

AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS ("Agreement"), dated October 4, 2005 ("Effective Date"), is made and entered into by and between the City of Redlands, a municipal corporation ("Buyer"), and Tony Louka and Brenda Evans-Louka ("Sellers") who are sometimes individually referred to herein as a "Party," and collectively, as the "Parties."

RECITALS

A. Whereas, Sellers own certain real property located at 306 Edgemont Drive in the City of Redlands which is designated as County of San Bernardino Assessor's Parcel Number 0294-161-08 (the "Property") and

B. Whereas, Sellers agree to sell to Buyer and Buyer agrees to purchase from Sellers an exclusive easement (the "Easement") for public access and utilities in, over and under the northeast portion of the Property, subject to the terms and conditions contained herein, and as further described in Exhibit "A" and shown on the map in Exhibit "B of the attached Easement deed,"

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

AGREEMENT

1. PURCHASE PRICE

The total price for the Easement to be paid at Close of Escrow shall be Six Thousand (\$6,000.00) Dollars (the "Purchase Price").

2. TITLE TO PROPERTY

Sellers shall, at Close of Escrow, by grant of the Easement document in the form attached hereto, convey the Easement to Buyer free and clear of any existing liens or encumbrances upon the title of the Property, as evidence by a standard form C.L.T.A. standard coverage policy of title insurance in an amount equal to the Purchase Price of the Easement issued by Commonwealth Land Title Company (the "Title Company") showing title vested in Buyer, subject to the exceptions to title approved by Buyer pursuant to Section 3.1 below.

3. CONDITIONS OF PURCHASE

Buyer's obligation to purchase the Easement shall be subject to the satisfaction of the following conditions, which are for Buyer's benefit only. In the event any of the following contingencies are not satisfied within the specified time limits, Buyer may, at its sole option, either waive such conditions or terminate this Agreement.

3.1 Approval of Title. Promptly after execution of this Agreement by Sellers and Buyer, Escrow Holder shall deliver to Buyer a current preliminary title report ("PTR"), including documents referred to therein, covering the Property and the Easement from the Title Company. Buyer shall have ten (10) business days after the date of Title Company's provision of the PTR to Buyer to approve or disapprove the status of title to the Property and the Easement as disclosed in the PTR and related documents. Any disapproval of status of title shall be within the reasonable discretion of Buyer and shall be limited to monetary encumbrances and covenants, conditions, restrictions and easements of record which adversely affect the Buyer's intended use of the Easement. Any exception not disapproved in writing within the ten (10) business day period shall be deemed approved by Buyer, and shall constitute a permitted exception hereunder. Any objection to a title exception by Buyer shall be made in writing to Sellers, and Sellers shall thereafter have five (5) business days within which to use reasonable efforts to cure or to provide assurance of the cure of the title defect and cause such item to be removed from the title policy to be issued at Close of Escrow. The term "reasonable efforts," as used in this Paragraph 3.1, shall not include any obligation of Sellers to expend any money or commence any legal action to correct any exceptions within the three (3) day period. Sellers shall notify Buyer, in writing, of any disapproved title exceptions which Sellers are unable to cause to be removed prior to or at Close of Escrow. Buyer shall, within five (5) business days thereafter, elect by giving written notice to Sellers and Escrow Holder (i) to terminate this Agreement, or (ii) to waive its disapproval of such exceptions, in which case such exceptions shall then be deemed to be permitted exceptions. Buyer's failure to give such notice shall be deemed an election to terminate this Agreement. In the event Buyer elects to terminate this Agreement, the Parties shall be relieved from any further liabilities and obligations under this Agreement.

3.2 Inspections. With the prior written consent of Sellers, which consent shall not be unreasonably withheld, Buyer shall have the right to physically inspect and perform tests, including environmental investigations, zoning and economic feasibility and suitability studies (hereinafter collectively "Inspections") on the Property as Buyer deems necessary. All Inspections shall be done at Buyer's sole cost and expense. Within ten (10) days of the completion of such Inspections, the Property shall be returned to its original condition. Buyer shall have the right, in the exercise of its good faith discretion, to approve or disapprove of the condition of the Property and the Easement as disclosed in such Inspections within thirty (30) days from the opening of escrow. Any disapproval of the condition of the Property and the Easement shall be in writing and given to Sellers within such thirty(30) day period. In the event Buyer does not disapprove the condition of the Property and the Easement within the thirty (30) day period, this condition shall be deemed waived. In the event Buyer disapproves the condition of the Property and the Easement within the thirty (30) day period, this

Agreement shall terminate and the Parties shall be relieved from any further liabilities and obligations under this Agreement.

4. ESCROW

4.1 Opening. The purchase and sale of the Property shall be completed through an escrow ("Escrow") to be opened at Guardian Escrow (the "Escrow Holder"). Within five (5) days after the Sellers' execution of this Agreement, Sellers shall deposit with the Escrow Holder one fully executed counterpart of this Agreement, which shall constitute the Purchase Agreement and Escrow Instructions along with any additional escrow instructions executed by the Parties pursuant to Section 4.4 of this Agreement. The date of delivery to Escrow Holder of such fully executed counterpart shall be deemed the opening of escrow ("Opening of Escrow") and Escrow Holder shall notify Buyer and Sellers in writing of the Opening of Escrow date, the date set for Close of Escrow, and its acceptance of the escrow instructions.

4.2 Closing. Escrow shall close, if at all, on or before November 30, 2005.

4.3 Costs. Except as otherwise expressly provided for herein, Buyer shall pay Escrow fee and all of any such other costs and charges normally paid in an escrow closing in San Bernardino County. Buyer shall also pay the fees to record the Easement deed.

4.4 Additional Documents. Buyer and Sellers shall execute such additional Escrow instructions as Escrow Holder may reasonably require to act as Escrow Holder, but in no event shall the Escrow instructions increase the rights of one party against the other party hereto or modify the terms and conditions of this Agreement.

4.5 Delivery of Documents. Escrow Holder shall prepare the Easement Deed and Buyer shall deliver the total Purchase Price to Escrow Holder at least one (1) business day prior to the Close of Escrow.

5. SELLERS' REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS

Sellers hereby make the following representations, warranties and acknowledgments and agrees that such representations, warranties and acknowledgments shall survive the Close of Escrow.

5.1 Sellers have full right, power, and authority to execute this Agreement and to convey title to the Easement to Buyer as provided herein.

5.2 Sellers are not foreign persons under Section 1445 Internal Revenue Code and will execute a Certificate of Non-foreign status and deposit the same into the Escrow prior to Close of Escrow.

5.3 This Agreement has been duly approved and executed by Sellers and constitutes the valid and binding Agreement of Sellers enforceable against Sellers in accordance with its terms.

6. BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations, warranties and acknowledgments and agrees that such representations, warranties and acknowledgments shall survive Close of Escrow.

6.1 Buyer hereby represents and warrants that the person executing this Agreement has the full authority and power to enter into this Agreement on behalf of Buyer to purchase the Property from Sellers, and to take all actions required of it by the terms of this Agreement.

6.2 All the documents executed by Buyer which are to be delivered to Sellers at Close of Escrow shall be duly authorized, executed and delivered by Buyer and shall be legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms, and shall not violate any agreement to which Buyer is a party or to which it is subject.

6.3 That (i) prior to Close of Escrow, Buyer will have had the opportunity to investigate all physical, land use and economic aspects of the Property and to make all inspections and investigations of the Property which Buyer deems necessary or desirable to protect its interest in acquiring the Property, including, without limitation, environmental audits and assessments, toxic reports, surveys, investigation of land use and development rights, development restrictions and conditions that are or may be imposed by governmental agencies, soils and geological reports, engineering and structural tests, insurance contracts, cost to complete studies, governmental agreements and approvals, and (ii) Sellers, nor anyone acting for or in behalf of Sellers, has made any representation, warranty, promise or statement, express or implied, to Buyer, or to anyone acting for or on behalf of Buyer, concerning the Property or the use thereof. Buyer further represents and warrants that all matters concerning the Property have been or shall be independently verified by Buyer prior to Close of Escrow, and that Buyer shall purchase the Property on Buyer's own prior investigations and examination of the Property (or Buyer's election not to do so);

7. SELLER'S ACKNOWLEDGMENT OF FULL BENEFITS AND RELEASE.

A. By execution of this Agreement, Sellers, in behalf of themselves, their heirs, executors, administrators, successors and assigns, hereby acknowledge that this Agreement provides full payment for the acquisition of the Easement by Buyer, and Sellers hereby expressly and unconditionally waive any claims for damages, relocation assistance benefits, severance damages, interest, loss of goodwill, claims for inverse condemnation or unreasonable precondemnation conduct, or any other compensation or benefits other than as already expressly provided for in this Agreement, it being understood that this is a complete and full settlement of all acquisition claims, liabilities and benefits of any type or nature whatsoever relating to, or in connection with, Buyer's acquisition of the Easement.

B. This Agreement arose out of Buyer's efforts to acquire the Easement through its municipal authority. Sellers, in behalf of themselves, their heirs, executors, administrators, successors and assigns, hereby fully release Buyer, its successors, agents, representatives (including attorneys), and assigns, from all claims and causes of action by reason of any damage which has been sustained, or may be sustained, arising out of or related to Buyer's efforts to acquire the Easement.

Sellers hereby acknowledge that they have been advised by their attorneys concerning, and that Sellers are familiar with, the provisions of California Civil Code section 1542 which provides as follows:

"A general release does not extend to claims which the Creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Sellers acknowledge that they may have sustained damage, loss, costs or expenses which are presently unknown and unsuspected, and such damage, loss, costs or expenses which may have been sustained, may give rise to additional damage, loss, costs or expenses in the future. Nevertheless, Sellers hereby acknowledge that this Agreement has been negotiated and agreed upon in light of that situation, and hereby expressly waive any and all rights which they may have under California Civil code section 1542, or under any statute or common law or equitable principal of similar effect.

This acknowledgment and release shall survive the Close of Escrow.

8. NOTICE

Unless otherwise provided herein, any notice, tender, or delivery to be given hereunder by either Party to the other may be effected by personal delivery in writing or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed communicated upon delivery or as of mailing. Mailed notices shall be addressed as set forth below, but each Party may change its address by written notice in accordance with this Section.

Sellers:
Tony Louka and Brenda Evans-Louka
306 Edgemont Drive
Redlands, CA 92373

Buyer:
City Manager
City of Redlands
PO Box 3005
Redlands, CA 92373

9. GENERAL PROVISIONS

9.1 Entire Agreement. This Agreement supersedes any and all prior oral or written agreements between the parties hereto relating to the purchase and sale of the Property and contains

the entire agreement of the Parties as to the matters covered hereby. No other agreement, statement or promise made by any Party or to any employee, officer or agent of any Party to this Agreement shall be binding, except a subsequent amendment to this Agreement, in writing, executed by the Parties. All obligations of Buyer and Sellers under this Agreement and the Escrow shall be joint and several.

9.2 Time is of the Essence. Time is of the essence of this Agreement and the Escrow referred to herein.

9.3 Buyer's Performance. Close of Escrow and performance of any duty imposed on Buyer by this Agreement is conditioned on Sellers' full performance of all duties imposed on Sellers in this Agreement.

9.4 Sellers' Performance. Close of Escrow and performance of any duty imposed on Sellers by this Agreement is conditioned on Buyer's full performance of all duties imposed on Buyer in this Agreement.

9.5 Counterparts. This Agreement may be executed in any number of counterparts each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument.

9.6 Successors and Assigns. This Agreement shall inure to the benefit of and be binding on the Parties to this Agreement, their respective heirs, assigns and other successors in interest; however, no such assignment shall release or relieve Buyer from any obligations or liabilities under this Agreement.

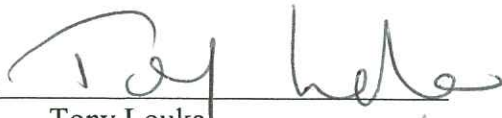
9.7 Attorneys' Fees. In the event any action is commenced to enforce or interpret the terms or conditions of this Agreement the prevailing Party shall, in addition to any costs or other relief, be entitled to recover its reasonable attorneys' fees, including fees for in-house counsel of the Parties at rates prevailing in San Bernardino County, California.

9.8 Amendment. Any amendment to this Agreement shall be in writing and executed by the Parties.

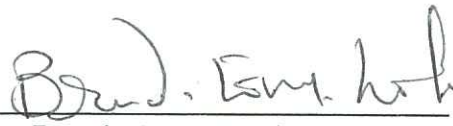
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IN WITNESS WHEREOF, the Parties hereto executed this Agreement on the dates set forth opposite their respective signatures hereto.

SELLERS:

By: 
Tony Louka

Executed this 30th day of September, 2005
at Redlands, California

By: 
Brenda Evans-Louka

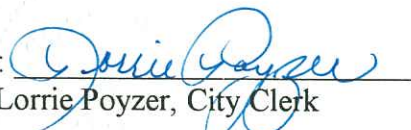
Executed this 30th day of September, 2005
at Redlands, California.

BUYER: CITY OF REDLANDS

By: 
Susan Pepler, Mayor

Executed this 4th day of October, 2005
at Redlands, California

ATTEST:

By: 
Lorrie Poyzer, City Clerk

RECORDING REQUESTED BY:
COMMUNITY DEVELOPMENT
DEPARTMENT
CITY OF REDLANDS

WHEN RECORDED, RETURN TO:
CITY CLERK'S OFFICE
CITY OF REDLANDS
P. O. BOX 3005
REDLANDS CA 92373

(THIS SPACE FOR RECORDER'S USE ONLY)

EASEMENT DEED FOR ROADWAY AND UTILITIES PURPOSES

For valuable consideration, receipt of which is hereby acknowledged Tony Louka and Brenda Evans-Louka, husband and wife as joint tenants, hereby grant to the City of Redlands, a municipal corporation and political subdivision of the State of California, and its successors and assigns ("City"):

(1) an irrevocable, exclusive, permanent and perpetual easement, together with the right to forever maintain, operate, improve, alter, relocate, reconstruct, inspect, repair, occupy and use and otherwise install necessary or convenient appurtenances therefor, for the construction and maintenance of public and private above ground and underground utility facilities as determined reasonable or necessary by the City, together with all rights of ingress and egress; and

(2) an irrevocable, exclusive, permanent and perpetual easement, together with the right to construct, operate, maintain, replace and renew a street and roadway, and otherwise install necessary or convenient appurtenances therefor, for street and roadway purposes, including ingress and egress for vehicular and/or pedestrian and other traffic;

in, over and under that certain real property ("Easement Area") described on Exhibit "A" and shown on Exhibit "B" attached hereto.

