

ESCROW ACCEPTANCE LETTER

Date: May 13, 2019
Escrow Number: 09183157-918-GKD
Escrow Officer: Grace Kim
Property Address: 31 Stuart Avenue, Redlands, CA

This letter shall serve as notification of the opening of escrow with Commonwealth Land Title Company, under the above referenced escrow number for property known as: 31 Stuart Avenue, Redlands, CA (APN 0169-281-19). The opening date is May 9, 2019, said date being the date escrow holder received a fully executed copy of the Agreement of Purchase and Sale and Joint Escrow Instructions ("Agreement") dated May 8, 2019, by and between City of Redlands, a municipal corporation ("Seller") and San Bernardino County Transportation Authority (SBCTA) ("Buyer").

- A) As Escrow Holder you shall be concerned only with those specific provisions as set forth in the Agreement where Escrow Holder is given instructions to perform certain acts or with those paragraphs where Escrow Holder would generally and reasonably be expected to act. All other provisions of the Agreement which the parties consider to be binding upon themselves, are considered to be outside the scope of the Escrow Holder's responsibilities.
- B) Escrow Holder shall be Commonwealth Land Title Company and a CLTA Standard Form Policy of Title Insurance in the amount of \$96,500.00 shall be issued to Buyer by Commonwealth Land Title Company.
- C) The consideration for this transaction is **\$96,500.00**.

ADDITIONAL INSTRUCTIONS

1. **DATE CLARIFICATION:** For the purposes of this Escrow (and in accordance with the provisions of the Agreement), the Parties hereto acknowledge the following:
 - a. "Opening of Escrow" is **May 9, 2019**
 - b. "Agreement Date" is May 8, 2019
 - c. "Close of Escrow" date is on or before: For the purposes of closing this escrow, all parties acknowledge that "close of escrow" shall be the date on which the Deed conveying title (along with any financing documents) is recorded.
2. **LEGAL DESCRIPTION:** It is hereby acknowledged that the Legal Descriptions for the Deeds set forth in the Agreement are deemed approved pursuant to Seller's execution of the Deeds in favor of Buyer, and Buyer's execution of the Certificates of Acceptance of said Deeds.
3. **IMPORTANT NOTICE REGARDING DEPOSIT OF FUNDS FOR CLOSING:**
Funds received by WIRE TRANSFER are available for immediate disbursement at the close of escrow. Other forms of payment deposited may cause extended delays in closing. Escrow Holder will not be responsible for any such delays due to the type of deposits made. Therefore, we strongly urge any deposits made for closing funds to be in the form of a wire transfer. Please contact your escrow officer for our wiring instructions, or if you have any questions regarding this notice.
4. **PRO-RATIONS:** Escrow Holder shall make no pro-rations in this escrow.

5. **MONETARY LIENS OR ENCUMBRANCES OF RECORD:** Prior to close of escrow, Escrow Holder is authorized and instructed to obtain beneficiary statements, demands and/or cause the reconveyance, partial reconveyance, or subordination, as the case may be, of any monetary exception or on any matter of record required to place title in the condition called for, pursuant to the Agreement.
6. **TAX EXEMPT ENTITY:** All parties hereto acknowledge that the buyer is public entity and exempt from payment of any real property taxes. There will be no proration of taxes through escrow. Seller will be responsible for payment of any real property taxes due prior to close of escrow. In the event any real property taxes are due and unpaid at the close of escrow, Escrow Holder is hereby authorized and instructed to pay such taxes from proceeds due the Seller at the close of escrow. Seller understands that the Tax Collector will not accept partial payment of an installment of the real property taxes due at the close of escrow. At the close of escrow, the Buyer will file any necessary documentation with the County Tax Collector/Assessor for the property tax exemption. In the event this escrow closes between July 1 and November 1 and current tax information is not available from County Tax Collector, Escrow Holder is instructed to withhold 125% of the previous fiscal year's tax bill from Seller's proceeds. At such time that the tax information is available, Escrow Holder shall make a payment to County Tax Collector and return any difference to the Seller. In the event the amount withheld is not sufficient to pay Seller's taxes due, the Seller herein agrees to immediately deposit any shortage to escrow holder within 48 hours of notification. Any prorated refund that will be due the Seller will be refunded to the Seller by the County Tax Collector/Assessor outside of escrow and Escrow Holder shall have no liability and/or responsibility in connection therewith.
7. **GENERAL PROVISION ACKNOWLEDGEMENT:** By their signature(s) below, Buyer and Seller acknowledge and agree that the General Provisions are incorporated hereto and made a part hereof.
8. **DOCUMENT EXECUTION GUIDELINES:** Prior to the execution of recordable documents, please refer to our Documents Execution Guidelines attached hereto.

NOTICES: All notices for escrow holder should be forwarded to:

Commonwealth Land Title Company
Attn: Grace Kim
4100 Newport Place Dr., Suite 120
Newport Beach, CA 92660
Phone: (949) 724-3140
Fax: (714) 459-7217
Email: gukim@cltic.com

Thank you for choosing Commonwealth Land Title Company. We appreciate your business and look forward to a successful closing. Please contact me with any questions or concerns.

Sincerely,
Commonwealth Land Title Company

Grace Kim

Grace Kim
Escrow Officer
Encl:

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 **Commonwealth Land Title Company**. 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 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 Commonwealth Land Title Company, 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 Commonwealth Land Title Company 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 there under, provide in part, that a transferee (buyer) of a U.S. real property interest from a foreign person must withhold a statutory percentage of the amount realized on the disposition, report the transaction and remit the withholding to the Internal Revenue Service (IRS) within twenty (20) days after the transfer. Commonwealth Land Title Company will not determine nor aid in the determination of whether the FIRPTA

withholding provisions are applicable to the subject transaction, nor act as a Qualified Substitute under state or federal law, nor furnish tax advice to any party to the transaction. Commonwealth Land Title Company will not determine nor aid in the determination of whether the transaction will qualify for an exception or an exemption and is not responsible for the filing of any tax forms with the IRS as they relate to FIRPTA, nor responsible for collecting and holding of any documentation from the buyer or seller on the buyer's behalf for the purpose of supporting a claim of an exception or exemption. Commonwealth Land Title Company is not an 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. Commonwealth Land Title Company 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. Commonwealth Land Title Company is not responsible for the completion of any IRS documents or related forms related to the referenced statute. The buyer is advised: they must independently make a determination of whether the contemplated transaction is subject to the withholding requirement; bear full responsibility for compliance with the 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; and they are responsible for the completion of any and all forms, including but not limited to applicable IRS documentation, and the mailing of those forms. The Buyer is advised any forms, documents, or information received from Commonwealth Land Title Company is not tax or legal advice and should not be construed as such nor treated as a complete representation of FIRPTA requirements. Buyer should seek outside counsel from a qualified individual to determine any and all implications of the referenced statute.

