. Through these technologies, the third party may have access to and use non-personalized information about your online usage activity.

You can opt-out of certain online behavioral services through any one of the ways described below. After you opt-out, you may continue to receive advertisements, but those advertisements will no longer be as relevant to you.

- You can opt-out via the Network Advertising Initiative industry opt-out at <http://www.networkadvertising.org/>.
- You can opt-out via the Consumer Choice Page at <http://www.aboutads.info>.
- For those in the U.K., you can opt-out via the IAB UK's industry opt-out at <http://www.youronlinechoices.com>.
- You can configure your web browser (Chrome, Firefox, Internet Explorer, Safari, etc.) to delete and/or control the use of cookies.

More information can be found in the Help system of your browser. Note: If you opt-out as described above, you should not delete your cookies. If you delete your cookies, you will need to opt-out again.

Use of Personal Information

Information collected by FNF is used for three main purposes:

- To provide products and services to you or one or more third party service providers (collectively, "Third Parties") who are obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services that we perform for you or for Third Parties.
- To communicate with you and to inform you about FNF's, FNF's affiliates and third parties' products and services.

When Information Is Disclosed By FNF

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To agents, brokers, representatives, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers who provide services or perform marketing services or other functions on our behalf;
- To law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders; and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

In addition to the other times when we might disclose information about you, we might also disclose information when required by law or in the good-faith belief that such disclosure is necessary to: (1) comply with a legal process or applicable laws; (2) enforce this Privacy Notice; (3) respond to claims that any materials, documents, images, graphics, logos, designs, audio, video and any other information provided by you violates the rights of third parties; or (4) protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep the Personal Information that is disclosed to us secure. We provide Personal Information and non-Personal Information to our subsidiaries, affiliated companies, and other businesses or persons for the purposes of processing such information on our behalf and promoting the services of our trusted business partners, some or all of which may store your information on servers outside of the United States. We require that these parties agree to process such information in compliance with our Privacy Notice or in a similar, industry-standard manner, and we use reasonable efforts to limit their use of such information and to use other appropriate confidentiality and security measures. The use of your information by one of our trusted business partners may be subject to that party's own Privacy Notice. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

We also reserve the right to disclose Personal Information and/or non-Personal Information to take precautions against liability, investigate and defend against any third-party claims or allegations, assist government enforcement agencies, protect the security or integrity of the Website, and protect the rights, property, or personal safety of FNF, our users or others.

We reserve the right to transfer your Personal Information, as well as any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets. We also cannot make any representations regarding the use or transfer of your Personal Information or other information that we may have in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors, and you expressly agree and consent to the use and/or transfer of your Personal Information or other information in connection with a sale or transfer of some or all of our assets in any of the above described proceedings. Furthermore, we cannot and will not be responsible for any breach of security by any third parties or for any actions of any third parties that receive any of the information that is disclosed to us.

Information From Children

We do not collect Personal Information from any person that we know to be under the age of thirteen (13). Specifically, the Website is not intended or designed to attract children under the age of thirteen (13). You affirm that you are either more than 18 years of age, or an emancipated minor, or possess legal parental or guardian consent, and are fully able and competent to enter into the terms, conditions, obligations, affirmations, representations, and warranties set forth in this

Privacy Notice, and to abide by and comply with this Privacy Notice. In any case, you affirm that you are over the age of 13, as **THE WEBSITE IS NOT INTENDED FOR CHILDREN UNDER 13 THAT ARE UNACCOMPANIED BY HIS OR HER PARENT OR LEGAL GUARDIAN.**

Parents should be aware that FNF's Privacy Notice will govern our use of Personal Information, but also that information that is voluntarily given by children – or others – in email exchanges, bulletin boards or the like may be used by other parties to generate unsolicited communications. FNF encourages all parents to instruct their children in the safe and responsible use of their Personal Information while using the Internet.