Executed on October ____, 2005

By: _____
Tony Louka

Brenda Evans-Louka

Exhibit "A"

A PORTION OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 11, TOWNSHIP 2 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 11, SAID CORNER ALSO BEING THE NORTHWESTERLY CORNER OF PARCEL MAP NO. 8226, AS PER PARCEL MAP BOOK 91, PAGES 25 AND 26, RECORDS OF SAID COUNTY;

THENCE ALONG THE EAST LINE OF SAID WEST ONE-HALF SOUTH 0°22'28" EAST 11.51 FEET TO THE TRUE POINT OF BEGINNING; SAID EAST LINE ALSO BEING THE WEST PARCEL BOUNDARY OF SAID PARCEL MAP NO. 8226;

THENCE CONTINUING ALONG SAID EAST LINE SOUTH 0°22'28" EAST 57.41 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL MAP NO. 8226;

THENCE ON A LINE PERPENDICULAR TO SAID EAST LINE SOUTH 89°37'32" WEST 21.83 FEET TO THE EASTERLY RIGHT-OF-WAY OF EDMONT DRIVE, 50 FEET WIDE, AS SHOWN ON AMENDED TRACT NO. 13103, RECORDED IN MAP BOOK 225, PAGES 69-72, RECORDS OF SAN BERNARDINO COUNTY;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY NORTH 01°19'42" EAST 57.44 FEET; THENCE NORTH 89°37'32" EAST 20.12, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

DESCRIBED AREA CONTAINS 1,204 SQUARE FEET.



CARSON L. STORER, P.L.S.
EXPIRATION DATE: JUNE 30, 2006

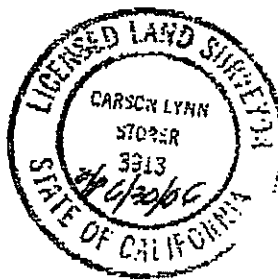


Exhibit "B"

P.O.C.
N.E. Corner of west one-half
of the N.E. one-quarter of the
Northeast one-quarter of sec. 11,
T2S, R3W, SBBM

**Parcel Map 8226
PMB 91/25-26
Parcel
4**

T.P.O.B.

Scale: 1" = 10'

Edgemont Dr.

69.38

N 1°19'42"E

57.44

**Area
of
Description**

57.41

S 0°22'28"E

68.92

Edge Fair Lane

**East Right-Of-Way
of Edgemont Drive**

21.83

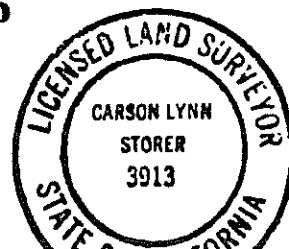
S 89°37'32"W

**Basis of bearing being
the west line of Parcel 4
Parcel Map 8226 PMB 91/25-26
being S 0°22'28"E.**

**SW Corner
Parcel Map
8226**

Lot 8

MB 225 Pg. 69-72



CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed to the City of Redlands, a Municipal Corporation, dated October ____, 2005, from Tony Louka and Brenda Evans-Louka is hereby accepted and the City consents to recordation thereof by its duly authorized officer.

Dated:

October ____, 2005

City Manager
City of Redlands

NOTARY ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____

On this _____ day of _____, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public in and for Said State



Guardian Escrow, Inc.

101 East Redlands Blvd., Suite 180
Redlands, CA 92373
(909) 793-3147 FAX (909) 798-4606

CITY OF REDLANDS
Attention: City Manager
P. O. Box 3005
Redlands, CA 92373

Date : November 2, 2005
Escrow No. : 21802-JB

RE: , Redlands, CA 92373

Dear Ladies and Gentlemen:

Thank you for selecting Guardian Escrow, Inc., to process your escrow. The enclosed items are required in your escrow and are forwarded for your review. Providing, of course, these items met with your approval:

Sign and Return:

- Escrow Instructions
- Notice and Disclosure
- Notice to Buyers and Sellers
- Guardian Escrow, Inc.'s Privacy Policy
- Copy of Easement Deed for approval as to content and form
- Copy of Preliminary Report for approval

Complete in full, sign and return::

- Preliminary Change of Ownership Report

Please Furnish the Following:

- Certificate of Acceptance

Your prompt response will be appreciated. All documents should be signed EXACTLY as your name(s) appear. Should your name(s) be misspelled, sign them correctly and advise us in writing when you return these papers.

We appreciate the opportunity to be of service to you in this transaction. Please do not hesitate to call should you have any questions.

Guardian Escrow, Inc.



Jeri Bray, CSEO
General Manager

jb



Commonwealth Land Title Company
275 W. Hospitality Lane
Suite 200
San Bernardino, CA 92408
Phone: (909) 888-7541

Guardian Escrow
101 East Redlands Blvd #180
Redlands, CA 92373

Our File No: 02121604 - 92
Title Officer: Richard Knowlton
e-mail: rknowlton@landam.com
Phone: (909) 888-7541, ext. 5955
Fax: (909) 885-2465

Attn: Jeri

Your Reference No: 21802-JB

Property Address: 306 Edgemont Drive, Redlands, California

PRELIMINARY REPORT

Dated as of October 13, 2005 at 7:30 a.m.

In response to the above referenced application for a policy of title insurance, Commonwealth Land Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusion from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit B attached. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit B. Copies of the Policy forms should be read. They are available from the office which issued this report.

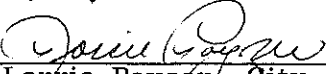
Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit B of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

APPROVED:

CITY OF REDLANDS, a municipal corporation

By: 
SUSAN PEPPLER, Mayor

Attest: 
Lorrie Poyzer, City Clerk

SCHEDULE A

The form of policy of title insurance contemplated by this report is:

CLTA Homeowner's Policy of Title Insurance

ALTA Loan 1992

The estate or interest in the land hereinafter described or referred to covered by this report is:

A FEE

Title to said estate or interest at the date hereof is vested in:

Tony Louay Louka and Brenda Evans Louka, husband and wife as joint tenants

The land referred to herein is situated in the County of San Bernardino, State of California, and is described as follows:

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

EXHIBIT "A"

All that certain real property situated in the County of San Bernardino, State of California, described as follows:

Lot 8 of Tract No. 13103, in the City of Redlands, County of San Bernardino, State of California, as per Map recorded in Book 223 of Maps, Pages 58 through 61 inclusive, Records of said County; and amended September 19, 1989 in Book 225 of Maps, Pages 69 to 72 inclusive, Records of said County.

EXCEPT THEREFROM all oil, gas, minerals, and other hydrocarbon substances lying below the surface of said land, but with no right of surface entry, as provided in Deeds of Record.

SCHEDULE B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

- A. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, for the fiscal year 2005 - 2006.

1st Installment:	\$3,144.10 (Paid) This amount is valid until December 10, after which penalties apply
2nd Installment:	\$3,144.07 (Open) This amount is valid until April 10, after which penalties apply
Penalty (including cost):	\$324.41 Due with installment amount if paid after April 10
Exemption:	\$7,000.00
Code Area:	005023
Assessment No.:	0294-161-08-0-000

- B. Supplemental or escaped assessments of property taxes, if any, assessed pursuant to the Revenue and Taxation Code of the State of California.

1. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	the City of Redlands, a Municipal Corporation
Purpose:	water pipe lines
Recorded:	October 1, 1947 in Book 2126, Page 139 of Official Records
Affects:	said land more particularly described therein.

2. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to:	George Henry Ide and Harold G. Stein
Purpose:	roadways and water lines
Recorded:	November 13, 1948 in Book 2320, Page 299 of Official Records
Affects:	said land more particularly described therein.

3. The fact that by Resolution of the Board of Supervisors of the County of San Bernardino, State of California, Resolution No. 4112 dated October 17, 1985 and recorded on October 23, 1985 as Instrument No. 85-263030 of Official Records. Annexation to the City of Redlands was approved.

Reference is made to said document for full particulars.

4. An easement for the purpose shown below and rights incidental thereto as set forth in document

Granted to: Southern California Edison Company, a Corporation .
Purpose: Public utilities
Recorded: December 1, 1989 as Instrument No. 89-454296 of Official Records
Affects: Said easement is described as follows:

Various strips of land 6.00 feet in width, lying within all those lots bounded on one or more sides by roads or highways; a sideline of each of said strips shall in all cases be coincidental with the right of way line of said roads and highways.

Also, various strips of land 4.00 feet in width, lying on each side of all side lot lines of said lots.

Restrictions on the use, by the owners of said land, of the easement area as set out in the easement document shown above.

5. Covenants, conditions and restrictions as set forth in the document
Recorded: February 13, 1990 as Instrument No. 90-58566 of Official Records

This exception omits any covenant, condition or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that the covenant, condition or restriction (a) is not in violation of state or federal law, (b) is exempt under 42 U.S.C. Section 3607 or (c) relates to a handicap but does not discriminate against handicapped people.

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

Among other things, said document provides for:

Easements over a portion of said land for the purpose therein shown, and rights incidental thereto.

6. An easement for the purposes shown below and rights incidental thereto as shown or as offered for dedication on the recorded map of said tract.

Purpose: right of way for Edgemont Drive
Affects: as shown on Map of said Tract

7. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount: \$537,000.00
Dated: April 23, 2003
Trustor: Tony L. Louka and Brenda Evans-Louka, husband and wife as joint tenants
Trustee: CTC Real Estate Services
Beneficiary: Countrywide Home Loans, Inc., a New York Corporation
Recorded: April 30, 2003 as Instrument No. 2003-0285476 of Official Records

File No: 02121604

An assignment of the beneficial interest under said deed of trust which names
As Assignee: CitiMortgage, Inc.
Recorded: May 1, 2003 as Instrument No. 2003-0288001 of Official Records

END OF SCHEDULE B EXCEPTIONS

**PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH
FOLLOWS FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION**

REQUIREMENTS SECTION:

REQ NO.1: The Company will require a statement of information from the parties named below in order to complete this report, based on the effect of documents, proceedings, liens, decrees, or other matters which do not specifically describe said land, but which, if any do exist, may affect the title or impose liens or encumbrances thereon.

Parties

Buyers/Sellers

INFORMATIONAL NOTES SECTION

NOTE NO. 1: Privacy notice (15 U.S.C. 6801 and 16 CFR part 313):

We collect nonpublic personal information about you from information you provide on forms and documents and from other people such as your lender, real estate agent, attorney, escrow, etc. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

NOTE NO. 2: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.

NOTE NO. 3: California insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.

WIRING INSTRUCTIONS FOR THIS OFFICE ARE:

**Union Bank of California
1980 Saturn Street
Monterey Park, CA 91755
Phone: (800) 218-6466
ABA #122-000-496
Credit To: Commonwealth Land Title Company – Inland Empire
Account #9100194640**

RE: 02121604 810 - RK4 -

PLEASE INDICATE COMMONWEALTH LAND TITLE COMPANY ESCROW OR TITLE ORDER NUMBER

NOTE NO. 4: The charges which the company will make for next day messenger services (i.e. Federal Express, UPS, DHL, Airborne, Express mail, etc.) Are \$15.00 per letter, standard overnight service, and \$25.00 for larger size packages and/or priority delivery services. Such charges include the cost of such messenger service and the company's expenses for arranging such messenger service and its overhead and profit. Special messenger services will be billed at the cost of such services. There will be no additional charge for pick-up or delivery of packages via the company's regularly scheduled messenger runs.

NOTE NO. 5. The charge for a policy of title insurance, when issued through this title order, will be based on the Short Term Rate.

NOTE NO. 6. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an ALTA Loan Policy, when issued.

NOTE NO. 7. The following information will be included in the CLTA Form 116 Endorsement to be issued pursuant to this order:

There is located on said land: A single family residence
Known as: 306 Edgemont Drive, Redlands, California

NOTE NO. 8. There are no conveyances affecting said land recorded within 24 months of the date of this report.

NOTE NO. 9. THIS COMPANY REQUIRES CURRENT BENEFICIARY DEMANDS PRIOR TO CLOSING. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:

- (a) If this Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.
- (b) If this Company cannot obtain a verbal update on the demand, we will either pay off the expired demand, or wait for the amended demand, at our discretion.
- (c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).

Typist: kt4

Date Typed: October 21, 2005

Exhibit B (Rev. 11-17-04)
CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) Resulting in no loss or damage to the insured claimant;
 - (d) Attaching or created subsequent to Date of Policy; or
 - (e) Resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE – SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10/22/03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:

- a. building
- b. zoning
- c. land use
- d. improvements on the Land
- e. land division
- f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy date and is binding on You if You bought the Land without knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date – this does not limit the coverage described in Covered Risk 7, 8d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 14:	1% of Policy Amount or \$2,500 (whichever is less)	\$10,000
Covered Risk 15:	1% of Policy Amount or \$5,000 (whichever is less)	\$25,000
Covered Risk 16:	1% of Policy Amount or \$5,000 (whichever is less)	\$25,000
Covered Risk 18:	1% of Policy Amount or \$2,500 (whichever is less)	\$5,000

AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

- Land use
- Improvements on the land
- Land division
- Environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

- This exclusion does not limit the zoning coverage described in items 12 and 13 of Covered Title Risks.
- 2 The right to take the land by condemning it, unless;
 - A notice of exercising the right appears in the public records on the Policy Date
 - The taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
 - 3 Title Risks:
 - That are created, allowed, or agreed to by you
 - That are known to you, but not to us, on the Policy Date – unless they appeared in the Public Records
 - That result in no loss to you
 - That first affect your title after the Policy Date – this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
 - 4 Failure to pay value for your title.
 - 5 Lack of a right:
 - To any land outside the area specifically described and referred to in Item 3 of Schedule A
- OR
- In streets, alleys, or waterways that touch your land
- This exclusion does not limit the access coverage in Item 5 of Covered Title Risks

**AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH ALTA ENDORSEMENT-FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorney's fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid Value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim which arises out of the transaction creating the interest of the mortgagee insured by this Policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer, or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a pre
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy forms may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following General Exceptions:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claim which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

**AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violating affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental policy power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant'
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by the policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by the policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy forms may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following General Exceptions.