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

Commonwealth Land Title Company 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. Commonwealth Land Title Company 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

Commonwealth Land Title Company 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.

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.

Commonwealth Land Title Company conducts escrow business under a Certificate of Authority No. 285 issued by the California Department of Insurance.

BUYER:

San Bernardino County Transportation Authority
(SBCTA)

By: _____
Name: _____
Its: _____

SELLER:

City of Redlands, a municipal corporation

By: 
Name: Paul W. Foster
Its: Mayor

Current Mailing Address: 35 Cajon Street, Redlands CA 92373

Forwarding Mailing Address: N/A

Home Phone Number: (909) 798-7655 Fax Number: _____

Cell Phone Number: _____ E-mail Address: _____



Commonwealth Land Title Company
4100 Newport Place Dr., Suite 120
Newport Beach, CA 92660
Phone: (949) 724-3140
Fax:

TO: **Commonwealth Land Title Company**
Re: 31 Stuart Avenue, Redlands, CA

Escrow Number: 09183157-918-GKD

Disbursement Instructions for Proceeds/Refunds

You are authorized and instructed to disburse my proceeds or refund due me, as indicated below. Please make sure the information you provide is accurate, complete and legible.

☐ Hold for pick up by: _____
(Print name of individual)

☐ Mail check to: _____
(Escrow Agent is not responsible for timely delivery of U.S. mail)

☐ Overnight delivery to: _____
(A fee will be charged as set forth in the General Provisions of the Escrow Instructions)

☐ Deliver by courier to: _____
(Courier deliveries must be made to a business address. Expedited deliveries will be billed as charged)

☐ Transfer ☐ all proceeds or ☐ \$ _____ to _____
Attn: _____ Escrow No. _____ Phone No. _____

☒ Wire Transfer Funds: (All of the following information must be completed)

Receiving Bank Name: UNION BANK
Bank Address: 400 CALIFORNIA STREET, SAN FRANCISCO, CA 94101
Bank Phone: 800-798-6466 Contact Person at Bank: COMMERCIAL CUSTOMER
ABA Routing Number: 122000496 Account Number: SERVICE UNIT
Account Name (As it appears on account): CITY OF REDLANDS 2740026189

It is strongly advised you contact your financial institution when completing this information. The number that appears on checks or on deposit tickets is not always the correct routing number for wire transfers.

Provided the funds are wire transferred in accordance with these instructions, **Commonwealth Land Title Company** shall not be liable for any act or omission of any financial institution or any other person, nor shall **Commonwealth Land Title Company** have any liability for loss of funds or interest thereon. In no event will damages exceed interest at a rate equal to Federal Funds rate, adjusted daily, for the number of days that such funds are unavailable. The undersigned shall indemnify and hold harmless **Commonwealth Land Title Company**, its successors or assigns, from any loss, liability and cost incurred as a result of any incorrect information supplied. **Commonwealth Land Title Company** shall not 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 **Commonwealth Land Title Company**.

Date: 5-23-2019

SELLER:

City of Redlands, a municipal corporation

By: Paul W. Foster
Name: Paul W. Foster
Its: Mayor



CITY OF REDLANDS

Wire Transfer and ACH Instructions

Beneficiary	City of Redlands
Address	35 Cajon St., Ste 15B Redlands, Ca. 92373
Receiving Bank	Union Bank 400 California Street San Francisco, CA 94101
Account #	2740026189
ABA #	122000496
Contact	Commercial Customer Service Unit (800) 798-6466

COMMONWEALTH LAND TITLE COMPANY

4100 Newport Place Dr., Suite 120, Newport Beach, CA 92660

Phone: (949) 724-3140

Sellers Settlement Statement

Estimated

Escrow Officer: Grace Kim	Escrow No: 09183157 - 918 GKD	Close Date:	Proration Date:	Date Prepared: 05/13/2019	Disbursement Date:
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Seller(s): City of Redlands, a municipal corporation

Property: 31 Stuart Avenue
Redlands, CA

Description	Debit	Credit
TOTAL CONSIDERATION: Total Consideration		96,500.00
Sub Totals	0.00	96,500.00
Proceeds Due Seller	96,500.00	
Totals	96,500.00	96,500.00



This statement is based on information available to the escrow holder as of the date this statement was prepared and the closing date shown above. Actual amounts may change and/or vary depending on updated information received and the final closing date.

COMMONWEALTH LAND TITLE COMPANY

4100 Newport Place Dr., Suite 120, Newport Beach, CA 92660

Phone: (949) 724-3140

Sellers Settlement Statement

Estimated

Escrow Officer:	Escrow No:	Close Date:	Proration Date:	Date Prepared:	Disbursement Date:
Grace Kim	09183157 - 918 GKD			05/13/2019	

Seller(s):

City of Redlands, a municipal corporation

By: 

Name: Paul W. Foster

Its: Mayor

This statement is based on information available to the escrow holder as of the date this statement was prepared and the closing date shown above. Actual amounts may change and/or vary depending on updated information received and the final closing date.



Commonwealth Land Title Company
4100 Newport Place Dr., Suite 120
Newport Beach, CA 92660
Phone: (949) 724-3140
Fax:

Certification of Non-Foreign Status

Date: May 13, 2019
Escrow No.: 09183157-918-GKD

Section 1445 of the Internal Revenue Code requires a transferee (buyer) of a U.S. Real Property interest to withhold fifteen (15) percent of the gross sales price if the transferor (seller) is a foreign person or entity unless the transferee receives a certification of non-foreign status from the transferor (seller). The certification must be signed under penalties of perjury, stating the transferor is not a foreign person/entity and containing the transferor's name, address, and U.S. Taxpayer Identification Number.

Sellers who provide such a certification are exempt from withholding and the estimated tax cannot be collected from them unless the buyer or their agent have knowledge the certification is false.

Certification of Non-Foreign Status by Entity

The undersigned hereby certifies the following:

✓ 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

The office address is:

✓ 35 CAYON STREET, SUITE 222
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.