Privacy Outside the Website

The Website may contain various links to other websites, including links to various third party service providers. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites. Other than under agreements with certain reputable organizations and companies, and except for third party service providers whose services either we use or you voluntarily elect to utilize, we do not share any of the Personal Information that you provide to us with any of the websites to which the Website links, although we may share aggregate, non-Personal Information with those other third parties. Please check with those websites in order to determine their privacy policies and your rights under them.

European Union Users

If you are a citizen of the European Union, please note that we may transfer your Personal Information outside the European Union for use for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information, you consent to both our collection and such transfer of your Personal Information in accordance with this Privacy Notice.

Choices With Your Personal Information

Whether you submit Personal Information to FNF is entirely up to you. You may decide not to submit Personal Information, in which case FNF may not be able to provide certain services or products to you.

You may choose to prevent FNF from disclosing or using your Personal Information under certain circumstances ("opt out"). You may opt out of any disclosure or use of your Personal Information for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization by notifying us by one of the methods at the end of this Privacy Notice. Furthermore, even where your Personal Information is to be disclosed and used in accordance with the stated purposes in this Privacy Notice, you may elect to opt out of such disclosure to and use by a third party that is not acting as an agent of FNF. As described above, there are some uses from which you cannot opt-out.

Please note that opting out of the disclosure and use of your Personal Information as a prospective employee may prevent you from being hired as an employee by FNF to the extent that provision of your Personal Information is required to apply for an open position.

If FNF collects Personal Information from you, such information will not be disclosed or used by FNF for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization unless you affirmatively consent to such disclosure and use.

You may opt out of online behavioral advertising by following the instructions set forth above under the above section "Additional Ways That Information Is Collected Through the Website," subsection "Third Party Opt Out."

Access and Correction

To access your Personal Information in the possession of FNF and correct inaccuracies of that information in our records, please contact us in the manner specified at the end of this Privacy Notice. We ask

individuals to identify themselves and the information requested to be accessed and amended before processing such requests, and we may decline to process requests in limited circumstances as permitted by applicable privacy legislation.

Your California Privacy Rights

Under California's "Shine the Light" law, California residents who provide certain personally identifiable information in connection with obtaining products or services for personal, family or household use are entitled to request and obtain from us once a calendar year information about the customer information we shared, if any, with other businesses for their own direct marketing uses. If applicable, this information would include the categories of customer information and the names and addresses of those businesses with which we shared customer information for the immediately prior calendar year (e.g., requests made in 2015 will receive information regarding 2014 sharing activities).

To obtain this information on behalf of FNF, please send an email message to privacy@fnf.com with "Request for California Privacy Information" in the subject line and in the body of your message. We will provide the requested information to you at your email address in response.

Please be aware that not all information sharing is covered by the "Shine the Light" requirements and only information on covered sharing will be included in our response.

Additionally, because we may collect your Personal Information from time to time, California's Online Privacy Protection Act requires us to disclose how we respond to "do not track" requests and other similar mechanisms. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

FNF Compliance with California Online Privacy Protection Act

For some websites which FNF or one of its companies owns, such as the Customer CareNet ("CCN"), FNF is acting as a third party service provider to a mortgage loan servicer. In those instances, we may collect certain information on behalf of that mortgage loan servicer for fulfilling a service to that mortgage loan servicer. For example, you may access CCN to complete a transaction with your mortgage loan servicer. During this transaction, the information which we may collect on behalf of the mortgage loan servicer is as follows:

- First and Last Name
- Property Address
- User Name
- Password
- Loan Number
- Social Security Number - masked upon entry
- Email Address
- Three Security Questions and Answers
- IP Address

The information you submit is then transferred to your mortgage loan servicer by way of CCN.

The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through this website. For example, if you believe that your payment or user information is incorrect, you must contact your mortgage loan servicer.

CCN does not share consumer information with third parties, other than those with which the mortgage loan servicer has contracted to interface with the CCN application.

All sections of the FNF Privacy Notice apply to your interaction with CCN, except for the sections titled Choices with Your Personal Information and Access and Correction. If you have questions regarding the choices you have with regard to your personal information or how to access or correct your personal information, you should contact your mortgage loan servicer.