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

- Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claim which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
 3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
 4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
 5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
 - (e) resulting in loss or damage which would not have been sustained if the insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
 - (a) The time of the advance; or
 - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of Interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy



Order No: 02121604

Notice to Customers

You may be eligible for a \$20.00 reduction in your title or escrow fees in this transaction charged by **Commonwealth Land Title Insurance Company** pursuant to the Final Judgments entered in People of the State of California v. LandAmerica Financial Group, Inc., et al., Sacramento Superior Court Case No. 92 AS 06111, and Taylor, et al. v. LandAmerica Financial Group, Inc., et al., Los Angeles Superior Court Case No. BC 231917. You are eligible for this \$20.00 reduction in your title or escrow fees if you meet the following requirements:

1. You are a natural person or trust;
2. Your transaction involves the purchase, sale or refinancing of residential real property containing one-to-four-dwelling units;
3. You previously purchased title insurance or escrow services involving a transaction which closed between May 19, 1995 and October 8, 2002 from one of the following companies:

LandAmerica Financial Group, Inc.
Commonwealth Land Title Insurance Company or
Commonwealth Land Title Company
Lawyers Title Insurance Corporation or Lawyers Title Company
First American Title Insurance Company, First American Title Company, First American Title Guarantee Company
Fidelity National Financial, Inc.
Fidelity National Title Insurance Company
Fidelity National Title Company
Fidelity National Title Insurance Company of California, Inc.
Fidelity National Loan Portfolio Services
Ticor Title Insurance Company
Security Union Title Insurance Company
Chicago Title Insurance Company
Chicago Title Company
Chicago Title and Trust Company
Rocky Mountain Support Services, Inc.
California Tracking Service, Inc.
Title Accounting Services Corporation

4. You did not receive a \$65.00 cash payment from LandAmerica Financial Group, Inc. in the reconveyance fee claims process pursuant to the Final Judgments entered in People of the State of California v. LandAmerica Financial Group, Inc., et al., Sacramento Superior Court Case No. 92 AS 06111, and Taylor, et al. v. LandAmerica Financial Group, Inc., et al., Los Angeles Superior Court Case No. BC 231917.

If you meet the foregoing requirements and want the \$20.00 fee reduction complete this form and return it to your **Commonwealth Land Title Insurance Company** escrow or title officer. **NOTE: If you are eligible for the \$20.00 fee reduction please complete and return this form. You must advise us of your eligibility prior to closing in order to receive the \$20.00 fee reduction.**

Name: _____

Address: _____

Telephone No: _____



Order No: 02121604

Notice to Customers

You may be eligible for a \$20.00 reduction in your title or escrow fees in this transaction charged by **Commonwealth Land Title Insurance Company** pursuant to the Final Judgments entered in People of the State of California v. LandAmerica Financial Group, Inc., et al., Sacramento Superior Court Case No. 92 AS 06111, and Taylor, et al. v. LandAmerica Financial Group, Inc., et al., Los Angeles Superior Court Case No. BC 231917. You are eligible for this \$20.00 reduction in your title or escrow fees if you meet the following requirements:

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2. Your transaction involves the purchase, sale or refinancing of residential real property containing one-to-four-dwelling units;
3. You previously purchased title insurance or escrow services involving a transaction which closed between May 19, 1995 and October 8, 2002 from one of the following companies:

LandAmerica Financial Group, Inc.
Commonwealth Land Title Insurance Company or
Commonwealth Land Title Company
Lawyers Title Insurance Corporation or Lawyers Title Company
First American Title Insurance Company, First American Title Company, First American Title Guarantee Company
Fidelity National Financial, Inc.
Fidelity National Title Insurance Company
Fidelity National Title Company
Fidelity National Title Insurance Company of California, Inc.
Fidelity National Loan Portfolio Services
Ticor Title Insurance Company
Security Union Title Insurance Company
Chicago Title Insurance Company
Chicago Title Company
Chicago Title and Trust Company
Rocky Mountain Support Services, Inc.
California Tracking Service, Inc.
Title Accounting Services Corporation

4. You did not receive a \$65.00 cash payment from LandAmerica Financial Group, Inc. in the reconveyance fee claims process pursuant to the Final Judgments entered in People of the State of California v. LandAmerica Financial Group, Inc., et al., Sacramento Superior Court Case No. 92 AS 06111, and Taylor, et al. v. LandAmerica Financial Group, Inc., et al., Los Angeles Superior Court Case No. BC 231917.

If you meet the foregoing requirements and want the \$20.00 fee reduction complete this form and return it to your **Commonwealth Land Title Insurance Company** escrow or title officer. **NOTE: If you are eligible for the \$20.00 fee reduction please complete and return this form. You must advise us of your eligibility prior to closing in order to receive the \$20.00 fee reduction.**

Name: _____

Address: _____

Telephone No: _____



Commonwealth Land Title Company
275 W. Hospitality Lane
Suite 200
San Bernardino, CA 92408
Phone: (909) 888-7541

NOTICE OF TITLE POLICY DISCOUNTS
Commonwealth Land Title Insurance Company – California
Residential Transactions

Order No.: 2121604-92

Escrow No.: 02121604

Please note that certain discounts sometimes apply to reduce title insurance premiums. **YOU SHOULD REVIEW THE POSSIBLE DISCOUNTS DESCRIBED BELOW AND TELL YOUR ESCROW OFFICER IF YOU THINK ANY APPLY TO THIS TRANSACTION.** These discounts are not applicable to subdivision sales.

SHORT TERM RATE – 20% off

This discount is given automatically when our title search indicates that it applies. It applies when a current order for title insurance is placed within 60 months from the date of issuance of a prior loan or owner's policy issued by any title insurance company. The Short Term Rate does not apply when another discount shown on this page applies.

REFINANCE RATE – 35% off

This discount is given automatically when our title search indicates that it applies. It applies to ALTA Loan Policies covering a new loan which refinances a loan insured with another ALTA loan policy issued by any title insurance company.

Please acknowledge your understanding of the above, even if no discount applies, by signing below.

Buyer/Borrower: **Date:** _____

Seller: **Date:** _____

Signature

Signature

Signature

Signature

Please sign and return this Notice to your Title Company



Commonwealth Land Title Company
275 W. Hospitality Lane
Suite 200
San Bernardino, CA 92408
Phone: (909) 888-7541

NOTICE OF TITLE POLICY DISCOUNTS
Commonwealth Land Title Insurance Company – California
Residential Transactions

Order No.: 2121604-92

Escrow No.: 02121604

Please note that certain discounts sometimes apply to reduce title insurance premiums. **YOU SHOULD REVIEW THE POSSIBLE DISCOUNTS DESCRIBED BELOW AND TELL YOUR ESCROW OFFICER IF YOU THINK ANY APPLY TO THIS TRANSACTION.** These discounts are not applicable to subdivision sales.

SHORT TERM RATE – 20% off

This discount is given automatically when our title search indicates that it applies. It applies when a current order for title insurance is placed within 60 months from the date of issuance of a prior loan or owner's policy issued by any title insurance company. The Short Term Rate does not apply when another discount shown on this page applies.

REFINANCE RATE – 35% off

This discount is given automatically when our title search indicates that it applies. It applies to ALTA Loan Policies covering a new loan which refinances a loan insured with another ALTA loan policy issued by any title insurance company.

Please acknowledge your understanding of the above, even if no discount applies, by signing below.

Buyer/Borrower: **Date:** _____

Seller: **Date:** _____

Signature

Signature

Signature

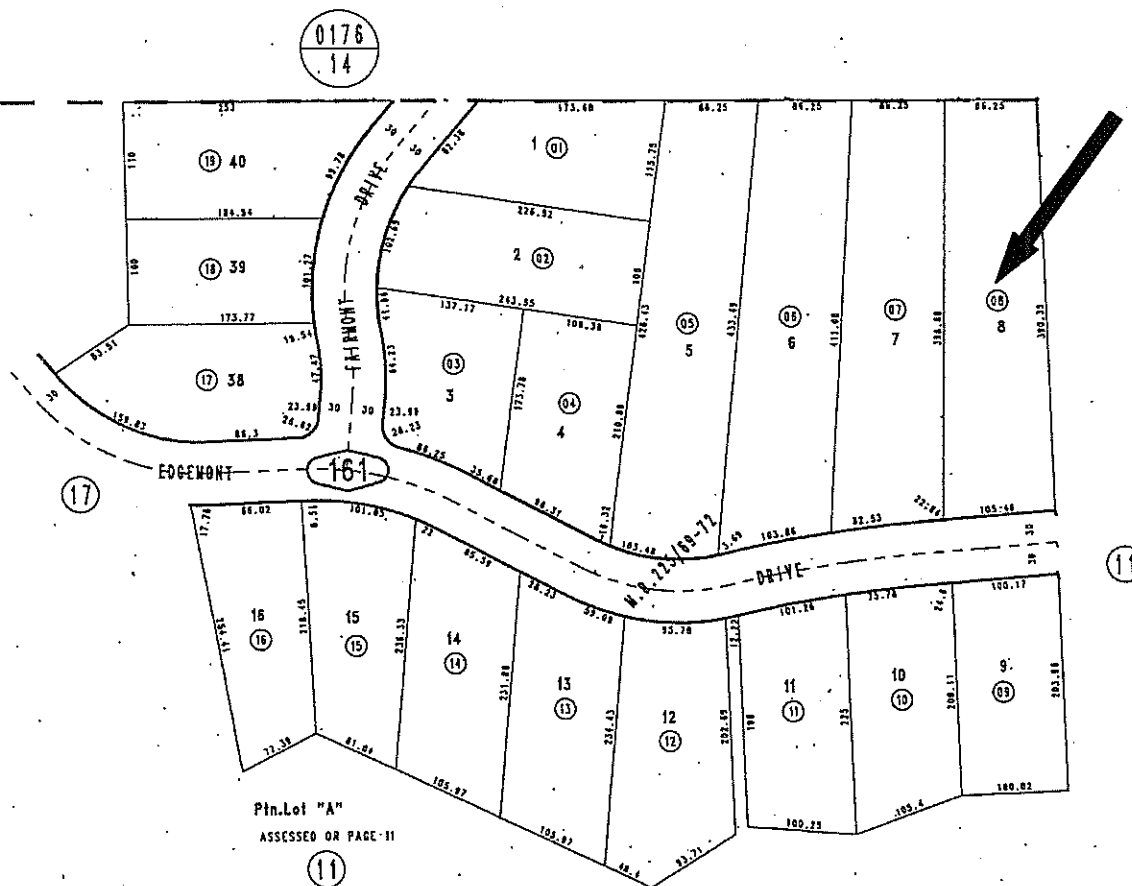
Signature

Please sign and return this Notice to your Title Company

The seal of the County of San Bernardino, established in 1853. It features a central shield with a sunburst design, surrounded by the text "COUNTY OF SAN BERNARDINO" and the year "1853".

City of Redlands
Tax Rate Area
5023

1" = 100'



FEB 04 2004

REVISÉD

Pin. N.1/2, N.E.1/4, Sec. 11
T.2S., R.3W.

Assessor's Map
Book 0294 Page 16
San Bernardino County

October 2003

THIS DOCUMENT IS APPROVED AS TO CONTENT AND FORM.

RECORDING REQUESTED BY

CITY OF REDLANDS, a municipal corporation

By: Susan Pepler
SUSAN PEPPLER, Mayor

Attest: Lorrie Poyzer
Lorrie Poyzer, City Clerk

AND WHEN RECORDED MAIL TO:

City Clerk's Office
City of Redlands
P. O. Box 3005
Redlands, CA 92373

Space Above This Line for Recorder's Use Only

A.P.N.: 0294-161-08

Order No.: 02121604-RK4

Escrow No.: 21802-JB

EASEMENT DEED FOR ROADWAY AND UTILITIES PURPOSES

For valuable consideration, receipt of which is hereby acknowledged **TONY LOUAY LOUKA and BRENDA EVANS-LOUKA, husband and wife as joint tenants**, hereby grant to the **CITY OF REDLANDS**, a municipal corporation and political subdivision of the State of California, and its successors and assigns ("City"):

(1) an irrevocable, exclusive, permanent and perpetual easement, together with the right to forever maintain, operate, improve, alter, relocate, reconstruct, inspect, repair, occupy and use and otherwise install necessary or convenient appurtenances therefor, for the construction and maintenance of public and private above ground and underground utility facilities as determined reasonable or necessary by the City, together with all rights of ingress and egress; and

(2) an irrevocable, exclusive, permanent and perpetual easement, together with the right to construct, operate, maintain, replace and renew a street and roadway, and otherwise install necessary or convenient appurtenances therefor, for street and roadway purposes, including ingress and egress for vehicular and/or pedestrian and other traffic;

in, over and under that certain real property ("Easement Area") described on Exhibit "A" and shown on Exhibit "B" attached hereto.

Document Date: October 11, 2005

TONY LOUAY LOUKA

BRENDA EVANS-LOUKA

Exhibit "A"

A PORTION OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 11, TOWNSHIP 2 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 11, SAID CORNER ALSO BEING THE NORTHWESTERLY CORNER OF PARCEL MAP NO. 8226, AS PER PARCEL MAP BOOK 91, PAGES 25 AND 26, RECORDS OF SAID COUNTY;

THENCE ALONG THE EAST LINE OF SAID WEST ONE-HALF SOUTH $0^{\circ}22'28''$ EAST 11.51 FEET TO THE TRUE POINT OF BEGINNING; SAID EAST LINE ALSO BEING THE WEST PARCEL BOUNDARY OF SAID PARCEL MAP NO. 8226;

THENCE CONTINUING ALONG SAID EAST LINE SOUTH $0^{\circ}22'28''$ EAST 57.41 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL MAP NO. 8226;

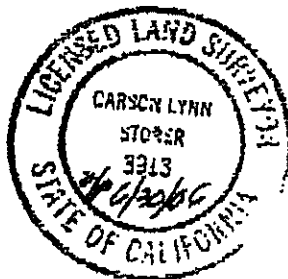
THENCE ON A LINE PERPENDICULAR TO SAID EAST LINE SOUTH $89^{\circ}37'32''$ WEST 21.83 FEET TO THE EASTERLY RIGHT-OF-WAY OF EDMONT DRIVE, 50 FEET WIDE, AS SHOWN ON AMENDED TRACT NO. 13103, RECORDED IN MAP BOOK 225, PAGES 69-72, RECORDS OF SAN BERNARDINO COUNTY;

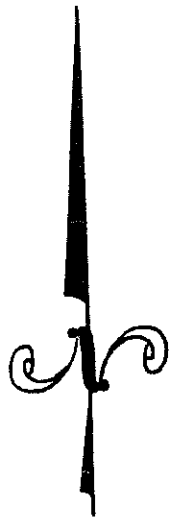
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY NORTH $01^{\circ}19'42''$ EAST 57.44 FEET; THENCE NORTH $89^{\circ}37'32''$ EAST 20.12, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

DESCRIBED AREA CONTAINS 1,204 SQUARE FEET.