City of Redlands, a municipal corporation

By: ✓ Paul W. Foster
Name: Paul W. Foster
Its: Mayor

Seller, Buyer and Escrow Agent to maintain a copy for five (5) years.

OWNER'S DECLARATION

The undersigned hereby declares as follows:

1. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at 31 Stuart Avenue, Redlands, CA, (APN 0169-281-19-0-000 0169-281-19-W-000) further described as follows: See Preliminary Report/Commitment No. 09203055 full legal description (the "Land").
2. (Fill in the applicable paragraph and strike the other)
 - a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.
 - b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with _____ upon the Land in the approximate total sum of \$ _____, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: _____. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Commonwealth Land Title Company against any and all claims arising therefrom.
3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.
4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records.
5. The Land is currently in use as COMMERCIAL; WILLIAM AND CRYSTAL WYATT HUSBAND AND WIFE occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land: LEASE AGREEMENT
6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.
7. There are no outstanding options to purchase or rights of first refusal affecting the Land.
8. There are no material violations of any current, enforceable covenant affecting the Property and the Undersigned has received no written notice from any third party claiming that there is a present violation of any current, enforceable covenant affecting the Property.

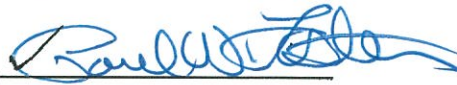
This declaration is made with the intention that Commonwealth Land Title and Commonwealth Land Title Insurance Company ("Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorney's fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on _____ at REDLANDS, CA 92373.

Signature Page Attached:

Seller:

City of Redlands, a municipal corporation

By: 

Name: Paul W. Foster

Its: Mayor

REAL PROPERTY LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "License") is made and entered into effective November 6, 2007 (the "Effective Date") by and between the REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS, a public body, corporate and politic, (hereinafter referred to as "LICENSOR") and, William and Crystal Wyatt, husband and wife, (hereinafter referred to as "LICENSEE"). LICENSOR and LICENSEE are sometimes herein individually referred to as a "Party" or, together, as the "Parties".

WITNESSETH:

WHEREAS, on May 18, 2004, LICENSOR purchased that certain real property located in the City of Redlands, California commonly known as 31 West Stuart Avenue, identified as Assessor's Parcel Number ("APN") 0169-281-19 (the "Premises"); and

WHEREAS, LICENSEE has requested LICENSOR to allow LICENSEE to occupy the Premises as a tenant for a term of six (6) months with one (1) option to extend the term for an additional six months in order to provide LICENSEE storage space of LICENSEE'S personal property pursuant to the terms and conditions of this License; and

WHEREAS, LICENSOR acknowledges that LICENSEE is husband and wife doing business as Wyatt Video located in Running Springs and Redlands, California; and

WHEREAS, LICENSOR acknowledges that LICENSEE's primary business is to provide off-site audio visual services at live events for corporate shows, gala events, etc. and does not produce studio-based videos (the "LICENSEE'S Primary Business Activities").

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

1. **License.** LICENSOR hereby agrees to rent to LICENSEE and LICENSEE agrees to rent from LICENSOR the herein-described Premises. Said License is subject to the terms, covenants and conditions hereinafter set forth and LICENSEE covenants, as a material part of the consideration for this License, to keep and perform each and every term, covenant and condition of said License.
2. **Premises.** LICENSOR does hereby License to LICENSEE the Premises located at 31 West Stuart Avenue, Redlands, California 92373 (APN 0169-281-19) as specifically shown on the "Site Map" attached hereto as Exhibit "A" (the "Premises").
3. **Term.** This License shall commence on November 7, 2007 (the "Commencement Date"). The initial term of this License shall be November 7, 2007 to May 31, 2008 (the "Initial Term"). LICENSEE shall have one (1) option to extend the term for an additional six (6) months (the "Option Term") and thereafter may continue on a month-to-month tenancy basis subject to a thirty (30) day written termination notice by either Party as described herein (the "Holdover Term"). Collectively, the Initial Term, Option Term and Holdover Term shall be the "License Term." At the end of the Initial Term, in the event LICENSEE is not in default of this License, LICENSEE shall have one (1) option to extend the term for an additional six (6) months ("Option") so long as LICENSEE has provided LICENSOR written notice at least thirty (30)

days prior to the expiration of the Initial Term to exercise said Option. The period of June 1, 2008 to November 30, 2008 shall be the "Option Term", if it is exercised pursuant to the above described procedure.

Subsequent to the Initial Term and Option Term, LICENSOR or LICENSEE may terminate this License, without penalty upon thirty (30) calendar day's written notice to the other Party (the "Termination"). Upon termination of this License, LICENSEE shall quit the Premises, remove all of LICENSEE'S personal property and leave the same in a vacant broom clean condition.

4. **Personal Property.** LICENSEE and LICENSOR agree that all personal property on the Premises shall, during the term of this License, remain in the possession of LICENSEE. However, any non-hazardous personal property remaining on the Premises upon Termination (defined in Section 3 hereof) shall be deemed abandoned by LICENSEE and shall become the personal property of LICENSOR who may remove and dispose of said non-hazardous personal property without warranty to LICENSEE. Hazardous personal property on the Premises, if any, shall at all times remain the property of LICENSEE who is solely responsible for its removal from the Premises and legal disposal.

5. **License Fee Payment.** LICENSEE shall deposit with LICENSOR a "Security Deposit" in the amount of One Thousand Five Hundred Dollars (\$1,500) along with last month License fee in an amount One Thousand Five Hundred Dollars (\$1,500) which both shall be placed in the "Security Deposit Fund". LICENSOR is not obligated to earn interest on the Security Deposit Fund. Interest earned on the Security Deposit Fund, if any, shall be the property of LICENSOR. The first month's License fee shall be pro rated for the period of November 7th to November 30th, 2007 which shall be One Thousand Two Hundred Dollars (\$1,200). During the balance of the License Term, LICENSEE shall pay for the licensed Premises a monthly License fee payment in the amount of One Thousand Five Hundred Dollars (\$1,500) on the 1st day of each month in advance. If LICENSEE exercises the month-to-month tenancy, during the License Term, then the Licensee fee payment shall be increased by three (3%) percent every twelve (12) months commencing on the anniversary of the Commencement Date.

LICENSOR shall obtain and receive said License fee payment on the first date of each License fee payment period specified in this Section 5. Said License fee payments shall be paid to LICENSOR, without deduction or offset, in lawful money of the United States of America, at 210 Citrus Avenue, Redlands, California 92373. If LICENSEE selects Termination during either the Initial Term or Option Term, the remaining portion of the License fee payment for that term, if any, shall be due and payable to the LICENSOR within ten (10) calendar days of the Termination.