No Representations or Warranties

By providing this Privacy Notice, Fidelity National Financial, Inc. does not make any representations or warranties whatsoever concerning any products or services provided to you by its majority-owned subsidiaries. In addition, you also expressly agree that your use of the Website is at your own risk. Any services provided to you by Fidelity National Financial, Inc. and/or the Website are provided "as is" and "as available" for your use, without representations or warranties of any kind, either express or implied, unless such warranties are legally incapable of exclusion. Fidelity National Financial, Inc. makes no representations or warranties that any services provided to you by it or the Website, or any services offered in connection with the Website are or will remain uninterrupted or error-free, that defects will be corrected, or that the web pages on or accessed through the Website, or the servers used in connection with the Website, are or will remain free from any viruses, worms, time bombs, drop dead devices, Trojan horses or other harmful components. Any liability of Fidelity National Financial, Inc. and your exclusive remedy with respect to the use of any product or service provided by Fidelity National Financial, Inc. including on or accessed through the Website, will be the re-performance of such service found to be inadequate.

Your Consent To This Privacy Notice

By submitting Personal Information to FNF, you consent to the collection and use of information by us as specified above or as we otherwise see fit, in compliance with this Privacy Notice, unless you inform us otherwise by means of the procedure identified below. If we decide to change this Privacy Notice, we will make an effort to post those changes on the Website. Each time we collect information from you following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you may submit in any manner that we may choose without notice or compensation to you.

If you have additional questions or comments, please let us know by sending your comments or requests to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer
(888) 934-3354
privacy@fnf.com

Copyright © 2015. Fidelity National Financial, Inc. All Rights Reserved.

EFFECTIVE AS OF: MAY 1, 2015



820 N. Mountain Ave., Suite 100
Upland, CA 91786
Escrow Branch Phone: (909) 579-1515
Escrow Officer's Direct Line: (909) 579-1515
Fax: (909) 579-1525

DISBURSEMENT OF PROCEEDS / WIRE TRANSFER INSTRUCTIONS

Escrow No.: 00352373 - 005 - HOS
Escrow Officer: Loretta Hovey
Date: September 18, 2015

The undersigned hereby authorizes and directs Ticor Title Company of California to wire transfer funds, as indicated below, to the Receiving Bank and Account or to disburse proceeds/refunds as indicated below. The undersigned warrants that the information provided in this Authorization is complete and accurate.

NET PROCEEDS DUE THE UNDERSIGNED to be disbursed as indicated:

- ☐ Wire Transfer (complete instructions below)
- ☐ Disbursed as indicated: ☐ HOLD for Pick Up ☐ Overnight Delivery
- ☐ CALL when check is ready for Pick Up, Phone No. _____
- ☐ Mail: Complete Forwarding Mailing address required:

Wire Transfer Instructions

Receiving Bank: _____
City/State: _____
ABA #: _____
Wire Payee: _____
Account Number: _____
For further credit to: _____
Account No.: _____
Notify: _____
Phone: _____
Memo: _____
Other: _____

Provided that the funds are wire transferred in accordance with these instructions, TICOR TITLE COMPANY OF CALIFORNIA shall not be liable for any act or omission of any financial institution or any other person, nor shall TICOR TITLE COMPANY OF CALIFORNIA have any liability for loss of funds or interest thereon. In no event will damages exceed interest at a rate equal to

Escrow No.: 00352373 - 005 - HO5

Federal Funds rate, adjusted daily, for the number of days that such funds are unavailable. The undersigned shall indemnify and hold harmless **TICOR TITLE COMPANY OF CALIFORNIA**, it's successors or assigns, from any loss, liability and cost incurred as a result of any incorrect information supplied.

In no event shall **TICOR TITLE COMPANY OF CALIFORNIA** be liable for any special, consequential, indirect or incidental damages, regardless of whether any claim is based on contract or tort whether the likelihood of such damage was known to **TICOR TITLE COMPANY OF CALIFORNIA**.