CARSON L. STORER, P.L.S.
EXPIRATION DATE: JUNE 30, 2006





Scale: 1" = 10'

Exhibit "B"

P.O.C.
N.E. Corner of west one-half
of the N.E. one-quarter of the
Northeast one-quarter of sec. 11,
T2S, R3W, SBBM

**Parcel Map 8226
PMB 91/25-26
Parcel
4**

T.P.O.B.

Edge Fair Lane

Edgemont Dr.

69.38

N 1°19'42"E

57.44

**Area
of
Description**

57.41

S 0°22'28"E

68.92

**Basis of bearing being
the west line of Parcel 4
Parcel Map 8226 PMB 91/25
being S 0°22'28"E.**

**East Right-Of-Way
of Edgemont Drive**

21.83

S 89°37'32"W

**SW Corner
Parcel Map
8226**

Lot 8

MB 225 Pg. 69-72

Carson L. Storer, P.L.S. 3913



CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed to the City of Redlands, a Municipal Corporation, dated October ____, 2005, from Tony Louka and Brenda Evans-Louka is hereby accepted and the City consents to recordation thereof by its duly authorized officer.

Dated:

October ____, 2005

City Manager
City of Redlands

NOTARY ACKNOWLEDGEMENT

STATE OF CALIFORNIA

)

) SS.

COUNTY OF _____)

On this _____ day of _____, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public in and for Said State



Guardian Escrow, Inc.

101 East Redlands Blvd., Suite 180
Redlands, CA 92373
(909) 793-3147 FAX (909) 798-4606

NOTICE AND DISCLOSURE

(Effective January 1, 2003)

Property: , Redlands, CA 92373
November 2, 2005

Escrow No.: 21802-JB

In accordance with Section 18662 of the Revenue and Taxation Code, a Buyer may be required to withhold an amount equal to 3 1/3% of the sales price in the case of a disposition of California real property interest by either:

1. A Seller who is an Individual or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of the Seller, OR
2. A corporate Seller that has no permanent place of business in California.

The Buyer may become subject to penalty for failure to withhold in an amount equal to the greater of 10 per cent of the amount required to be withheld or five hundred dollars (\$500.00).

However, notwithstanding any other provision included in the California statutes referenced above, no Buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed One Hundred Thousand Dollars (\$100,000.00); OR
2. The Seller executes a written certificate, under the penalty of perjury, certifying that the Seller is a Corporation with a permanent place of business in California; OR
3. The Seller, who is an Individual, executes a written certificate, under the penalty of perjury, of any of the following:
 - a. That the California real property being conveyed is the Seller's principal residence (within the meaning of Section 121 of the Internal Revenue Code);
 - b. That the California real property being conveyed is or will be exchanged for property of like kind (within the meaning of Section 1031 of the Internal Revenue Code), but only to the extent of the amount of gain not required to be recognized for California income tax purposes under Section 1031 of the Internal Revenue Code;
 - c. That the California real property has been compulsorily or involuntarily converted (within the meaning of Section 1033 of the Internal Revenue Code) and that the Seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under Section 1033 of the Internal Revenue Code;
 - d. That the California real property transaction will result in a loss for California income tax purposes.

The Seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

The California statutes referenced above include provisions which authorize the Franchise Tax Board to grant reduced withholding and waivers from withholding on a case-by-case basis for corporations or other entities.

The Escrow Holder will not undertake to withhold or remit funds to any taxing authority unless specifically instructed in writing to do so. In the event Escrow Holder receives a withholding request, appropriate mutual and written instructions will be required from all parties prior to the close of this escrow. You are authorized to furnish a copy of Seller's Certificate, if applicable, to Buyer upon request, without further responsibility on your part as escrow holder.

DUE TO THE COMPLEXITY OF THESE TAX LAWS, AND THE PENALTY PROVISIONS FOR FAILURE TO WITHHOLD, IT IS RECOMMENDED THAT THE BUYER CONSULT WITH HIS/HER ATTORNEY OR FINANCIAL ADVISOR AS TO BUYER'S OBLIGATION THEREUNDER, IF ANY, PRIOR TO THE CLOSE OF THIS ESCROW.

TONY LOUAY LOUKA

BRENDA EVANS-LOUKA

CITY OF REDLANDS, a municipal
corporation

By: Susan Pepler
SUSAN PEPLER, Mayor
Attest:

Lorrie Poyzer
Lorrie Poyzer, City Clerk



Guardian Escrow, Inc.
101 East Redlands Blvd., Suite 180
Redlands, CA 92373
(909) 793-3147 FAX (909) 798-4606

NOTICE TO BUYERS AND SELLERS

Property: , Redlands, CA 92373

Escrow No.: 21802-JB

1. THE UNDERSIGNED BUYERS AND SELLERS HEREBY ACKNOWLEDGE BEING ADVISED THAT CALIFORNIA STATE LAW REQUIRES THAT THIS ESCROW NOT CLOSE, NOR DOCUMENTS BE RECORDED, UNTIL ALL FUNDS REQUIRED OF THE PARTIES (INCLUDING NEW LOAN PROCEEDS) HAVE BEEN COLLECTED, AS DEFINED BY LAW.

IN ORDER TO MAINTAIN COMPLIANCE, WE SUGGEST THAT THE MOST EFFICIENT METHOD OF DEPOSITING FUNDS IS TO TRANSFER BY WIRE. CASHIER'S CHECKS DRAWN ON A CALIFORNIA BANK WILL, IN MOST CASES, BE ELIGIBLE FOR "NEXT-DAY" CLOSING.

ANY OTHER CHECK INSTRUMENTS, SUCH AS OFFICIAL CHECKS, BANK CHECKS, ETC., PURSUANT TO DEPARTMENT OF CORPORATIONS GUIDELINES, WILL BE TREATED AS PERSONAL CHECKS AND MUST BE CLEARED TO THE SATISFACTION OF GUARDIAN ESCROW, INC., WHICH CLEARANCE IS ESTIMATED TO TAKE FROM 3 TO 5 BUSINESS DAYS.

2. TO MINIMIZE DELAYS IN DOCUMENT RECORDING AND THE CLOSING OF YOUR ESCROW:

a. Whenever the amount of funds required for closing is \$100,000.00, or more, the closing funds should be transferred by wire directly to our bank as follows:

City National Bank
5601 East Slauson Avenue
Commerce, CA 90040

Routing Number: 122016066

Account Number: 013007691

FOR DEPOSIT TO GUARDIAN ESCROW, INC., REDLANDS TRUST ACCOUNT

CREDIT TO ESCROW NO. 21802-JB

(MAKE CERTAIN WIRE TRANSFER REFERENCES NAME OF DEPOSITOR)

b. Whenever the amount of funds required for closing is less than \$100,000.00, the closing funds should either be wired to our account, as above instructed, or deposited to escrow in the form of a California Bank Cashiers Check payable to Guardian Escrow, Inc. (Please be reminded that not all bank checks are Cashiers Checks).

3. PER DIEM INTEREST WILL BE CHARGED BY SELLER'S LENDER UNTIL THE DATE LENDER RECEIVES THE PAYOFF FUNDS (OR AS OTHERWISE DIRECTED BY LENDER'S DEMAND STATEMENT). PER DIEM INTEREST WILL BE CHARGED BY THE BUYER'S LENDER FROM THE DATE THE LENDER FUNDS THE LOAN.

THE UNDERSIGNED HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THE ABOVE NOTICE.

TONY LOUAY LOUKA

BRENDA EVANS-LOUKA

CITY OF REDLANDS, a municipal
corporation

By: _____

SUSAN PEPPLER, Mayor

Attest:

Lorrie Poyzer, City Clerk



Guardian Escrow, Inc.

101 East Redlands Blvd., Suite 180
Redlands, CA 92373
(909) 793-3147 FAX (909) 798-4606

PRIVACY POLICY

Escrow No.: 21802-JB

Our Commitment to Your Privacy: Guardian Escrow, Inc., has a long standing policy of protecting the confidentiality and security of information we collect about our customers. We may from time to time ask you to provide us with certain information. You may be concerned with what we will do with such information, particularly personal or financial information. Therefore, Guardian Escrow, Inc., has adopted this "Privacy Policy" to govern the use and handling of your personal information.

How We Collect Information: Guardian Escrow, Inc., gets most of its information about your finances, employment, or other personal characteristics from you or from other parties working for you. This privacy Policy deals with the information which you provide to Guardian Escrow, Inc. It does not cover information which we receive from any other source, such as a public record or from another person or entity. The types of information which Guardian Escrow, Inc., may collect includes, but it not limited to, the following:

- * information you provide on applications, forms and in other communications to us, whether in writing, in person, by telephone, E-mail, electronic transfer, or any other means;
- * information we develop as part of handling your transaction;
- * information about your transactions with us, any affiliated companies, or others; and,
- * information we receive from a consumer reporting agency.

Guardian Escrow, Inc., may verify this collected information or get additional information from other sources.

Why We Collect and How We Use Information: Guardian Escrow, Inc., limited the collection of information about you to a minimum, but which still allows Guardian Escrow, Inc., to provide you with superior services. We request information from you for legitimate business purposes related to the transactions we are handling for you, and not for the benefit of any party not connected with the transactions.

Disclosures of Information: Guardian Escrow, Inc., will not release your information to nonaffiliated parties except: 1) as necessary for us to provide the product or service you have requested of Guardian Escrow, Inc.; or 2) as required or permitted by law. Such information may be used for any internal purpose, such as quality control efforts, audit purposes, to attorneys or other professionals, customer analysis, or to law enforcement and regulatory agencies, for example, to help us prevent fraud. Except for such limited situations, **without your consent** we will not make any disclosures of information to other companies who may want to sell their products or services to you. For example, Guardian Escrow, Inc., does not sell customer lists and we will not sell your name to a catalogue company or telemarketer. Guardian Escrow, Inc., may provide such nonpublic personal information listed above to an affiliated company of Guardian Escrow, Inc., if the affiliate is also involved in the transaction. Guardian Escrow, Inc., may, however, store such information indefinitely, including the period after which any customer relationship has ceased.

Former Customers: This Privacy Policy applies to you even if you are no longer a customer of Guardian Escrow, Inc.

How We Protect Information: Guardian Escrow, Inc., has taken steps to ensure that only authorized parties have access to your information. We restrict nonpublic personal information about you to those individuals who need to know that information in order to provide you with services. Guardian Escrow, Inc., will use its best efforts to train and supervise its employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy. We currently maintain physical, electronic, and other safeguards to comply with all applicable guidelines to protect your nonpublic personal information.

Further Information: We reserve the right to change this Privacy Policy. The examples contained within this Privacy Policy are illustrations and are not intended to be exclusive. This notice complies with recently enacted federal law and regulations regarding privacy. You may have additional rights under other foreign or state laws that may apply to you.

I/We have received and read a copy of this Privacy Policy notification as of the date below:

Date: 11/7/05

Signature: Susan Peppler

Date: 11/7/05

Signature: Lorrie Poyzer

Lorrie Poyzer, City Clerk



Guardian Escrow, Inc.

101 East Redlands Blvd., Suite 180
Redlands, CA 92373
(909) 793-3147 FAX (909) 798-4606

SALE ESCROW INSTRUCTIONS

TO: Guardian Escrow, Inc.

Date: October 11, 2005

Escrow Officer: Jeri Bray, CSEO

Escrow Number: 21802-JB

CITY OF REDLANDS, a municipal corporation, (hereinafter referred to as Buyer) agree to purchase from **TONY LOUAY LOUKA and BRENDA EVANS-LOUKA**, (hereinafter referred to as Seller) the real property set forth herein per the terms, conditions, consideration and instructions hereinafter stated. The Seller and Buyer herein shall deliver these signed escrow instructions to **Guardian Escrow, Inc.**, (hereinafter known as Escrow Holder).

Terms of Transaction

I will deposit into escrow the sum of \$ 6,000.00

To Complete the Total Consideration of \$ 6,000.00

Furthermore, I/We, the undersigned Buyer, will execute and deliver any instruments and/or funds which this escrow requires of the Buyer to show title as called for, all of which you are instructed to use on or before **November 30, 2005**, provided you hold a Policy of Title insurance issued through **Commonwealth Land Title Company** (the title company selected by the parties), with the usual title company's exceptions, with a liability of not less than **\$6,000.00**, covering property in the County of **San Bernardino**, State of California, described as follows:

(1) an irrevocable, exclusive, permanent and perpetual easement, together with the right to forever maintain, operate, improve, alter, relocate, reconstruct, inspect, repair, occupy and use and otherwise install necessary or convenient appurtenances therefor, for the construction and maintenance of public and private above ground and underground utility facilities as determined reasonable or necessary by the City, together with all rights of ingress and egress; and

(2) an irrevocable, exclusive, permanent and perpetual easement, together with the right to construct, operate, maintain, replace and renew a street and roadway, and otherwise install necessary or convenient appurtenances therefor, for street and roadway purposes, including ingress and egress for vehicular and/or pedestrian and other traffic;

in, over and under that certain real property ("Easement Area") described on Exhibit "A" and shown on Exhibit "B" attached hereto.

AFFECTING PROPERTY COMMONLY KNOWN AS: **306 Edgemont Drive, Redlands, CA 92373**

AFFECTING ASSESSOR PARCEL NUMBER: **0294-161-08**

SHOWING TITLE VESTED IN: **CITY OF REDLANDS**, a municipal corporation and political subdivision of the State of California, and its successors and assigns ("City")

SUBJECT ONLY TO:

- (1) Second Installment Property Taxes for Fiscal Year 2005-2006.
- (2) Assessments and Bonds, if any, including all liens of assessment pursuant to the provisions of the Mello-Roos Community Facilities Act, not delinquent, unpaid balance to be assumed by Buyer.
- (3) Any covenants, conditions, restrictions, reservations, rights, rights of way and easements of record, or in deed to file, and any exception of water, minerals, oil, gas, and kindred substances, on or under said land, now of record, or in deed to file.

ESCROW INSTRUCTIONS

1. This escrow transaction covers the conveyance of an easement for roadway and utilities purposes by Seller to Buyer. Buyer and Seller acknowledge having received and approved, prior to opening escrow, a copy of that certain "Easement Deed for Roadway and Utilities Purposes", in the form attached hereto as Exhibit "C".