If upon Termination, LICENSEE abandons any of its non-hazardous personal property, said non-hazardous personal property shall become the personal property of the LICENSOR who may remove and dispose of said non-hazardous personal property without warranty to LICENSEE. In this event, LICENSOR shall charge the Security Deposit Fund the actual reasonable costs of such removal and disposal as well as any other actual reasonable expenses that are the responsibility of the LICENSEE that are unpaid at the time of the Termination. Other expenses may include, but are not limited to unpaid utility bills. If subsequent to paying all such costs there remains a

balance in the Security Deposit Fund, such remaining balance, if any, shall be refunded to LICENSEE within ten (10) calendar days of the final accounting of such costs, but in no event later than thirty (30) days after Termination.

6. **Use.** LICENSEE shall use the Premises for the administration and the storage of equipment and supplies related to LICENSEE'S Primary Business Activities and any lawful activities related thereto. LICENSEE shall not use the Premises for any other purpose without first obtaining written permission to do so from the LICENSOR's Executive Director, or his designee. LICENSOR shall provide LICENSEE appropriate access to the Premises during the hours of 8:00 AM and 5:00 PM, Monday through Friday. LICENSEE shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the Premises or any of its contents, or cause cancellation of any insurance policy covering the Premises or part thereof or portion of its contents. LICENSEE shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of LICENSOR or other parties who may have a rightful interest in the Premises or injure or annoy them or use or allow or permit the Premises to be used for any improper, immoral, unlawful or objectionable purpose. Nor shall LICENSEE cause, maintain or permit any nuisance in or about the Premises. LICENSEE shall not commit or suffer to be committed any waste in or upon the Premises.

7. **Compliance with Law.**

A. LICENSEE shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or other governmental rule or regulation now in force or which may hereinafter be enacted or promulgated. LICENSEE shall, at LICENSEE's sole cost and expense, promptly comply with all laws, statutes, ordinances and other governmental rules, regulations or requirements now in force or which may hereinafter be enacted or promulgated during the License Term, and with the requirements of any board of fire insurance underwriters of other similar bodies now or hereafter constituted during the License Term, relating to, or affecting the condition, use or occupancy of the Premises by LICENSEE. The judgment of a court of competent jurisdiction or the admission by LICENSEE in any action against LICENSEE, whether LICENSOR be a party thereto or not, that LICENSEE has violated any law, statute, ordinance or any other governmental rule or regulation shall be conclusive of that fact as between LICENSOR and LICENSEE.

B. There shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the use, occupancy, tenure, or enjoyment of the Premises herein Licensed nor shall the LICENSEE, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of licensees, lessees, sublessees, sublicensees, or vendees in the Premises herein Licensed.

8. **Alterations and Additions.** LICENSEE shall not make or suffer to be made any alterations, additions or improvements in or to or about the Premises or any part thereof without the prior written consent of LICENSOR. In the event LICENSOR consents to the making of any alterations, additions or improvements to the Premises by LICENSEE, the same shall be made by

LICENSEE at LICENSEE's sole cost and expense, and any contractor or person selected by LICENSEE to make the same must first be approved of, in writing, by LICENSOR, which approval shall not be unreasonably withheld or delayed. Upon the termination of the term hereof, LICENSEE shall, upon written demand by LICENSOR given at least twenty (20) days prior to Termination, at LICENSEE's sole cost and expense, forthwith and with all due diligence remove any alterations, additions, or improvements made by LICENSEE, designated by LICENSOR to be removed, and LICENSEE shall, forthwith and with all due diligence at LICENSEE's sole cost and expense, repair any damage to the Premises caused by such removal.

9. Physical Condition of Premises; Waiver.

A. By taking possession of the Premises, LICENSEE shall be deemed to have accepted the Premises as being in an "AS IS, WHERE IS", condition and repair. Except as provided for herein, LICENSEE shall, at LICENSEE's sole cost and expense, keep the Premises and any part thereof in good condition and repair, reasonable wear and tear excepted. LICENSEE shall, upon the expiration or sooner termination of this License, surrender the Premises to LICENSOR in good condition, reasonable wear and tear excepted. Except as provided for herein, LICENSOR shall have no obligation whatsoever to alter, improve or repair the Premises, or any part thereof, and the Parties hereto affirm that LICENSOR has made no representations to LICENSEE respecting the condition of the Premises except as specifically set forth herein. LICENSEE further agrees that they shall submit to LICENSOR, prior to applying for any permits to renovate, reconstruct, improve, alter or in any way modify the Premises, plans and specifications for LICENSOR's prior written approval, which approval shall not be unreasonably withheld or delayed.

B. Except as set forth in this License, LICENSEE shall not be liable for any failure to make any repairs, or to perform any maintenance upon the Premises. Except as may otherwise be provided herein, there shall be no abatement of rent and no liability of LICENSOR by reason of any injury to or interference with LICENSEE's business arising from the making of any repairs, alterations or improvements in or to any portion of the Premises or in or to any fixtures, appurtenances and equipment therein. LICENSEE hereby specifically waives the right to make repairs at LICENSOR's expense under any law, statute or ordinance now or hereafter in effect.

C. Except as provided for herein, LICENSEE shall accept possession of the Premises, in an "AS IS, WHERE IS" physical condition with no warranty, express or implied, by LICENSOR as to the condition of the Premises.

D. LICENSEE shall defend, indemnify and hold harmless LICENSOR from and against any and all claims, losses, liabilities, damages, demands, actions, judgments, causes of action, assessments, penalties, costs and expenses (including without limitation, the reasonable fees and disbursements of legal counsel, expert witnesses and accountants) and all foreseeable and unforeseeable consequential damages which might arise or be asserted against LICENSOR as a result of a claimed violation by LICENSEE, of any and all present and future federal, state and local laws (whether under common law, statute, rule, regulation or otherwise), including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), 42 U.S.C. §§ 96601 through 96657, inclusive; Transportation of Hazardous Materials and Wastes (HMTA), 49 U.S.C. App. §§ 1801 through 1813, inclusive; the Federal

Resource Conservation and Recovery Act (RCRA), 42 U.S.C. §§ 6901 through 6992, inclusive; 40 C.F.R. Parts 260 through 271, inclusive; the California Hazardous Substance Account Act (HSAA), California Health and Safety Code §§ 25300 through 25395, inclusive; the California Hazardous Waste Control Act (HWCA), California Health and Safety Code §§ 25100 through 25249, inclusive; the Porter-Cologne Water Quality Control Act, California Water Code §§ 13000 through 13999.16, inclusive; and the Underground Storage Tank Act (USTA), California Health and Safety Code §§ 24280 through 24299.7, inclusive, all as the same may be amended from time to time, relating to the environment or to any hazardous substance, activity or material connected with the condition of the Premises, to the extent caused by LICENSEE's use and occupancy thereof during the term of this License.