Date: 12/7/16

SELLER:

City of Redlands, a Municipal Corporation



By: Paul W. Foster, Mayor

Certification of Non-Foreign Status

Certification of Non-Foreign Status by Entity

The undersigned hereby certifies the following:

✓ The City of Redlands

is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as defined in the Internal Revenue Code and Income Tax Regulations) or a disregarded entity as defined in §1.1445-2(b)(2)(iii)?

The U.S. Employer Identification Number for this entity is

✓ 95-6000766;

and the office address is: ✓ 35 Cajon St.
Redlands, CA 92373

The transferor/seller understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare I have completed this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of seller.

SELLER:

City of Redlands, a Municipal Corporation

✓ Paul W. Foster
By: Paul W. Foster, Mayor

Ticor Title Company of California

Proceeds from Real Estate Transactions as required by the Internal Revenue Service

You are required by law to provide Ticor Title Company of California with your correct taxpayer identification number. If you do not provide your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law.

Ticor Title Company of California
820 N. Mountain Ave., Suite 100
Upland, CA 91786

Cost Center #:

Substitute Form 1099-S

This is important tax information and is being furnished to the Internal Revenue Service, as required by section 1521 of the Tax Reform Act of 1986. If you are required to file a return, a negligence penalty or other sanction will be imposed if this income is taxable and the IRS determines that it has not been reported.

Escrow No.: 00352373-005-HO5

Date of closing:

PROPERTY ADDRESS OR LEGAL DESCRIPTION

Vacant Land -Redlands, Redlands, CA

Assessors Parcel Number (APN) - 0168-121-03

PROCEEDS FOR THIS SALE WENT TO: (MULTIPLE SELLERS - Use one form for each seller. Treat husband and wife as one seller (filing joint tax returns) unless requested otherwise, then separate forms must be used.)

1. ✓ The City of Redlands
Sellers Name (First, MI, Last or Entity Name)
2. Mayor Paul W. Foster
Spouse or Personal Representative

✓ 05-6000766

Federal Tax ID# for this seller
(List only the Tax ID# for the seller listed on Line 1, spouse Tax ID# not required. Executor/Trustee should not list their name as the seller unless they are going to report the proceeds on their personal income tax return. Disregarded entities should provide the name and Tax ID# of the responsible person/entity.)

TOTAL CONSIDERATION

\$ ✓ 517,000.00 Total Consideration
% Percentage of ownership for this seller
\$ ✓ 517,000.00 GROSS Allocated Proceeds
(Total consideration multiplied by percentage of ownership)

☐ Exchange (If checked)

\$ _____ Tax Credit to Seller (Real property tax credits to seller contained in the 400 series of the HUD-1 or comparable closing statement form.)

MAILING ADDRESS:

✓ 35 Canyon St.
Redlands, CA 92373

☐ Check here if the address is outside of the U.S.A.

Under penalties of perjury, I certify that I am a U.S. person or U.S. resident alien and the number shown on this statement is my correct taxpayer identification number

Paul W. Foster
Transferor's Signature

✓ 12/7/2016
Date

Spouse

Date

2016 Real Estate Withholding Certificate**593-C**

Part I – Seller/Transferor		Return this form to your escrow company.	
Name City of Redlands, a Municipal Corporation		SSN or ITIN 95-6000764	
Spouse's/RDP's Name (if jointly owned)		Spouse's/RDP's SSN or ITIN (if jointly owned)	
Address (apt./ste., room, PO Box, or PMB no.) P.O. Box 3005		☐ FEIN ☐ CA Corp. no. ☐ CA SOS file no.	
City (if you have a foreign address, see instructions.) Redlands, CA 92373	State	ZIP Code	Ownership Percentage 100 %
Property address (if no street address, provide parcel number and county) Vacant Land -Redlands Redlands, CA 0168-121-03 - San Bernardino County			

To determine whether you qualify for a full or partial withholding exemption, check all boxes that apply to the property being sold or transferred. (See instructions)

Part II – Certification which fully exempt the sale from withholding:

1. ☐ The property qualifies as the seller's/transferor's (or decedent's, if sold by the decedent's estate or trust) principal residence within the meaning of Internal Revenue Code (IRC) Section 121.
2. ☐ The seller/transferor (or decedent, if sold by the decedent's estate or trust) last used the property as the seller's/transferor's (decedent's) principal residence within the meaning of IRC Section 121 without regard to the two-year time period.
3. ☐ The seller/transferor has a loss or zero gain for California income tax purposes on this sale. To check this box you must complete Form 593-E, Real Estate Withholding-Computation of Estimated Gain or Loss, and have a loss or zero gain on line 16.
4. ☐ The property is being compulsorily or involuntarily converted and the seller/transferor intends to acquire property that is similar or related in service or use to qualify for nonrecognition of gain for California income tax purposes under IRC Section 1033.
5. ☐ The transfer qualifies for nonrecognition treatment under IRC Section 351 (transfer to a corporation controlled by the transferor) or IRC Section 721 (contribution to a partnership in exchange for a partnership interest).
6. ☐ The seller/transferor is a corporation (or a limited liability company (LLC) classified as a corporation for federal and California income tax purposes) that is either qualified through the California Secretary of State (SOS) or has a permanent place of business in California.
7. ☐ The seller/transferor is a California partnership or a partnership qualified to do business in California (or an LLC that is classified as a partnership for federal and California income tax purposes and is not a single member LLC that is disregarded for federal and California income tax purposes).
8. ☐ The seller/transferor is a tax-exempt entity under California or federal law.
9. ☐ The seller/transferor is an insurance company, individual retirement account, qualified pension/profit sharing plan, or charitable remainder trust.

Part III – Certifications that may partially or fully exempt the sale from withholding:

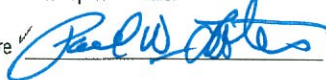
Real Estate Escrow Person (REEP): See instructions for amounts to withhold.

10. ☐ The transfer qualifies as a simultaneous like-kind exchange within the meaning of IRC Section 1031.
11. ☐ The transfer qualifies as a deferred like-kind exchange within the meaning of IRC Section 1031.
12. ☐ The transfer of this property is an installment sale where the buyer/transferee is required to withhold on the principal portion of each installment payment. Copies of Form 593-I, Real Estate Withholding Installment Sale Acknowledgement, and the promissory note are attached.

Seller/Transferor Signature

To learn about your privacy rights, how we may use your information, and the consequences for not providing the requested information, go to ftb.ca.gov and search for **privacy notice**. To request this notice by mail, call 800.852.5711.

Under penalties of perjury, I hereby certify that the information provided above is, to the best of my knowledge, true and correct. If conditions change, I will promptly inform the withholding agent. I understand that I must retain this form in my records for 5 years and that the Franchise Tax Board may review relevant escrow documents to ensure withholding compliance. Completing this form does **not** exempt me from filing a California income or franchise tax return to report this sale.

Seller's/Transferor's name and Title	✓ Paul Foster, Mayor	Seller's/Transferor's Signature	✓ 	Date:	12/7/2011
Spouse's/RDP's name		Spouse's/RDP's Signature		Date:	

Seller: If you checked any box in Part II, you are exempt from real estate withholding.

or If you checked any box in Part III, you may qualify for a partial or complete withholding exemption.

Transferor Except as to an installment sale, if the seller/transferor did not check any box in Part II or Part III of Form 593-C, the withholding will be 3 1/3% (.0333) of the total sales price or the optional gain on sale withholding amount from line 5 of Form 593, Real Estate Withholding Tax Statement. If the seller/transferor does not return the completed Form 593 and Form 593-C by the close of escrow, the withholding will be 3 1/3% (.0333) of the total sales price, unless the type of transaction is an installment sale. If the transaction is an installment sale, the withholding will be 3 1/3% (.0333) of the first installment payment.

If you are withheld upon, the withholding agent should give you one copy of Form 593. Attach a copy to the lower front of your California income tax return and make a copy for your records.