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Seller Initials: _____

Buyer Initials: _____

2. Escrow is not to be concerned with any fire or other hazard insurance covering subject property.
3. Seller will cause the holder of encumbrance of record to furnish an agreement subordinating its deed of trust to the "Easement Deed for Roadway and Utilities Purposes" to be recorded through this escrow; which agreement is to be prepared by, and be sufficient to, the Buyer. In connection with this matter:
 - a. Buyer will deposit with Escrow Holder the "Subordination Agreement" prepared by and sufficient to the Buyer, which document is to be forwarded to the Holder of the encumbrance of record, with request for its execution thereof and return to Escrow Holder;
 - b. Seller's execution of these instructions constitutes Seller's approval and authorization for Guardian Escrow, Inc., on behalf of the Seller, to forward the request for execution of the Subordination Agreement directly to the Holder of the encumbrance of record. In the event the said Holder requires additional authorization or request from the Seller, Seller will immediately comply therewith.
4. Buyer will hand you Certificate of Acceptance to be attached to the Easement Deed when delivered for recording.
5. There will be no pro-ration of real property taxes between the parties.
6. The undersigned Buyer and Seller acknowledge having received, read and approved a copy of the preliminary report issued by Commonwealth Land Title in its Order No. 02121604-92, dated as of October 13, 2005, covering the subject property. Second Installment Property for Fiscal Year 2005-2006 and Exception Items 1 through 6, as set forth in the report, are specifically approved to remain of record and may show in the policy of title insurance to be issued in conjunction with this escrow.
7. Regardless of Additional Escrow Instructions set forth hereinafter to the contrary, all fees, costs and charges in this escrow will be paid by Buyer, including but not limited to title policy fee, escrow fee, documentary transfer tax, 1099 reporting fees and costs of preparing, notarizing and recording documents.
8. In the event Buyer or Seller utilize "facsimile" transmitted signed documents (via Panafax, Telefax, Nefax, etc.), Buyer and Seller hereby agree to accept same and instruct you as escrow holder to rely upon such documents as if they bore original signatures. Buyer and Seller hereby acknowledge and agree to provide to you, within 72 hours of transmission, any such documents bearing the original signatures. Buyer and Seller further acknowledge and agree that any promissory note, document required by a third party in conjunction with this escrow, payment order, or document in this escrow which is to be recorded in an office of the County Recorder, must be the original of such document, bear original signature(s) and be deposited with escrow holder prior to close of this escrow.

ADDITIONAL ESCROW INSTRUCTIONS

1. All funds received in this escrow shall be deposited with a State or National bank with other escrow funds. Make disbursements by your check; checks not presented for payment within six months after date are subject to service charges in accordance with your schedule in effect from time to time. Make all adjustments and pro-rations on the basis of a 30-day month. "Close of Escrow" is the date instruments are recorded. All documents and funds due the respective parties herein are to be mailed to the addresses set out below their respective signatures unless otherwise instructed. Our signatures on any documents and instructions pertaining to this escrow indicate our unconditional approval of same. Whenever provision is made herein for the payment of any sum, the delivery of any instrument or the performance of any act "outside of escrow", you as escrow holder shall have no responsibility therefor and shall not be concerned therewith. Documentary Transfer Tax is to be computed on full value of property conveyed (or full value less remaining encumbrances, if applicable) and will be paid by Seller/Grantor unless otherwise stated. In the event the amount of the Total Consideration is amended by the parties during the term of this escrow, you are authorized to correct the amount of the Documentary Transfer Tax on the deed, without further instructions required.
2. The parties to this escrow are made aware that escrow holder has no obligation to verify signatures of any of the parties involved.

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Seller Initials: _____

Buyer Initials:

3. You shall not be responsible for the following: (1) the sufficiency or correctness as to form, manner of execution or validity of any documents deposited in this escrow; (2) the identity, authority, or right of any person executing the same, either as to documents of record or those handled in the escrow; or (3) the failure of any party to comply with any of the provisions of any agreement, contract or other instrument filed or deposited in this escrow or referred to in those escrow instructions. Your duties shall be limited to the safekeeping of money and documents received by you as escrow holder and for the disposition in compliance with the written instructions accepted by you in this escrow. You shall not be required to take any action regarding the collection, maturity, or apparent outlaw of any obligations deposited with you unless otherwise instructed in writing. Your liability as escrow holder shall be confined to the things specifically provided for in my written instructions in this escrow.
4. Where the assignment of any insurance policy from Seller/Grantor to Buyer/Grantee is concerned, Seller/Grantor guarantees to you any insurance policy handed you in this escrow is policy in force, the policy has not been hypothecated and that all necessary premiums have been paid. You are authorized to execute on behalf of the parties assignments of interest in any insurance policy (other than title insurance policies) called for in this escrow, you are authorized to transmit for assignment any insurance policy to the insurance agent requesting that the insurer consent to such assignment, to request that a loss payee clause or such other endorsements as may be required be issued, and to forward such policy to the lenders and entitled parties. You shall not be responsible for verifying the acceptance of the request for assignment and policy of insurance by the insurance company. The parties mutually agree that you will make no attempt to verify the receipt of the request for assignment by the issuing insurance company. All parties are placed on notice that if the insurance company should fail to receive the assignment, the issuing company may deny coverage for any loss suffered by Buyer. It is the obligation of the insured or the insured's representative to verify the issuing company's acceptance of the assignment of the policy.
5. You are not to be held responsible in any way whatsoever for any personal property tax which may be assessed against any former or present owner of the subject property described in these escrow instructions, nor for the corporation or license tax of any corporation as a former or present owner.
6. If it is necessary, proper or convenient for the consummation of this escrow, you are authorized to deposit or have deposited funds or documents, or both, handed you under these escrow instructions with any duly authorized sub-escrow agent, including, but not limited to, any bank, trust company, title insurance company, title company, savings and loan association, or licensed escrow agent, subject to your order at or before close of escrow in connection with closing this escrow. Any such deposit shall be deemed a deposit under the meaning of these escrow instructions.
7. The parties to this escrow have satisfied themselves outside of escrow that the transaction covered by this escrow is not in violation of the Subdivision Map Act or any law regulation land division, zoning ordinances or building restrictions which may affect the land or improvements that are the subject of this escrow. You, as escrow holder, are relieved of all responsibility and liability in connection with such laws, ordinances, restrictions or regulations and are not to be concerned with any of their enforcement.
8. If any form of Purchase Agreement or amendment or supplement (collectively "Purchase Agreement") is deposited in this escrow, it is understood that such document shall be effective only as between the parties signing the Purchase Agreement. You, as escrow holder, are not to be concerned with the terms of any Purchase Agreement and are relieved of all responsibility for the enforcement of its terms. Your only duty is to comply with the instructions set forth in the escrow instructions. You are not responsible for interpreting or acting on any provision of any Purchase Agreement on which these escrow instructions may be based, and you shall not rely on any knowledge or understanding you may have of any such Purchase Agreement in ascertaining or performing your duties as escrow holder. In connection with any loan transaction, you are authorized to deliver a copy of any Purchase Agreement, supplement or amendment deposited with you, to the lender. You are authorized and instructed to furnish to any broker or lender identified with this transaction, or anyone acting on behalf of such lender, any information concerning this escrow, copies of all instructions, amendments and statements upon request.
9. You shall make no physical inspection of the real property or personal property described in any instruments deposited in, or which is the subject of this escrow. You have made no representations or warranties concerning any such real property or personal property and are not to be concerned with nor liable for the condition of real property or personal property.
10. At close of escrow, a policy of title insurance is to be secured for benefit of Buyer as provided in Page 1 of the Escrow Instructions and, if applicable, for new encumbrance holder(s) in amount of the encumbrance from the same title company. The parties authorize the recordation of any instrument delivered through this escrow if necessary or proper for the issuance of the required policy of title insurance or for the closing of this escrow. Funds, instructions or instruments received in this escrow may be delivered to, or deposited with, any title insurance company or title company to comply with the terms and conditions of this escrow. In the event the Total Consideration and/or the amount of new encumbrance(s) are changed by the parties during the term of this escrow, the liability of the policy(ies) of title insurance to be issued through this escrow are changed accordingly, without further instructions required.
11. If the date by which any party's performances are due shall be other than your regular business day, such performances shall be due on your next succeeding business day.

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Seller Initials: _____

Buyer Initials: 

12. You shall conduct no lien or title search of personal property regarding the sale or transfer of any personal property through this escrow. Should the parties desire that you conduct a lien or title search of personal property, the parties requesting the same shall deliver separate and specific written escrow instructions to you along with an agreement to pay your additional escrow fees.

13. You shall not be responsible in any way whatsoever nor are you to be concerned with any question of usury in any loan or encumbrance, whether new or of record, which may arise during the processing of this escrow.

14. The parties agree to deliver to you all documents, instruments, escrow instructions and funds required to process and close this escrow in accordance with its terms.

15. You are instructed to provide title to the subject real property in the condition identified in the escrow instructions by the parties, which title condition shall be evidenced by that shown in the policy of title insurance secured from the title company selected by the parties, on which you may rely. You are not responsible for the contents or accuracy of any beneficiary demands and/or beneficiary statements delivered to you by the existing lienholders.

You are not to be responsible in any way whatsoever nor to be concerned with the terms of any new loan or the content of any loan documents obtained by any party in connection with this escrow except to order such loan documents into the escrow file, transmit the loan documents to Buyer for execution and transmit the executed loan documents to lender. The parties understand and agree that you are not involved nor concerned with the approval and/or processing of any loan or the contents and effect of loan documents prepared by a lender.

16. Any pro-ration of rentals is to be based on rental statement handed you by the Seller/Grantor. You are to consider that Seller/Grantor will collect all rents which fall due prior to the close of escrow, unless he instructs you in writing to the contrary. No adjustment against the Buyer/Grantee on uncollected rents is to be made. Any pro-ration of taxes is to be based on latest tax statement available. You are not responsible for any personal property tax and/or supplemental taxes which may be assessed to the Seller/Grantor or any former owner of the property described herein, nor for the corporation or license tax of any corporation as former owner. If this escrow provides for the transfer of water stock at close of escrow, unless otherwise stated herein, all encumbrance holders at close of escrow shall be named as pledgee, as their interests appear, and said stock, upon reissue after close of escrow, is to be delivered to the first pledgee, and if no pledgee to the new record owner.

17. The parties expressly indemnify and hold you harmless against third-party claims for any fees, costs or expenses where you have acted in good faith, with reasonable care and prudence and/or in compliance with these escrow instructions.

18. The Federal Tax Reform Act of 1986, as amended, and the California Revenue & Taxation Code, require certain transactions to be reported to the Internal Revenue Service and the California State Franchise Tax Board. In those transactions Seller will furnish a correct tax identification number to you so you can report this transaction as required by law. Seller understands that Seller may be subject to civil or criminal penalties for failure to do so. If requested, you are authorized to furnish the Buyer with a copy of Seller's completed State of California Franchise Tax Board Withholding Exemption Certificate and Nonresident Waiver Request for Real Estate Sales Form 597-W, 593-C, 593-L, 593-W or other applicable State of California Franchise Tax Board Withholding Exemption Certificate furnished by Seller.

19. The parties agree that you have the responsibilities of an Escrow Holder only and there are no other legal relationships established in the terms and conditions of the escrow instructions. In connection with this escrow: (1) you shall have no duty or responsibility of notifying any of the parties to this escrow of any sale, resale, loan, exchange or other transaction involving any of the subject real property or personal property; (2) you shall have no responsibility or duty to disclose any benefit, including, but not limited to financial gain, realized by any person, firm or corporation involving any of the subject real property or personal property; and (3) you shall have no responsibility or duty to disclose any profit realized by any person, firm or corporation including, but not limited to, any real estate broker, real estate sales agent and/or a party to any other escrow, in connection therewith, although such other transaction may be handled by you in this escrow or in another escrow transaction. If, however, you are instructed in writing by any party, Lender or other entitled person to disclose any sale, resale, loan, exchange or other transaction involving any of the subject real property or personal property or any profit realized by any person, firm or corporation to any party to this escrow, you shall do so without incurring any liability to any party. You shall not be liable for any of your acts or omissions done in good faith nor for any claims, demands, losses or damages made or suffered by any party to this escrow, excepting such as may arise through or be caused by your willful neglect or gross misconduct.

20. Parties acknowledge that pursuant to the California Revenue & Taxation Code a Change of Ownership Report is required by the county recorder to be completed and affixed to any documents submitted for recording which evidence a conveyance of title. The Change of Ownership Reports shall be furnished by you to the applicable parties for completion and execution. Parties are aware that if forms are not completed in full, signed and returned to you prior to closing, penalties will be assessed by the county recorder. If any Change of Ownership Report is not filed after the close of escrow within the time limits set forth by the county recorder, or the report is rejected by the county recorder for any reason, severe penalties will be assessed. Escrow holder's responsibility with regard to the Preliminary Change of Ownership Report(s) is limited to its delivery of same, as deposited by the parties, to the title company named in this escrow.

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Seller Initials: _____

Buyer Initials: 

For information and assistance in completing the Change of Ownership form, Buyer may contact the County Recorder and Assessors offices in the county in which the subject property is located.

21. The parties shall cooperate with you in carrying out the escrow instructions they deposit with you and completing this escrow. The parties shall deposit into escrow, upon request, any additional funds, instruments, documents, instructions, authorizations, or other items that are necessary to enable you to comply with demands made on you by third parties, to secure policies of title insurance, or to otherwise carry out the terms of their instructions and close this escrow. Should you, before or after close of escrow, receive or become aware of any conflicting demands or claims with respect to this escrow or the rights of any of the parties hereto, or any money or property deposited herein or affected hereby, you shall have the right to discontinue any or all further acts on your part until such conflict is resolved to your satisfaction, and you shall have the further right to commence or defend any actions or proceedings for the determination of such conflict. The parties hereto jointly and severally agree to pay all costs, damages, judgments and expenses, including reasonable attorneys' fees suffered or incurred by you, arising out of, connected with, or incidental to this escrow, including but without limiting the generality of the foregoing, a suit in interpleader brought by you. In the event you file a suit in interpleader, you shall ipso facto be fully released and discharged from all obligations further to perform any and all duties imposed upon you in this escrow.

In consideration of your undertaking to act hereunder, I agree to pay, when called upon by you so to do, for all services performed for me, together with all charges, expenses, and costs incurred or paid for me by you as customarily allocated, unless the Escrow Instructions set forth hereinabove provide to the contrary. All of the parties to this escrow, jointly and severally, promise to pay promptly on demand, as well as to indemnify you and to hold you harmless from and against all administrative governmental investigations, audit and legal fees, litigation and interpleader costs, damages, judgments, attorneys' fees, arbitration costs and fees, expenses, obligations and liabilities of every kind (collectively "costs") which in good faith you may incur or suffer in connection with or arising out of this escrow, whether said costs arise during the performance of or subsequent to this escrow, directly or indirectly, and whether at trial, or on appeal, in administrative action, or in an arbitration. You are given a lien upon all the rights, titles and interests of the parties and all escrow papers and other property and monies deposited into this escrow to protect your rights and to indemnify and reimburse you. You may deduct from my net proceeds any amount I may owe you in any other matter. If the parties do not pay any fees, costs or expenses due you under the escrow instructions or do not pay for costs and attorneys' fees incurred in any litigation, administrative action and/or arbitration, on demand, they each agree to pay a reasonable fee for any attorney services which may be required to collect such fees or expenses, whether attorneys' fees are incurred before trial, at trial, on appeal or in arbitration.