LICENSOR shall defend, indemnify and hold harmless LICENSEE from and against any and all claims, losses, liabilities, damages, demands, actions, judgments, causes of action, assessments, penalties, costs and expenses (including without limitation, the reasonable fees and disbursements of legal counsel, expert witnesses and accountants) and all foreseeable and unforeseeable consequential damages which might arise or be asserted against LICENSEE as a result of a claimed violation by LICENSOR, of any and all present and future federal, state and local laws (whether under common law, statute, rule, regulation or otherwise), including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), 42 U.S.C. §§ 9601 through 9657, inclusive; Transportation of Hazardous Materials and Wastes (HMTA), 49 U.S.C. App. §§ 1801 through 1813, inclusive; the Federal Resource Conservation and Recovery Act (RCRA), 42 U.S.C. §§ 6901 through 6992, inclusive; 40 C.F.R. Parts 260 through 271, inclusive; the California Hazardous Substance Account Act (HSAA), California Health and Safety Code §§ 25300 through 25395, inclusive; the California Hazardous Waste Control Act (HWCA), California Health and Safety Code §§ 25100 through 25249, inclusive; the Porter-Cologne Water Quality Control Act, California Water Code §§ 13000 through 13999.16, inclusive; and the Underground Storage Tank Act (USTA), California Health and Safety Code §§ 24280 through 24299.7, inclusive, all as the same may be amended from time to time, relating to the environment or to any hazardous substance, activity or material connected with the condition of the Premises prior to and subsequent to the term of the License.

This environmental indemnity shall survive the expiration or termination of this License.

E. LICENSOR shall, upon request and at LICENSEE's cost, provide to LICENSEE copies of all reports, studies, surveys and other data and information on the Premises that is now available to LICENSOR. LICENSOR represents that it has no information disclosable pursuant to California Health and Safety Code § 25359.7(a).

10. **Claims Against Premises.** LICENSEE shall not suffer or permit to be enforced against the Premises, or any part thereof, any mechanic's, materialman's, contractor's or subcontractor's liens arising from, of any claim for any work of construction, repair, restoration, replacement or improvement of or to the Premises or any other claim or demand howsoever the same may arise, but LICENSEE shall pay or cause to be paid any and all such claims or demands before any action is brought to enforce the same against the Premises. LICENSEE shall defend, indemnify and hold LICENSOR and the Premises free and harmless of all liability for any and all such claims and demands, together with LICENSOR's reasonable attorneys' fees and all costs and expenses in connection therewith.

11. **Utilities.** LICENSEE shall pay the cost of any and all water, electrical, gas or other utility services delivered to the Premises during the term hereof and shall have such utilities installed and/or connected and maintained at LICENSEE's sole cost and expense.
12. **Taxes.** LICENSEE shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed for the License Term, and which become payable during the term hereof upon all of LICENSEE's possessory interest in and to the Premises, Licensehold improvements, equipment, furniture fixtures and personal property located in or about the Premises. LICENSEE agrees that, without prior demand or notice by LICENSOR, LICENSEE shall, not less than fifteen (15) days prior to the day upon which any such possessory interest or other such tax is due, provide LICENSOR with proof of payment of such tax.
13. **Rules and Regulations.** LICENSEE shall faithfully observe and comply with all the rules and regulations that reasonably relate to the use and occupancy of the Premises that LICENSOR shall from time to time promulgate, which LICENSEE shall be afforded proper notice of. LICENSOR reserves the right from time to time to make all reasonable modifications to said rules and regulations. The additions and modifications to those rules and regulations shall be binding upon LICENSEE upon delivery of a copy thereof to LICENSEE.
14. **Entry by LICENSOR.** LICENSEE hereby agrees that representatives of the LICENSOR have the right to enter the Premises at any time if LICENSOR in good faith believes it is necessary to inspect the same to determine if the same complies with each and every term and condition of this License and with all applicable City, County, State and Federal laws, rules, ordinances and regulations relating to building occupancy and the conduct of LICENSEE's business. To the extent possible, LICENSOR agrees to limit such entrance so as to minimize any interference with LICENSEE's business and to provide LICENSEE with twenty-four (24) hours advance notice thereof. LICENSOR shall indemnify, defend, and hold LICENSEE harmless from and against any claim for damages or for any injury and any loss occasioned thereby. For each of the aforesaid purposes, LICENSOR shall at all times have and retain a key with which to unlock all of the gates/doors in, upon and about the Premises, and LICENSOR shall have the right to use any and all means which LICENSOR may deem proper to open said gates/doors in an emergency, in order to obtain entry to the Premises without liability to LICENSEE except for any failure to exercise due care for LICENSEE's property. Any entry to the Premises obtained by LICENSOR by any of said reasons, or otherwise, shall not, under any circumstances, be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of LICENSEE from the Premises or any portion thereof.
15. **Default.** The occurrence of any one or more of the following events shall constitute a default and breach of this License by LICENSEE:
- A. Vacating or abandonment of the Premises by LICENSEE;
 - B. Use of the Premises not previously authorized by LICENSOR;
 - C. The failure by LICENSEE to make any payment of rent or any other payment required to be made by LICENSEE hereunder, as and when due, where such failure shall

continue for a period of three (3) days after written notice thereof by LICENSOR to LICENSEE;

D. A failure by LICENSEE to observe or perform any of the covenants, conditions or provisions of this License to be observed or performed by LICENSEE, other than as described in subparagraph 15.C., above, where such failure shall continue for a period of twenty (20) days after written notice thereof by LICENSOR to LICENSEE; provided, however, that if the nature of the default involves such that more than thirty (30) days are reasonably required for its cure, then LICENSEE shall not be deemed to be in default if LICENSEE commences such cure within such thirty (30) day period and thereafter diligently prosecutes said cure to completion; or

E. The making by LICENSEE of any general assignment or general arrangement for the benefit of creditors, or the filing by or against LICENSEE of a petition to have LICENSEE adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against LICENSEE, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of LICENSEE's assets located in or about the Premises or of LICENSEE's interest in this License, where possession is not restored to LICENSEE within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of LICENSEE's assets located in or about the premises or of LICENSEE's interest in this License, where such seizure is not discharged in thirty (30) days.