2016 Instructions for Form 593-C

Real Estate Withholding Certificate

References in these instructions are to the Internal Revenue Code (IRC) as of January 1, 2015, and to the California Revenue and Taxation Code (R&TC).

General Information

In general, for taxable years beginning on or after January 1, 2015, California law conforms to the Internal Revenue Code (IRC) as of January 1, 2015. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information, go to ftb.ca.gov and search for conformity. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

Like-Kind Exchanges – For taxable years beginning on or after January 1, 2014, California requires taxpayers who exchange property located in California for like-kind property located outside of California, and meet all of the requirements of the IRC Section 1031, to file an annual information return with the Franchise Tax Board (FTB). For more information, get form FTB 3840, California Like-Kind Exchanges, or go to ftb.ca.gov and search for Like Kind.

Purpose

Use Form 593-C, Real Estate Withholding Certificate, to determine whether you qualify for a full or partial withholding exemption.

Qualifying for an exemption from withholding or being withheld upon does not relieve you of your obligation to file a California income tax return and pay any tax due on the sale of California real estate.

You may be assessed penalties if:

- You do not file a tax return.
- You file your tax return late.
- The amount of withholding does not satisfy your tax liability.

The seller/transferor must submit this form before the close of escrow to prevent withholding on the transaction. After escrow has closed, amounts withheld may be recovered only by claiming the withholding as a credit on the appropriate year's tax return.

How to Claim the Withholding

To claim the withholding credit, report the sale or transfer as required and enter the amount from line 5 of Form 593, Real Estate Withholding Tax Statement, on your California tax returns as withholding from Form(s) 592-B or 593. If your marital or filing status has changed after escrow closed and before filing your California tax return, contact us at 888.792.4900 prior to filing your tax return for instructions on how to claim your withholding credit. Claim your withholding credit on one of the following:

- Form 540, California Resident Income Tax Return
- Form 540NR Long, California Nonresident or Part-Year Resident Income Tax Return
- Form 541, California Fiduciary Income Tax Return
- Form 100, California Corporation Franchise or Income Tax Return
- Form 100S, California S Corporation Franchise or Income Tax Return
- Form 100W, California Corporation Franchise or Income Tax Return – Water's-Edge Filers
- Form 109, California Exempt Organization Business Income Tax Return
- Form 565, Partnership Return of Income
- Form 568, Limited Liability Company Return of Income

Specific Instructions

Private Mail Box (PMB) – Include the PMB in the address field. Write "PMB" first, then the box number. Example: 111 Main Street PMB 123.

Foreign Address – Follow the country's practice for entering the city, county, province, state, country, and postal code, as applicable, in the appropriate boxes. Do not abbreviate the country name.

Part I – Seller/Transferor

Enter the name, tax identification number, and address of the seller/transferor. If the seller/transferor does not provide a tax identification number, then Form 593-C is void, and withholding is required.

Note: If you choose to provide a copy of Form 593-C to the buyer/transferee, delete the seller's/transferor's tax identification number on the buyer's/transferee's copy.

If the seller/transferor is an individual, enter the social security number (SSN) or individual taxpayer identification number (ITIN). If the sellers/transferors are spouses/registered domestic partners (RDPs) and plan to file a joint return, enter the name and SSN or ITIN for each spouse/RDP. Otherwise, do not enter information for more than one seller/transferor. Instead, complete a separate Form 593-C for each seller/transferor.

If you do not have an SSN because you are a nonresident or a resident alien for federal tax purposes, and the Internal Revenue Service (IRS) issued you an ITIN, enter the ITIN in the space provided for the SSN.

An ITIN is a tax processing number issued by the IRS to individuals who have a federal tax filing requirement and do not qualify for an SSN. It is a nine-digit number that always starts with the number 9.

If the seller/transferor is a business, enter the business name in the business name field along with the federal employer identification number (FEIN), CA Corporation number (CA Corp no.), or CA Secretary of State (CA SOS) file number.