22. All notices, demands and instructions must be in writing. No notice, demand, instruction, amendment, supplement or modification of these escrow instructions shall be of any effect in this escrow until delivered in writing to you and mutually executed by all parties. All escrow instructions may be executed in counterparts, each of which shall be deemed an original regardless of the date of its execution and delivery. All such counterparts together shall constitute the same document.

The parties acknowledge and understand that you, as escrow holder, are not authorized to practice the law nor do you give financial advice. The parties are advised to seek legal and financial counsel and advice concerning the effect of these escrow instructions. The parties acknowledge that no representations are made by you about the legal sufficiency, legal consequences, financial effects or tax consequences of the escrow instructions.

23. Notwithstanding any other provisions in these escrow instructions and in addition to other fees and costs to which you may be entitled, the parties, jointly and severally, agree that if this escrow is not consummated within ninety (90) days of the date set for closing, you are instructed to, and without further instructions, withhold your escrow hold open fee of \$50.00 per month from the funds on deposit with you regardless of who deposited such funds. The parties, jointly and severally, further agree that if you are, for any reason, required to hold funds after close of escrow, you are instructed to, and without further instructions, withhold an escrow fee of \$50.00 per month from the funds on deposit with you regardless of who deposited such funds. The parties irrevocably instruct you to automatically cancel this file without further instructions when all funds on deposit have been disbursed.

24. If the conditions of this escrow have not been complied with prior to the expiration of time provided for herein, or any extension thereof, you are nevertheless to complete the escrow as soon as the conditions, except as to time, have been complied with, unless written demand shall have been made upon you not to complete it. Your escrow-holder agency shall terminate six (6) months following the date last set for close of escrow and shall be subject to earlier termination by receipt by you of mutually executed cancellation instructions. If this escrow has not closed or cancelled within the prescribed six-month period, you shall have no further obligations as escrow holder except to disburse funds and documents pursuant to written escrow instructions or to interplead or otherwise dispose of funds and documents in accordance with a validly issued and validly served order from a court of competent jurisdiction.

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Seller Initials: _____

Buyer Initials: 

The parties, jointly and severally, agree that if this escrow cancels or is otherwise terminated and not closed, the parties shall pay for any costs and expenses which you have incurred or have become obligated for under these escrow instructions, including, but not limited to, attorneys' fees, arbitration fees and costs and reasonable escrow fees for the services rendered by you; the parties agree that such costs and expenses shall be paid and deposited in escrow before any cancellation or other termination of this escrow is effective. The parties agree that said charges for expenses, costs and fees may be apportioned between Buyer and Seller in a manner which, in your sole discretion, you consider equitable, and that your decision will be binding and conclusive upon the parties. Upon receipt of mutual cancellation instructions or a final order or judgment of a court of competent jurisdiction with accompanying writs of execution, levies or garnishments, you are instructed to disburse the escrow funds and instruments in accordance with such cancellation instruction, order or judgement and accompanying writ and this escrow shall, without further notice, be considered terminated and cancelled.

25. If any check submitted to you is dishonored upon presentment for payment, you are authorized to notify all parties to the within escrow, their respective real estate brokers/agents and any other person or entity you deem, in your sole discretion, necessary to notify.

26. The parties agree to release you from any and all liability of any kind or nature and to indemnify you from any loss, damages, claims, judgments or costs of any kind or nature resulting from or related to the release or discharge of hazardous or toxic wastes on the subject property whether it occurred in the past or present or may occur in the future which release or discharge is in violation of law, in excess of any state and federal standards, permit requirements and/or disclosure requirements existing at this time or which may exist at a future time. The parties represent that they made their own assessment of the condition of the subject property and have not relied on any of your representations in making the assessment. The parties are advised to seek independent legal and technical environmental expert advice in assessing the risks associated with potential hazardous or toxic wastes.

27. All parties to this escrow understand and agree that the title company named in these escrow instructions has been selected by the parties. All parties understand and agree Guardian Escrow, Inc. assumes no responsibility for any loss or delay encountered in the delivery of the loan funds to escrow holder, nor with the payoff of any existing loans and encumbrances, by the said title company; Guardian Escrow, Inc., is hereby held to be harmless as to any such loss or delay.

28. All parties acknowledge being advised that Jeri Bray: (1) is an escrow officer and the general manager of Guardian Escrow, Inc., and (2) is an officer and stockholder of Guardian Escrow, Inc., and Inland Brookside Services, Inc., each California corporations.

29. In these escrow instructions, wherever the context so requires, the masculine gender includes the feminine and/or neuter and the singular number includes the plural.

30. The legal descriptions(s), street address(es), if any, and assessor parcel number(s) set forth in this escrow have been furnished by the Seller/Grantor and approved by the Buyer/Grantee, on which you may rely.

31. You are authorized to destroy or otherwise dispose of any and all documents, papers escrow instructions, correspondence and records or other material constituting or pertaining to this escrow at any time after five (5) years from the date of: (1) the close of escrow; (2) the date of cancellation; or (3) the date of the last activity; all without liability and without further notice to the parties.

GUARDIAN ESCROW, INC., A CALIFORNIA CORPORATION IS LICENSED AS AN ESCROW AGENT BY THE DEPARTMENT OF CORPORATIONS OF THE STATE OF CALIFORNIA.

ALL PARTIES TO THIS TRANSACTION, JOINTLY AND SEVERALLY, ACKNOWLEDGE RECEIPT OF A COMPLETE COPY OF THE WITHIN ESCROW INSTRUCTIONS AND BY OUR SIGNATURES SET FORTH BELOW, ACKNOWLEDGE THAT WE HAVE READ, UNDERSTAND AND AGREE TO BE BOUND BY THE TERMS AND CONDITIONS CONTAINED HEREIN, IN THEIR ENTIRETY.

ADDITIONAL INSTRUCTIONS ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgment of the foregoing.

Seller Initials: _____

Buyer Initials: AP
9

PRORATE AND/OR ADJUST THE FOLLOWING AS OF DATE OF CLOSE OF ESCROW:

There are to be no adjustments or prorations between the parties in this escrow.

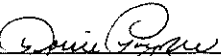
PARTIES ARE AWARE THAT DUE TO PROVISIONS OF PROPOSITION 13 AND SENATE BILL 813 (1983), STATE OF CALIFORNIA, THERE MAY BE SUPPLEMENTAL TAX BILLS IN THE PROCESS OF BEING ISSUED DUE TO ANY RECENT CONSTRUCTION OR CONVEYANCE OF SUBJECT PROPERTY, AND IN ALL PROBABILITY THERE WILL BE A SUPPLEMENTAL BILL ISSUED DUE TO THIS CONVEYANCE. ESCROW HOLDER CANNOT ASCERTAIN AND WILL NOT BE CONCERNED WITH ANY SUCH MATTERS IN THIS TRANSACTION.

Buyer's Signature:

CITY OF REDLANDS, a municipal
corporation

By: 
SUSAN PEPLER, Mayor

ATTEST:

By: 
Lorrie Poyzer, City Clerk

Address: Attention: City Manager, P. O. Box 3005 Redlands, CA 92373

The foregoing terms, provisions, conditions and instructions are hereby approved and accepted in their entirety and concurred in by me. I will hand you necessary documents called for on my part to cause title to be shown as set out herein, which you are authorized to deliver when you hold or have caused to be applied to funds set forth herein within the time as herein provided. You are authorized to pay on my behalf, my recording fees, charges for evidence of title as called for whether or not this escrow is consummated, except those the buyer agreed to pay. You are hereby authorized to pay bonds, assessments, taxes, and any liens of record, including prepayment penalties, if any, to show title as called for.

Seller's Signatures:

TONY LOUAY LOUKA

BRENDA EVANS-LOUKA

Address: 306 Edgemont Drive, Redlands, CA 92373

-- END OF INSTRUCTIONS --

Exhibit "A"

A PORTION OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 11, TOWNSHIP 2 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 11, SAID CORNER ALSO BEING THE NORTHWESTERLY CORNER OF PARCEL MAP NO. 8226, AS PER PARCEL MAP BOOK 91, PAGES 25 AND 26, RECORDS OF SAID COUNTY;

THENCE ALONG THE EAST LINE OF SAID WEST ONE-HALF SOUTH 0°22'28" EAST 11.51 FEET TO THE TRUE POINT OF BEGINNING; SAID EAST LINE ALSO BEING THE WEST PARCEL BOUNDARY OF SAID PARCEL MAP NO. 8226;

THENCE CONTINUING ALONG SAID EAST LINE SOUTH 0°22'28" EAST 57.41 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL MAP NO. 8226;

THENCE ON A LINE PERPENDICULAR TO SAID EAST LINE SOUTH 89°37'32" WEST 21.83 FEET TO THE EASTERLY RIGHT-OF-WAY OF EDMONT DRIVE, 50 FEET WIDE, AS SHOWN ON AMENDED TRACT NO. 13103, RECORDED IN MAP BOOK 225, PAGES 69-72, RECORDS OF SAN BERNARDINO COUNTY;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY NORTH 01°19'42" EAST 57.44 FEET; THENCE NORTH 89°37'32" EAST 20.12, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

DESCRIBED AREA CONTAINS 1,204 SQUARE FEET.


CARSON L. STORER, P.L.S.
EXPIRATION DATE: JUNE 30, 2008

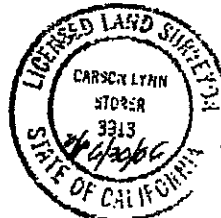
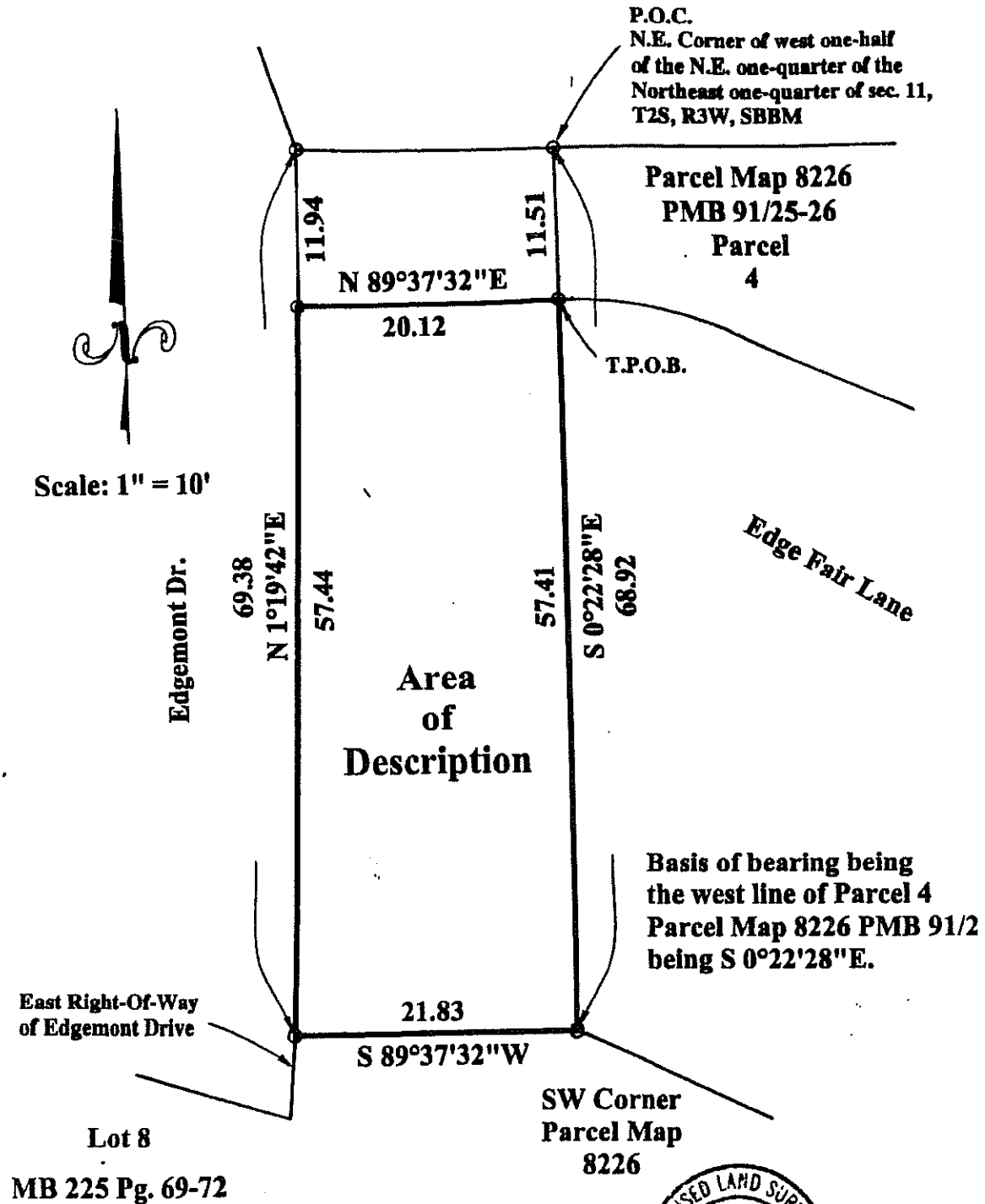




Exhibit "B"



Carson L. Storer, P.L.S. 3913

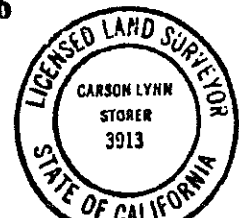


Exhibit "C"

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

City Clerk's Office
City of Redlands
P. O. Box 3005
Redlands, CA 92373

Space Above This Line for Recorder's Use Only

A.P.N.: 0294-161-08

Order No.: 02121604-RK4

Escrow No.: 21802-JB

EASEMENT DEED FOR ROADWAY AND UTILITIES PURPOSES

For valuable consideration, receipt of which is hereby acknowledged **TONY LOUAY LOUKA and BRENDA EVANS-LOUKA, husband and wife as joint tenants**, hereby grant to the **CITY OF REDLANDS**, a municipal corporation and political subdivision of the State of California, and its successors and assigns ("City"):

(1) an irrevocable, exclusive, permanent and perpetual easement, together with the right to forever maintain, operate, improve, alter, relocate, reconstruct, inspect, repair, occupy and use and otherwise install necessary or convenient appurtenances therefor, for the construction and maintenance of public and private above ground and underground utility facilities as determined reasonable or necessary by the City, together with all rights of ingress and egress; and

(2) an irrevocable, exclusive, permanent and perpetual easement, together with the right to construct, operate, maintain, replace and renew a street and roadway, and otherwise install necessary or convenient appurtenances therefor, for street and roadway purposes, including ingress and egress for vehicular and/or pedestrian and other traffic;

in, over and under that certain real property ("Easement Area") described on Exhibit "A" and shown on Exhibit "B" attached hereto.