16. Remedies in Default. In the event of any such material default of breach by LICENSEE, LICENSOR may at any time thereafter and without notice or demand and, without limiting LICENSOR in the exercise of a right or remedy LICENSOR may have by reason of such default or breach:

A. Terminate LICENSEE's right to possession of the Premises by any lawful means, in which case this License shall terminate and LICENSEE shall immediately surrender possession of the Premises to LICENSOR. In such event, LICENSOR shall be entitled to recover from LICENSEE all damages incurred by LICENSOR by reason of LICENSEE's default including, but not limited to, the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, for reasonable attorneys' fees and costs, any real estate commission actually paid, or the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss for the same period that LICENSEE proves could be reasonably avoided. Unpaid installments of rent or other sums shall bear interest from due date thereof at the rate of eighteen percent (18%) per annum or at the maximum legal rate then in effect in California, whichever is higher. In the event LICENSEE shall have abandoned the Premises, LICENSOR shall have the option of (1) taking possession of the Premises and recovering from LICENSEE the amount specified in this subparagraph, or (2) proceeding under the provisions of the following subparagraphs.

B. Maintain LICENSEE's right to possession, in which case this License shall continue in effect whether or not LICENSEE shall have abandoned the Premises. In such event, LICENSOR shall be entitled to enforce all of LICENSOR's rights and remedies under this License, including the right to recover rent as it becomes due hereunder.

C. Pursue any other remedy now or hereafter available to LICENSOR under the laws or judicial decisions of the State of California. Furthermore, LICENSEE agrees that no election by LICENSOR as to any rights or remedies available hereunder or under or pursuant to any law or judicial decisions of the State of California shall be binding upon LICENSOR until the time of trial of any such action or proceeding.

17. **Offset Statement.** LICENSEE shall, at any time and from time to time upon not less than ten (10) days' prior written notice from LICENSOR, execute, acknowledge and deliver to LICENSOR a statement in writing (a) certifying that this License is unmodified and in full force and effect or, if modified, stating the nature of such modification and certifying that this License, as so modified, is in full force and effect and the date to which the rental and other charges are paid in advance, if any, and (b) acknowledging that there are not, to LICENSEE's knowledge, any uncured defaults on the part of LICENSOR hereunder, or specifying such defaults if any are claimed. Any such statement shall state that it may be relied upon by any prospective purchaser or encumbrancer of all or any portion of which the Premises are a part.

18. **Assignment and Subletting.** LICENSEE shall not assign or transfer this License or any right hereunder to any other person or entity nor shall LICENSEE sublet all or any portion of the Premises without first obtaining the written consent of LICENSOR, which consent shall not be unreasonably withheld or delayed. Any assignment or subletting of the Premises without such prior written consent shall be void for all purposes and LICENSOR may, at its option, declare a forfeiture of the same in any manner provided by law. Consent to any such assignment or subletting shall be at LICENSOR's sole discretion and LICENSOR is not required hereunder to consent to any such proposed assignment of subletting of the Premises.

19. **Fixtures.** All trade fixtures and/or temporary facilities installed on the Premises by LICENSEE may be removed by LICENSEE at any time during the term of this License so long as the same may be removed without permanent damage to the Premises. LICENSEE shall repair all damage which may result therefrom to the reasonable satisfaction of LICENSOR.

20. **Indemnification.** During the Term of this License, LICENSEE shall indemnify, defend and hold LICENSOR and its appointees, officials, officers, agents and employees harmless from all claims, disputes, litigation, judgments, damages, causes of action, investigation costs and attorneys' fees arising out of or in connection with LICENSEE's use and/or occupancy of the Premises; provided, however, this indemnity shall not cover any of the foregoing that are caused by LICENSOR's negligence or willful misconduct. The obligations of LICENSEE described in this Section 20 shall survive any expiration or termination of the License.

21. **Insurance.**

A. **Commercial General Liability Insurance.** Throughout the term hereof, at LICENSEE's sole cost and expense, LICENSEE shall keep or cause to be kept in full force and effect, for the mutual benefit of LICENSEE, and LICENSOR as an additional insured, commercial general liability insurance against claims and liability for personal injury, death, or property damage arising from the use, occupancy, disuse, or condition of the Premises, improvements, or adjoining areas or ways, providing protection of at least Two Million Dollars (\$2,000,000.00) per occurrence for bodily injury or death, and at least Five Hundred Thousand

Dollars (\$500,000.00) for property damage. Any policies containing an annual general aggregate shall be subject to LICENSOR's prior approval.

B. Policy Form, Contents and Insurer. All insurance required by express provision of this License shall be carried only in responsible insurance companies licensed to do business in the State of California with a current A.M. Best rating of no less than A:VII. All such policies shall contain language to the effect that: (1) the policies are primary and noncontributing with any insurance that may be carried by LICENSOR; (2) they cannot be canceled or materially altered except after thirty (30) days' notice by the insurer to LICENSOR; (3) the Redevelopment Agency of the City of Redlands and the City of Redlands, and each of Agency's and City's elected and appointed officials, officers and employees are additional insureds; (4) any failure by LICENSEE to comply with reporting or other provisions of the policies including breaches of warranties shall not affect the required coverage; and (5) the required insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. LICENSEE shall furnish LICENSOR with copies of all certificates and endorsements evidencing the insurance. LICENSEE may effect for its own account any insurance not required under this License.

C. Failure to Maintain Insurance; Proof of Compliance. LICENSEE shall deliver to LICENSOR, in the manner required for notices, copies of endorsements to all insurance policies required by this License, within the following time limits: (1) For insurance required at the commencement of this License, within ten (10) days after Effective Date of this License and prior to LICENSEE's occupancy of the Premises; (2) For insurance becoming required at a later date, at least ten (10) days before that requirement takes effect, or as soon thereafter as the requirement, if new, takes effect; (3) For any renewal or replacement of a policy already in existence, prior to expiration or other termination of the existing policy.