If the seller/transferor is a grantor trust, enter the grantor's individual name and SSN. For tax purposes, the grantor trust is disregarded for tax purposes and the individual seller/transferor must report the sale and claim the withholding on their individual tax return. If the trust was a grantor trust that became irrevocable upon the grantor's death, enter the name of the trust and the trust's FEIN. Do not enter the decedent's or trustee's name or SSN.

If the seller/transferor is a non-grantor trust, enter the name of the trust and the trust's FEIN. Do not enter trustee information.

If the seller/transferor is a single member limited liability company (SMLLC), enter the name and tax identification number of the single member.

For all other non-individual sellers/transferors, enter the FEIN, CA Corp no., or CA SOS file number.

Ownership Percentage

Enter your ownership percentage rounded to two decimal places (e.g. 66.67%). If you are on the title for incidental purposes and you have no financial ownership, enter 0.00 and skip to Seller/Transferor Signature. You will not be withheld upon.

Examples of sellers/transferors who are on title for incidental purposes are:

- Co-signors on title (e.g., parents co-signed to help their child qualify for the loan).
- Family members on title to receive property upon the owner's death.

Property Address

Enter the address (or parcel number and county) of the CA real property transferred.

Part II – Certifications That Fully Exempt Withholding

Line 1 – Principal Residence

To qualify as your principal residence under IRC Section 121, you (or the decedent) generally must have owned and lived in the property as your main home for at least two years during the five-year period ending on the date of sale. Military and Foreign Service, get FTB Pub. 1032, Tax Information for Military Personnel.

You can have only one main home at a time. If you have two homes and live in both of them, the main home is the one you lived in most of the time.

There are exceptions to the two-year rule if the primary reason you are selling the home is for a change in the place of employment, health, or unforeseen circumstances such as death, divorce or termination of registered domestic partnership, or loss of job, etc. For more information about what qualifies as your principal residence or exceptions to the two-year rule, get federal Publication 523, Selling Your Home. To get federal publications, go to irs.gov, or call 800.829.3676.

If only a portion of the property qualifies as your principal residence, a second Form 593-C will need to be completed to certify an exemption on the portion not used as a principal residence.

The allocation method should be the same as the seller/transferor used to determine depreciation.

Line 2 – Property last used as your principal residence

If the property was last used as the seller's/transferor's, or decedent's principal residence within the meaning of IRC Section 121 without regard to the two-year time period, no withholding is required. If the last use of the property was as a vacation home, second home, or rental, you do not qualify for the exemption. You must have lived in the property as your main home.

If you have two homes and live in both of them, the main home is the one you lived in most of the time.

Line 3 – Loss or Zero Gain

You have a loss or zero gain for California income tax purposes when the amount realized is less than or equal to your adjusted basis. You must complete Form 593-E, Real Estate Withholding – Computation of Estimated Gain or Loss, and have a loss or zero gain on line 16 to certify that the transaction is fully exempt from withholding.

You may not certify that you have a net loss or zero gain just because you do not receive any proceeds from the sale or because you feel you are selling the property for less than what it is worth.

Line 4 – Involuntary Conversion

The property is being involuntarily or compulsorily converted when both of the following apply:

- The California real property is transferred because it was (or threatened to be) seized, destroyed, or condemned within the meaning of IRC Section 1033.
- The seller/transferor intends to acquire property that is similar or related in service or use in order to be eligible for nonrecognition of gain for California income tax purposes.

Get federal Publication 544, Sales and Other Dispositions of Assets, for more information about involuntary conversions.

Line 5 – Non-recognition Under IRC Sections 351 or 721

The transfer must qualify for nonrecognition treatment under IRC Section 351 (transferring to a corporation controlled by transferor) or IRC Section 721 (contributing to a partnership in exchange for a partnership interest).

Line 6 – Corporation

A corporation has a permanent place of business in this state when it is organized and existing under the laws of this state or it has qualified through the CA SOS to transact intrastate business. A corporation not qualified to transact intrastate business (such as a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in this state only if it maintains an office in this state that is permanently staffed by its employees after the sale.

S corporations must withhold on nonresident S corporation shareholders. Get FTB Pub. 1017, Resident and Nonresident Withholding Guidelines, for more information.