Document Date: October 11, 2005

TONY LOUAY LOUKA

BRENDA EVANS-LOUKA



Exhibit "C"

09-07-2005 04:37pm From-KRUEPER ENGINEERING

+

T-372 P.002/002 F-093

Exhibit "A"

A PORTION OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 11, TOWNSHIP 2 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 11, SAID CORNER ALSO BEING THE NORTHWESTERLY CORNER OF PARCEL MAP NO. 8226, AS PER PARCEL MAP BOOK 91, PAGES 25 AND 26, RECORDS OF SAID COUNTY;

THENCE ALONG THE EAST LINE OF SAID WEST ONE-HALF SOUTH 0°22'28" EAST 11.51 FEET TO THE TRUE POINT OF BEGINNING; SAID EAST LINE ALSO BEING THE WEST PARCEL BOUNDARY OF SAID PARCEL MAP NO. 8226;

THENCE CONTINUING ALONG SAID EAST LINE SOUTH 0°22'28" EAST 57.41 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL MAP NO. 8226;

THENCE ON A LINE PERPENDICULAR TO SAID EAST LINE SOUTH 89°37'32" WEST 21.83 FEET TO THE EASTERLY RIGHT-OF-WAY OF EDMONT DRIVE, 50 FEET WIDE, AS SHOWN ON AMENDED TRACT NO. 13103, RECORDED IN MAP BOOK 225, PAGES 69-72, RECORDS OF SAN BERNARDINO COUNTY;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY NORTH 01°19'42" EAST 57.44 FEET; THENCE NORTH 89°37'32" EAST 20.12, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

DESCRIBED AREA CONTAINS 1,204 SQUARE FEET.


CARSON L. STORER, P.L.S.
EXPIRATION DATE: JUNE 30, 2006

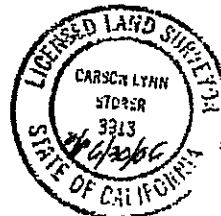
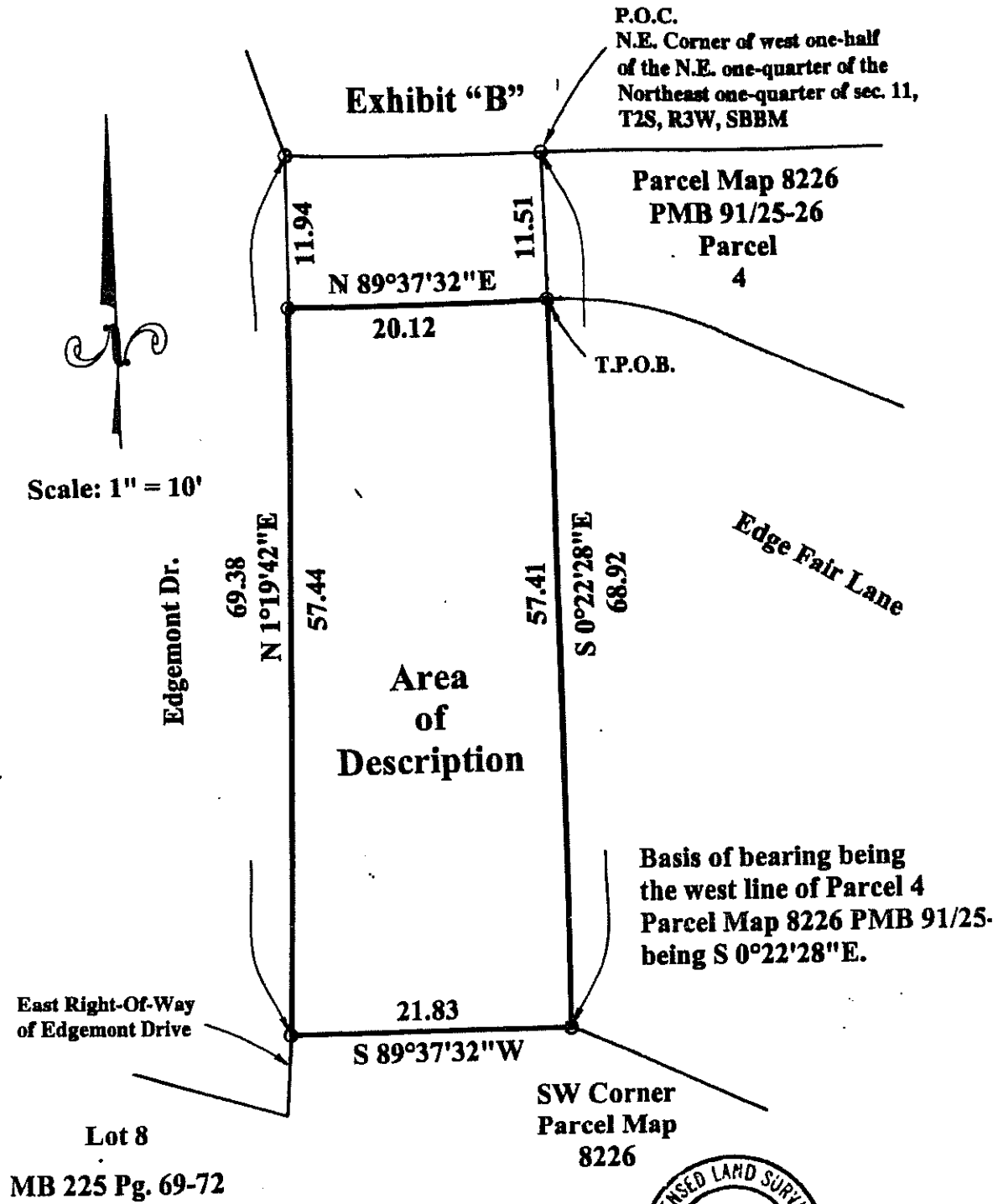




Exhibit "C"




Carson L. Storer, P.L.S. 3913



Exhibit "C"

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed to the City of Redlands, a Municipal Corporation, dated October ____, 2005, from Tony Louka and Brenda Evans-Louka is hereby accepted and the City consents to recordation thereof by its duly authorized officer.

Dated:

October ____, 2005

City Manager
City of Redlands



(Page 5 of 5 Pages)

Exhibit "C"

NOTARY ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared _____

personally known to me or proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public in and for Said State





Guardian Escrow, Inc.

101 East Redlands Blvd., Suite 180
Redlands, CA 92373
(909) 793-3147 FAX (909) 798-4606

RECEIVED

OCT 02 2006

Redlands City Clerk

CITY OF REDLANDS

Attention: Office of the City Clerk

P. O. Box 3005

Redlands, CA 92373

Date : September 28, 2006

Escrow No. : **21802-JB**

RE: **Louka Roadway Easement**

Ladies and Gentlemen:

We enclose the following for your records:

Policy of Title Insurance issued by Commonwealth Land Title Company for your records.

It has been a pleasure to handle your escrow, and we look forward to the opportunity to provide future escrow services which you may require.

Guardian Escrow, Inc.


Jeri Bray, CSEO
General Manager

jb



POLICY OF TITLE INSURANCE
Issued by
Commonwealth Land Title Insurance Company
SCHEDULE A

Policy/File No.: **02121604**

Amount of Insurance: **\$6,000.00**

Premium: **\$375.00**

Endorsement Fees: \$0

Date of Policy: **June 8, 2006 at 8:00 A.M.**

1. Name of Insured:

City of Redlands, a municipal corporation and Political subdivision of the State of California, and its successors and assigns

2. The estate or interest in the land described herein and which is covered by this policy is:

AN EASEMENT INTEREST

3. The estate or interest referred to herein is at the Date of Policy vested in:

City of Redlands, a municipal corporation and Political subdivision of the State of California, and its successors and assigns

4. The land referred to in this policy is situated in the County of San Bernardino, State of California, and is more particularly described in Exhibit "A" attached hereto and made a part hereof.

by: *Rhodene L Chandler*
Authorized Signatory

EXHIBIT "A"

All that certain real property situated in the County of San Bernardino, State of California, described as follows:

A portion of the West One-Half of the Northeast One-Quarter of the Northeast One-Quarter of Section 11, Township 2 South, Range 3 West, San Bernardino Meridian, in the City of Redlands, County of San Bernardino, State of California, described as follows:

Commencing at the Northeast corner of said West One-Half of the Northeast One-Quarter of the Northeast One-Quarter of Section 11, said corner also being the Northwestern corner of Parcel Map No. 8226, as per Parcel Map Book 91, pages 25 and 26 records of said county;

Thence along the East line of said West One-Half South $00^{\circ}22'28''$ East 11.51 feet to the True Point of Beginning, said East line also being the West Parcel boundary of said Parcel Map No. 8226;

Thence continuing along said East line South $00^{\circ}22'28''$ East 57.41 feet to the Southwest corner of said Parcel Map No. 8226;

Thence on a line perpendicular to said East line South $89^{\circ}37'32''$ West 21.83 feet to the Easterly Right-of-Way of Edgemont Drive, 50.00 feet wide, as shown on amended Tract No. 13103, recorded in map Book 225, pages 69 through 72, Records of San Bernardino County;

Thence along said Easterly Right-of Way North $01^{\circ}19'42''$ East 57.44 feet;

Thence North $89^{\circ}37'32''$ East 20.12 feet, more or less to the True Point of Beginning.

SCHEDULE B
EXCEPTIONS FROM COVERAGE

THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE (AND THE COMPANY WILL NOT PAY COSTS, ATTORNEY'S FEES OR EXPENSES) WHICH ARISE BY REASON OF:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interest or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

END OF SCHEDULE B - PART I

**SCHEDULE B
PART II**

- A. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, to be levied for the fiscal year 2006 – 2007 which are a lien not yet payable.
- B. Supplemental or escaped assessments of property taxes, if any, assessed pursuant to the Revenue and Taxation Code of the State of California.
1. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: the City of Redlands, a Municipal Corporation
Purpose: water pipe lines
Recorded: October 1, 1947 in Book 2126, Page 139 of Official Records
Affects: said land more particularly described therein.
 2. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: George Henry Ide and Harold G. Stein
Purpose: roadways and water lines
Recorded: November 13, 1948 in Book 2320, Page 299 of Official Records
Affects: said land more particularly described therein.
 3. The fact that by Resolution of the Board of Supervisors of the County of San Bernardino, State of California, Resolution No. 4112 dated October 17, 1985 and recorded on October 23, 1985 as Instrument No. 85-263030 of Official Records. Annexation to the City of Redlands was approved.

Reference is made to said document for full particulars.

4. An easement for the purpose shown below and rights incidental thereto as set forth in document
Granted to: Southern California Edison Company, a Corporation
Purpose: Public utilities
Recorded: December 1, 1989 as Instrument No. 89-454296 of Official Records
Affects: Said easement is described as follows:

Various strips of land 6.00 feet in width, lying within all those lots bounded on one or more sides by roads or highways; a sideline of each of said strips shall in all cases be coincidental with the right of way line of said roads and highways.

Also, various strips of land 4.00 feet in width, lying on each side of all side lot lines of said lots.

Restrictions on the use, by the owners of said land, of the easement area as set out in the easement document shown above.

SCHEDULE B – PART II Continued

5. Covenants, conditions and restrictions as set forth in the document
Recorded: February 13, 1990 as Instrument No. 90-58566 of Official Records

This exception omits any covenant, condition or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that the covenant, condition or restriction (a) is not in violation of state or federal law, (b) is exempt under 42 U.S.C. Section 3607 or (c) relates to a handicap but does not discriminate against handicapped people.

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

Among other things, said document provides for:

Easements over a portion of said land for the purpose therein shown, and rights incidental thereto.

6. An easement for the purposes shown below and rights incidental thereto as shown or as offered for dedication on the recorded map of said tract.

Purpose: right of way for Edgemont Drive
Affects: as shown on Map of said Tract

7. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount: \$537,000.00
Dated: April 23, 2003
Trustor: Tony L. Louka and Brenda Evans-Louka, husband and wife as joint tenants
Trustee: CTC Real Estate Services
Beneficiary: Countrywide Home Loans, Inc., a New York Corporation
Recorded: April 30, 2003 as Instrument No. 2003-0285476 of Official Records

An assignment of the beneficial interest under said deed of trust which names

As Assignee: CitiMortgage, Inc.
Recorded: May 1, 2003 as Instrument No. 2003-0288001 of Official Records

An agreement which states that this instrument was subordinated

To: Easement Deed
Recorded: June 8, 2006 as Instrument No. 2006-0392581, of Official Records

By Agreement

Recorded: June 8, 2006 as Instrument No. 2006-0392580, of Official Records

8. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: City of Redlands, a municipal corporation and Political subdivision of the State of California, and its successors and assigns
Purpose: Roadway and Utilities
Recorded: June 8, 2006 as Instrument No. 2006-0392581, of Official Records

SCHEDULE B – PART II
Continued

END OF SCHEDULE B - PART II

Endorsements: NONE



PRIVACY POLICY NOTICE

LandAmerica Financial Group, Inc. and its family of affiliated companies ("LandAmerica") respect the privacy of our customers' personal information. This Notice explains the ways in which we may collect and use personal information under the LandAmerica Privacy Policy.

LandAmerica provides title insurance and other real estate services through its affiliates. The three largest members of the LandAmerica family, Commonwealth Land Title Insurance Company, Lawyers Title Insurance Corporation, and Transnation Title Insurance Company, and their title affiliates, issue title policies and handle real estate closings across the country. You may review a complete list of the LandAmerica family of affiliates covered by this Privacy Policy on our website at <http://www.landam.com> under the privacy policy link or request a copy be sent to you from the address listed below. The LandAmerica Privacy Policy applies to all LandAmerica customers, former customers and applicants. Please visit our website for an explanation of our privacy practices relating to electronic communication.