If LICENSEE fails or refuses to procure or maintain insurance as required by this License, or fails or refuses to furnish LICENSOR with required proof that the insurance has been procured and is in full force and paid for, LICENSOR shall have the right, at LICENSOR's election and on five (5) days' notice, to procure and maintain such insurance. The premiums paid by LICENSOR shall be treated as added rent due from LICENSEE with interest at the rate of eighteen percent (18%) per year or the maximum allowable legal rate in effect in the State of California on the date when the premium is paid, whichever is higher, to be paid on the first day of the month following the date on which the premium was paid. LICENSOR shall give LICENSEE prompt notice and provide LICENSEE with a certificate of insurance and agent's invoice evidencing payment of such premiums, stating the amounts paid and the names of the insurer or insurers, and interest shall run from the effective date of coverage.

22. Authority of Parties. Each individual executing this License on behalf of LICENSEE represents and warrants that he or she is fully authorized to execute and deliver this License on behalf of LICENSEE and that this License is binding upon LICENSEE in accordance with its terms.

23. Waiver. No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any other breach of the same or any other provision hereof. The waiver by LICENSOR of any term, covenant or condition

herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by LICENSOR shall not be deemed to be a waiver of any preceding breach by LICENSEE of any term, covenant or condition of this License, other than the failure of the LICENSEE to pay the particular rental so accepted, regardless of LICENSOR's knowledge of such preceding breach at the time of acceptance of such rent.

24. **Time.** Time is of the essence of this License and each and all of its provisions in which performance is a factor.

25. **Inability to Perform.** This License and the obligations of either Party hereunder shall not be affected or impaired because the other Party is unable to fulfill any of obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, war, civil insurrection, acts of God, or any other cause beyond the reasonable control of the nonperforming Party.

26. **Sale of Premises by LICENSOR** In the event of any sale of the Premises, LICENSOR shall be and hereby is entirely freed and relieved of all liability under any and all of the covenants and obligations contained in or derived from this License arising out of any act, occurrence or omission occurring after the consummation of such sale. The purchaser, at such sale or any subsequent sale of the Premises, shall be deemed, without any further agreements between the Parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out each and all of the covenants and obligations of LICENSOR under this License. Notwithstanding the foregoing, upon the request of LICENSEE, LICENSOR shall provide an assignment and assumption agreement signed by its successor in interest acknowledging and agreeing to assume all of LICENSOR's obligations under this License.

27. **Signs.** LICENSEE shall not place any sign upon the Premises without LICENSOR's prior written consent and approval thereof. Further, such signs, if any, shall conform to the sign requirements of the City of Redlands.

28. **Performance Bond.** Prior to the commencement of any repair, alteration, addition, renovation or improvement as may be required or permitted herein pursuant to Section 8 of this License, LICENSEE shall file with LICENSOR a corporate surety bond satisfactory to LICENSOR's General Counsel and conditioned that the LICENSEE shall well and truly observe, fulfill and perform each and every repair, alteration, addition, renovation or improvement as determined by LICENSOR's Executive Director, whose decision shall be final. In the event of any breach of any condition of the aforesaid bond, the whole amount of the penal sum therein named shall be deemed to be liquidated damages, and the same shall be recoverable from the principal and sureties upon the bond. Upon completion of the repairs, alterations, additions, renovation or improvements secured by said corporate surety bond, LICENSEE may apply to LICENSOR's Executive Director for a reduction in the penal sum of said bond and said Executive Director, upon satisfactory proof presented to him or her, shall reduce the penal sum thereof to an amount not exceeding fifty percent (50%) of the reasonable value of said repairs, alterations, additions, renovation or improvements. Said bond, as reduced in the penal sum thereof, shall be maintained in full force and effect until the time for the filing or enforcement of

any mechanic's, materialman's, contractor's or subcontractor's liens arising from, or any claim for any work of repair, alteration, addition, renovation or improvement of or to the Premises or any other claim or demand howsoever the same may arise shall have expired. In no event, however, shall LICENSEE's obligation to indemnify and hold LICENSOR and the Premises free and harmless from any such claims and demands be abrogated by this requirement for the maintenance of said corporate surety bond.

29. **Salvage.** LICENSEE and LICENSOR hereby agree that all items of non-hazardous personal property remaining upon the Premises subsequent to Termination shall be deemed to be the property of the LICENSOR. Thereafter, LICENSEE shall not have any right to such personal property.

30. **Successors.** Subject to the provisions of this License with respect to assignment and subletting, each and all of the covenants and conditions of this License shall be binding on and shall inure to the benefit of the successors of the respective Parties.

31. **Notices.** Any notice required or permitted under the terms of this License shall be deemed served when personally served on LICENSEE or LICENSOR or when the same has been placed in the United States mail, postage prepaid and addressed as follows:

LICENSOR: The Redevelopment Agency of the City of Redlands
 Attention: Redevelopment Director
 35 Cajon Street, Suite 204
 Post Office Box 3005
 Redlands, California 92373

LICENSEE: William and Crystal Wyatt
 Doing Business As Wyatt Video
 P. O. Box 2008
 Running Springs, California 92382

32. **Administration of License.** This License shall be administered by the LICENSOR's Executive Director, or his designee, following approval of this License by the LICENSOR's Board. The LICENSOR's Board shall maintain authority over this License through the Executive Director (or his authorized representative). The Executive Director, or his designee, shall have the authority to issue interpretations, waive provisions and enter into amendments of this License on behalf of the LICENSOR so long as such actions do not substantially change the uses or development permitted on the Premises, or add to the costs of the LICENSOR as specified herein or as agreed to by the LICENSOR's Board, and such amendments may include extensions of time specified with respects to actions specified herein. All other waivers or amendments shall require the written consent of the LICENSOR's Board.

33. **Severability.** In the event that any provision of this License is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this License and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

34. **Interpretation.** No provision of this License is to be interpreted for or against either Party because that Party or that Party's legal representative drafted such provision, but this License is to be construed as if both Parties drafted such provision.

35. **Audit.** LICENSOR may audit LICENSEE's activities on the Premises pursuant to this License at any time with respect to LICENSEE's operations pursuant to this License. Said auditing shall be conducted on the Premises during normal business hours (i.e., 8:00 AM to 5:00 PM, Monday through Friday, except on national holidays)..

36. **Disputes - Attorney's Fees.** If either Party to this License is required to initiate or defend litigation in any way connected with this License, the prevailing Party in such litigation, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, including the use of in-house counsel by a Party.