Line 7 – Partnership or Limited Liability Company (LLC)

Partnerships and LLCs are required to withhold on nonresident partners and members. For more information, get FTB Pub. 1017.

Withholding is not required if the title to the property transferred is recorded in the name of a California partnership or it is qualified to do business in California.

Withholding is not required if the title to the property transferred is in the name of an LLC, and the LLC meets both of the following:

- It is classified as a partnership for federal and California income tax purposes.
- It is not a SMLLC that is disregarded for federal and California income tax purposes.

If the LLC meets these conditions, the LLC must still withhold on nonresident members. Get FTB Pub. 1017 for more information.

If the SMLLC is classified as a corporation for federal and California income tax purposes, then the seller/transferor is considered a corporation for withholding purposes. Refer to Line 6.

If the LLC is an SMLLC that is disregarded for federal and California income tax purposes, then that single member is considered the seller/transferor and title to the property is considered to be in the name of the single member for withholding purposes.

When completing Form 593-C as the single member of a disregarded LLC, write on the bottom of the form that the information on the form is for the single member of the LLC, so the Real Estate Escrow Person (REEP) will understand why it is different from the recorded title holder.

If the single member is:	Complete Form 593-C using:
An Individual	The individual's information
A corporation	The corporation's information
A partnership	The partnership's information
An LLC	The single member's information

Line 8 – Tax-Exempt Entity

Withholding is not required if the seller/transferor is tax-exempt under either California or federal law (e.g., religious, charitable, educational, not for profit organizations, etc.).

Line 9 – Insurance Company, Individual Retirement Account, Qualified Pension or Profit-Sharing Plan, or Charitable Remainder Trust.

Withholding is not required when the seller/transferor is an insurance company, individual retirement account, qualified pension or profit-sharing plan, or a charitable remainder trust.

Part III – Certifications That May Partially or Fully Exempt the Sale From Withholding

Complete Part III only if you did not meet any of the exemptions in Part II.

Line 10 – Simultaneous Exchange

If the California real property is part of a simultaneous like-kind exchange within the meaning of IRC Section 1031, the transfer is exempt from withholding. However, if the seller/transferor receives money or other property (in addition to property that is a part of the like-kind exchange) exceeding \$1,500 from the sale, the withholding agent must withhold.

Line 11 – Deferred Exchange

If the California real property is part of a deferred like-kind exchange within the meaning of IRC Section 1031, the sale is exempt from withholding at the time of the initial transfer. However, if the seller/transferor receives money or other property (in addition to property that is a part of the like-kind exchange) exceeding \$1,500 from the sale, the withholding agent must withhold.

The intermediary or accommodator must withhold on all cash or cash equivalent (boot) it distributes to the seller/transferor if the amount exceeds \$1,500.

If the exchange does not take place or if the exchange does not qualify for nonrecognition treatment, the intermediary or accommodator must withhold 3 1/3% (.0333) of the total sales price.

Line 12 – Installment Sale

The withholding agent is required to report as an installment sale if the transaction is structured as an installment sale as evidenced by a promissory note. The withholding agent is required to withhold 3 1/3% (.0333) of the first installment payment.

The buyer/transferee is required to withhold on the principal portion of each subsequent installment payment if the sale is structured as an installment sale.

When the withholding amount on the first installment principal payment is sent to the FTB, the FTB must also receive a completed Form 593-I, Real Estate Withholding Installment Sale Acknowledgement, a completed Form 593, and a copy of the promissory note.

Seller/Transferor Signature

You must sign this form and return it to your REEP by the close of escrow for it to be valid. Otherwise, the withholding agent must withhold the full 3 1/3% (.0333) of the total sales price or the optional gain on sale withholding amount from line 5 of Form 593 that is certified by the seller/transferor only for the optional gain on sale election.

Penalty – Any seller/transferor who, for the purpose of avoiding the withholding requirements, knowingly executes a false certificate is liable for a penalty of \$1,000 or 20% of the required withholding amount, whichever is greater.