What kinds of information we collect: Depending on the services you use, the types of information we may collect from you, your lender, attorney, real estate broker, public records or from other sources include:

- information from forms and applications for services, such as your name, address and telephone number,
- information about your transaction, including information about the real property you bought, sold or financed such as address, cost, existing liens, easements, other title information and deeds,
- with closing, escrow, settlement or mortgage lending services or mortgage loan servicing, we may also collect your social security number as well as information from third parties including property appraisals, credit reports, loan applications, land surveys, real estate tax information, escrow account balances, and sometimes bank account numbers or credit card account numbers to facilitate the transaction, and
- information about your transactions and experiences as a customer of ours or our affiliated companies, such as products or services purchased and payments made.

How we use and disclose this information: We use your information to provide you with the services, products and insurance that you, your lender, attorney, or real estate brokers have requested. We disclose information to our affiliates and unrelated companies as needed to carry out and service your transaction, to protect against fraud or unauthorized transactions, for institutional risk control, to provide information to government and law enforcement agencies and as otherwise permitted by law. As required to facilitate a transaction, our title affiliates record documents that are part of your transaction in the public records as a legal requirement for real property notice purposes.

We do not share any nonpublic personal information we collect from you with unrelated companies for their own use.

We do not share any information regarding your transaction that we obtain from third parties (including credit report information) except as needed to enable your transaction as permitted by law.

We may also disclose your name, address and property information to other companies who perform marketing services such as letter production and mailing on our behalf, or to other financial service companies (such as insurance companies, banks, mortgage brokers, credit companies) with whom we have joint marketing arrangements. Additionally, some LandAmerica affiliates may share information about their transaction and experiences with you in order to identify opportunities to market other LandAmerica services or products that may be useful to you.

How we protect your information: We maintain administrative, physical, electronic and procedural safeguards to guard your nonpublic personal information. We reinforce our privacy policy with our employees and our contractors. Joint marketers and third parties service providers who have access to nonpublic personal information to provide marketing or services on our behalf are required by contract to follow appropriate standards of security and confidentiality.

Title insurance agents may be covered by this policy: If your transaction goes through a title insurance agent that is not part of the LandAmerica family, the agent handling your transaction should provide you with the agent's own privacy policy or evidence that the agent has adopted our policy.

If you have any questions about this privacy statement or our practices at LandAmerica, please email us at customerservice@landam.com or write us at: **LandAmerica Privacy, P.O. Box 27567, Richmond, VA 23261.**

STANDARD COVERAGE POLICY OF TITLE INSURANCE

Issued by **Commonwealth Land Title Insurance Company**

POLICY NUMBER



Commonwealth Land Title Insurance Company is a member of the LandAmerica family of title insurance underwriters.

02121604

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, COMMONWEALTH LAND TITLE INSURANCE COMPANY, a Nebraska corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of right of access to and from the land; and in addition, as to an insured lender only
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage, said mortgage being shown in Schedule B in the order of its priority;
7. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule B, or the failure of the assignment shown in Schedule B to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

IN WITNESS WHEREOF, COMMONWEALTH LAND TITLE INSURANCE COMPANY has caused its corporate name and seal to be hereunto affixed by its duly authorized officers, the Policy to become valid when countersigned by an authorized officer or agent of the Company.

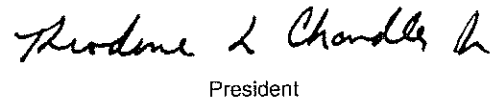
COMMONWEALTH LAND TITLE INSURANCE COMPANY

Attest:


Secretary



By:


President

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulations (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors. The term "insured" also includes:

(i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12(c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land);

(ii) any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not;

(iii) the parties designated in Section 2(a) of these Conditions and Stipulations.

(b) "insured claimant": an insured claiming loss or damage.

(c) "insured lender": the owner of an insured mortgage.

(d) "insured mortgage": a mortgage shown in Schedule B, the owner of which is named as an insured in Schedule A.

(e) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(f) "land": the land described or referred to in Schedule A and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A nor any right, title, interest, estate or easement in adjoining streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(g) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(h) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.

(i) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the insured mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE.

(a) After Acquisition of Title by Insured Lender. If this policy insures the owner of the indebtedness secured by the insured mortgage, the coverage of this policy shall continue in force as of Date of Policy in favor of (i) such insured lender who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage; (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds; and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage.

(b) After Conveyance of Title by an Insured. The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from an insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to an insured.

(c) Amount of Insurance. The amount of insurance after the acquisition or after the conveyance by an insured lender shall in neither event exceed the least of:

(i) The amount of insurance stated in Schedule A;

(ii) The amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or

(iii) The amount paid by an governmental agency or governmental instrumentality, if the agency or the instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

An insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to that insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by an insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of such insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of such insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the

fees of any other counsel. The company will not pay any fees, costs or expenses incurred by an insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to an insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, an insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such insured for this purpose. Whenever requested by the Company, an insured, at the Company's expense, shall give the Company all reasonable aid (i) in an action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of an insured to furnish the required cooperation, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulation have been provided the Company, a proof of loss or damage signed and sworn to by each insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of an insured claimant to provide the required proof of loss or damage, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, an insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by an insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of an insured claimant to submit for examination under oath produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or government regulation, shall terminate any liability of the Company under this policy as to that insured for the claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

(i) to pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or

(ii) in case loss or damage is claimed under this policy by the owner of the indebtedness secured by the insured mortgage, to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expense incurred by the insured claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage, together with any collateral security, to the Company upon payment therefor.

Upon the exercise by the Company of the option provided for in paragraph a(i), all liability or obligations to the insured under this policy, other than to make the payment required in that paragraph shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

Upon the exercise by the Company of the option provided for in paragraph a(ii) the Company obligation to an insured Lender under this policy for the claimed loss or damage, other than if payment required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

(b) To Pay or Otherwise Settle with Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs b(i) or b(ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

CONDITIONS AND STIPULATIONS - CONTINUED

7. DETERMINATION AND EXTENT OF LIABILITY.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy to an insured lender shall not exceed the least of:

- (i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2 (c) of these Conditions and Stipulations;
- (ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or
- (iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the insured lender has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.

(c) The liability of the Company under this policy to an insured owner of the estate or interest in the land described in Schedule A shall not exceed the least of:

- (i) the Amount of Insurance stated in Schedule A; or,
- (ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(d) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, or, if applicable, to the lien of the insured mortgage, as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

(d) The Company shall not be liable to an insured lender for: (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

9. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

(a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of insurance pro tanto. However, as to an insured lender, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of insurance afforded under this policy as to any such insured, except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.

(b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A.

(c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company to an insured lender except as provided in Section 2(a) of these Conditions and Stipulations.

10. LIABILITY NONCUMULATIVE.

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

The provisions of this Section shall not apply to an insured lender, unless such insured acquires title to said estate or interest in satisfaction of the indebtedness secured by an insured mortgage.

11. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

12. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated (i) as to an insured owner, to all rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss; and (ii) as to an insured lender, to all rights and remedies of the insured claimant after the insured claimant shall have recovered its principal, interest, and costs of collection.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Insured's Rights and Limitations.

Notwithstanding the foregoing, the owner of the indebtedness secured by an insured mortgage, provided the priority of the lien of the insured mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness.

When the permitted acts of the insured claimant occur and the insured has knowledge of any claim of title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of an insured mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(c) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of an insured mortgage by an obligor (except an obligor described in Section 1(a)(ii) of these Conditions and Stipulations) who acquires the insured mortgage as a result of a indemnity, guaranty, other policy of insurance, or bond and the obligor will not be a insured under this policy, notwithstanding Section 1(a)(i) of these Conditions and Stipulations.

13. ARBITRATION.

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the law of the state in which the land is located permit a court to award attorneys' fees to prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. Interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the insured mortgage or of the title to the estate interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

15. SEVERABILITY.

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

16. NOTICES WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to: Consumer Affairs Department, P.O. Box 27567, Richmond, Virginia 23261-7567.

CLTA STANDARD COVERAGE POLICY OF TITLE INSURANCE

California Land Title Association (1990)

Issued by

**Commonwealth Land
Title Insurance Company**

Commonwealth Land Title Insurance Company
is a member of the LandAmerica family of title insurance
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LandAmerica Financial Group, Inc.
101 Gateway Centre Parkway
Richmond, Virginia 23235-5153
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THANK YOU.

Title insurance provides for the protection of your real estate investment. We suggest you keep this policy in a safe place where it can be readily available for future reference.

If you have questions about title insurance or the coverage provided by this policy, contact the office that issued this policy, or you may call or write:

Commonwealth Land Title Insurance Company
Consumer Affairs
P.O. Box 27567
Richmond, Virginia 23261-7567
telephone, toll free: 800 446-7086
web: www.landam.com

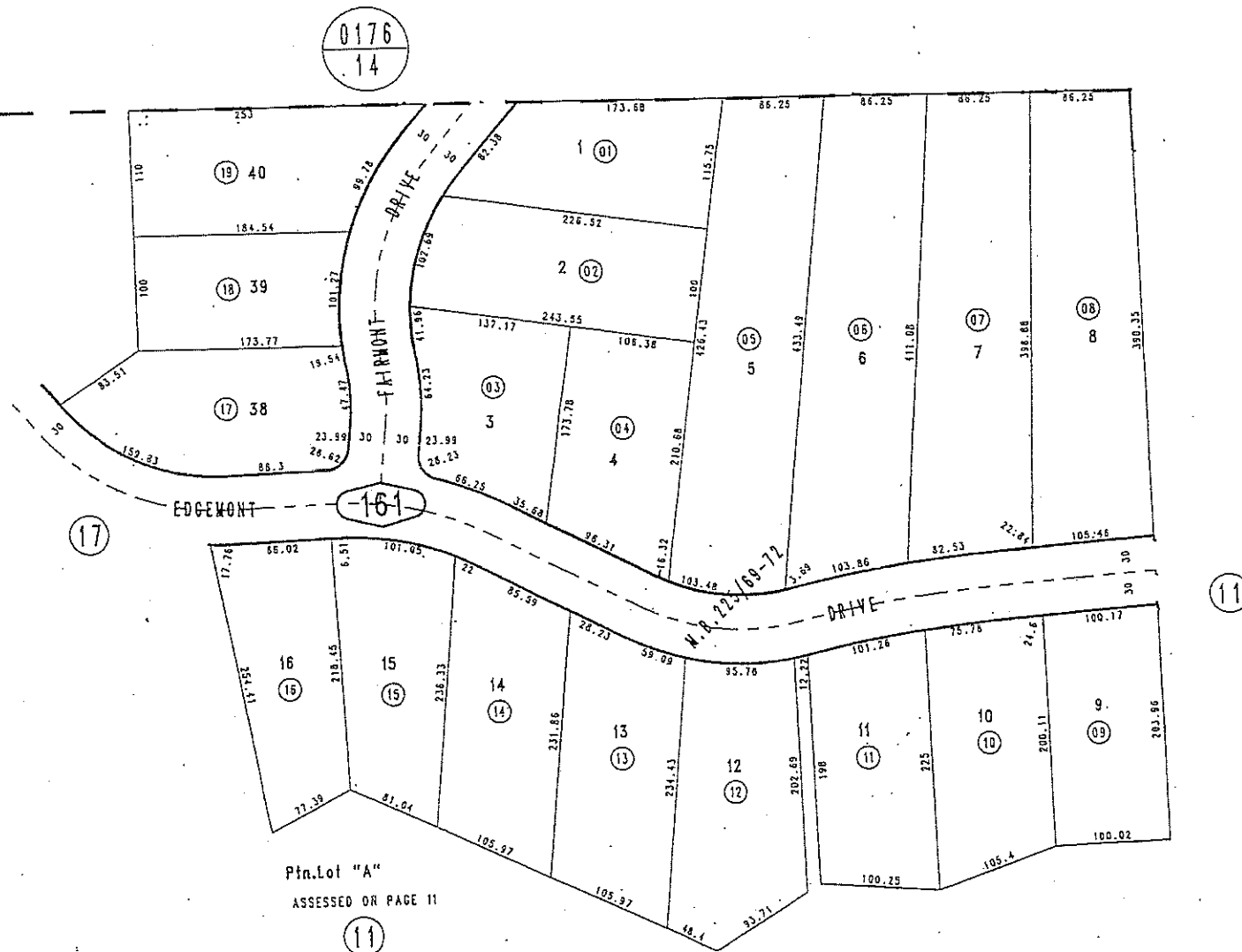
We thank you for choosing to do business with Commonwealth Land Title Insurance Company, and look forward to meeting your future title insurance needs.

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underwriters.



City of Redlands
Tax Rate Area
5023

0294-16



FEB 04 2004

REVISED

Ptn. N.1/2, N.E.1/4, Sec. 11
T.2S., R.3W.

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San Bernardino County

Notice of Environmental Actions - On motion of Councilmember Peppler, seconded by Councilmember Gil, the report on pending environmental actions received from surrounding jurisdictions was acknowledged as received.

Purchase and Sale Agreement and Escrow Instructions - Edgemont Drive - On motion of Councilmember Peppler, seconded by Councilmember Gil, the City Council unanimously approved a purchase and sale agreement and escrow instruction in the amount of \$6,000.00 for City acquisition of a 1,204 square foot easement to extend Edgemont Drive for public access and utilities on property owned by Tony Louka and Brenda Evans-Louka located at 306 Edgemont Drive and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

Integrated Management Program Demonstration Project Agreement - On motion of Councilmember Peppler, seconded by Councilmember Gil, the City Council unanimously approved a one-year time extension of the Integrated Management Program Demonstration Project agreement with the San Bernardino Valley Water Conservation District, and Bernardino Valley Municipal Water District, City of San Bernardino and the East Valley Water District and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

Agreement - 1350 Zone Reservoir Site - On motion of Councilmember Peppler, seconded by Councilmember Gil, the City Council unanimously approved an agreement to furnish engineering/surveying services with Hicks and Hartwick, Inc. for the Parcel Map No. 17558 and Street Improvement Plans for San Bernardino Avenue and Webster Street for the 1350 Zone Reservoir site and to support the potential sale of property to the San Bernardino Valley Municipal Water District for an amount not to exceed \$21,000.00 and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

MOU - Storage Trailer - Fire Department - On motion of Councilmember Peppler, seconded by Councilmember Gil, the City Council unanimously approved a memorandum of understanding with Inland Counties Emergency Medical agency for the placement and location of a storage trailer containing bioterrorism preparedness and response program equipment and supplies on City property located at 1270 West Park Avenue (Redlands Corporate Yard) and authorized the Mayor to execute, and the City Clerk to attest to, the document on behalf of the City.

Contract - Trimester Use of Force Training - On motion of Councilmember Peppler, seconded by Councilmember Gil, the City Council unanimously approved a contract with the County of San Bernardino for the San Bernardino County Sheriff's Department to provide trimester use of force training to