37. **Post-acquisition Status/Ineligibility for Relocation Benefits.** LICENSEE acknowledges and agrees that LICENSEE is a post-acquisition tenant of LICENSOR as regards LICENSEE's participation in this License. LICENSEE represents that LICENSEE has read the following and understands that as a post-acquisition tenant, LICENSEE is not eligible for relocation assistance and benefits from LICENSOR. LICENSEE agrees and acknowledges that LICENSEE is not eligible for relocation rights pursuant to § 6034(b)(1) of Title 25 of the California Code of Regulations, which reads:

“(b)(1) Post-acquisition tenants, those who lawfully occupy property only after a public entity acquires it, or who lawfully occupy property after the private acquisition of property by a person with a written agreement with a public entity for the purpose of financing the purchase or development of the property, are not eligible for assistance and benefits other than advisory assistance to the extent determined by the displacing agency. A public entity shall inform prospective tenants regarding the projected date of displacement and periodically, should inform post-acquisition tenants of any changes in this projection.”

LICENSEE acknowledges and agrees that LICENSOR has adopted either § 6034(b)(1) or substantial equivalent and upon such authority LICENSEE is not eligible for relocation assistance and benefits.

38. **Entire Agreement.** This License contains the entire agreement between the Parties as to the matters contained herein. No promise, representation, warranty, or covenant not included in this License has been or is relied on by either Party. Each Party has relied on its own examination of this License, the counsel of its own advisors, and the warranties, representations, and covenants in the License itself. The failure or refusal of either Party to inspect the Premises or improvements, to read the License or other documents or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice.

WHEREFORE, the Parties hereto have entered into the License effective as of the date first above written.

LICENSEE:

William and Crystal Wyatt

By: William Wyatt
William Wyatt

By: Crystal Wyatt
Crystal Wyatt

LICENSOR:

**THE REDEVELOPMENT AGENCY
OF THE CITY OF REDLANDS,**
a public body, corporate and politic

By: Jon Harrison
Jon Harrison, Chairman

ATTEST:

By: Lorrie Poyzer
Lorrie Poyzer, Agency Secretary

EXHIBIT "A"

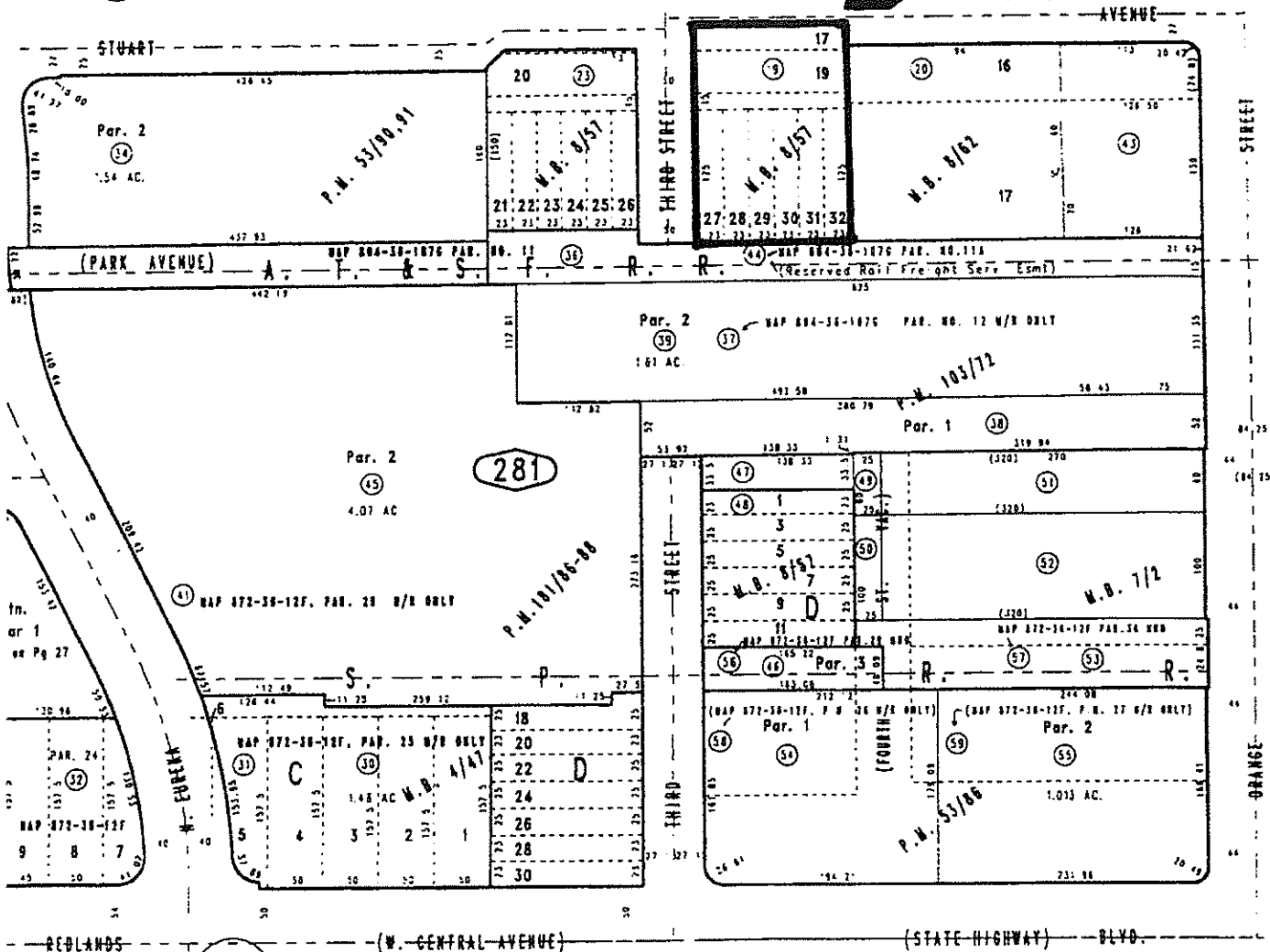
SITE MAP

Licensed Premises

Ptn. Rancho San Bernardino, M.B. 7/2

Redlands City
Tax Rate Area
5002

0169 - 28



0171
05

Parcel Map No. 4650, P.M. 53/86
Pin Central Townsite, M.B. 8/57
Pin Parcel Map No. 9560, P.M. 103/72 Ptn., Sec. 27
Pin Parcel Map No. 5659, P.M. 53/90-91 T.1S., R.3W.

Assessor's Map
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San Bernardino County

8/62
in S.B. M.B. 4/47
891, P.M. '8/86-88

REV
11/06