

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Escrow Instructions ("Agreement") is made and entered into by Iowa Street Medical Partners ("Buyer") and the City of Redlands ("Seller") this 19th day of September, 2006 ("Effective Date"). Buyer and Seller are sometimes hereinafter individually referred to herein as a "Party" or collectively as the "Parties."

In consideration of the mutual promises contained herein, the Parties agree as follows:

AGREEMENT

ARTICLE I PURCHASE AND SALE

Section 1.1 Purchase and Sale. Seller is the owner of certain real property generally located in the City of Redlands and more particularly described in Exhibit "A," which is attached hereto and incorporated herein by this reference (the "Property"). On all of the terms, covenants and conditions contained in this Agreement, Seller agrees to sell the Property to Buyer, and Buyer agrees to buy the Property from Seller.

Section 1.2 Purchase Price. The purchase price for the Property ("Purchase Price") is Fifteen Thousand Eight Hundred Ten and 12/100 Dollars (\$ 15,810.12).

Section 1.3 Payment of the Purchase Price. Buyer shall pay the Purchase Price to Seller in cash upon "Close of Escrow" as defined herein.

ARTICLE II ESCROW

Section 2.1 Escrow, Escrow Holder, and Opening of Escrow. Within five (5) days of the Effective Date of this Agreement, Buyer shall open an escrow to facilitate the transaction contemplated by this Agreement ("Escrow") with First American Title Company ("Escrow Holder") at the address specified in Section 8.6. Delivery by Buyer to Escrow of a fully-executed original or counterpart original of this Agreement shall constitute the opening of Escrow ("Opening of Escrow"). This Agreement shall constitute escrow instructions ("Escrow Instructions") to Escrow Holder. The Parties shall execute such additional Escrow Instructions consistent with the provisions of this Agreement that are mutually acceptable to the Parties or that may be required by Escrow Holder. Escrow Holder's general provisions ("Standard Escrow Instructions") shall also constitute

Escrow Instructions for purposes of this Agreement. As between the Parties, Buyer and Seller agree that if there is any conflict between the terms of this Agreement and the Standard Escrow Instructions, this Agreement shall control.

Section 2.2 Close of Escrow. Subject to the conditions set forth in Section 2.8, Escrow shall close on the date that fee title to the Property is conveyed from Seller to Buyer as contemplated by this Agreement and evidenced by the recording of grant deeds for the Property. (Close of Escrow). Unless otherwise extended by written amendment to this Agreement, Close of Escrow shall occur on October 30, 2006, or sooner, after all conditions precedent to Close of Escrow have been satisfied or waived.

Section 2.3 Preliminary and Supplemental Title Report. Escrow Holder shall deliver to Buyer, within ten (10) business days after the Opening of Escrow, Preliminary Title Report covering the Property issued by First American Title Insurance Company ("Title Insurer"). The Preliminary Title Report shall be accompanied by complete copies of all underlying documents referred to in the Preliminary Title Report as evidencing exceptions to title ("PTR").

Section 2.4 Review of Title Documents. Buyer shall have ten (10) business days following receipt of the PTR within which to notify Seller, in writing, of Buyer's disapproval of any exception to title disclosed in the PTRs. In the event the PTR is supplemented ("Supplemental PTR") by the Title Insurer, Buyer shall have five (5) business days after its receipt by Buyer of such Supplemental PTR, within which to approve or disapprove any new matters disclosed in such Supplemental PTR. In the event Buyer disapproves a matter disclosed in the Title Documents that Seller declines to cure and that Buyer declines to waive, the Escrow shall be cancelled with respect to the Property upon written notice by either Party to the Escrow Holder and the other Party. Upon any such cancellation of Escrow, each Party shall pay one-half of the Escrow cancellation charges.

Section 2.5 Condition of Title. All matters contained in the PTR that are not disapproved by Buyer prior to the end of the period referred to in Section 2.4 shall be deemed to be permitted exceptions ("Permitted Exceptions"). Seller shall convey the Property to Buyer in fee simple title, which shall be, except for the Permitted Exceptions, free and clear of all leases, tenancies, rentals, mortgages, liens, charges, encumbrances, encroachments, easements, conditions, exceptions, assessments, taxes and other defects in title.

Section 2.6 Obligations of Buyer. In addition to performance by Buyer of all obligations of Buyer contained in this Agreement, on or before one (1) business day prior to Close of Escrow,

Buyer shall have deposited into Escrow: (i) the Purchase Price for the Property; and (ii) all other sums and documents reasonably required of Buyer by Escrow Holder to the Close of Escrow.

Section 2.7 Obligations of Seller. In addition to fulfilling any other obligations of Seller contained in this Agreement, on or before one (1) business day prior to Close of Escrow, Seller shall deposit into Escrow; a Grant Deed to the Property, properly executed by Seller and recordable and any documents reasonably required of Seller by Escrow Holder to carry out Close of Escrow.

Section 2.8 Conditions Precedent to Close of Escrow. Seller's obligation to convey the Property and Buyer's obligation to purchase the Property are subject to the satisfaction (or written waiver by the benefitting Party) of the following conditions precedent:

- (a) Escrow has not been canceled and/or this Agreement has not been terminated pursuant to Sections 2.4, 2.9 or 3.2;
- (b) Title Insurer is prepared to issue the policy of title insurance described in Section 2.13.

Section 2.9 Conditions Regarding Close of Escrow. In the event that any condition precedent to Close of Escrow referred to in Section 2.8 is neither satisfied nor waived in writing by the Party benefitting from the condition, such conditions shall be deemed to have failed and Escrow shall terminate with respect to the Property. If either Party is at fault for cancellation of Escrow pursuant to this Section, including because the Party failed to act when or in the manner required pursuant to this Agreement, or because the Party acted in any such manner that impeded satisfaction of any condition precedent specified in Section 2.8, that Party shall be responsible for paying all Escrow cancellation costs. If the Escrow is terminated pursuant to this Section for any reason that is not the fault of a Party, the Parties shall equally bear the Escrow cancellation costs.

Section 2.10 Taxes and Assessments. Prior to or concurrent with Close of Escrow, Seller shall pay, cancel or terminate all prior current taxes, including special taxes assessments and improvement fees or charges levied on or against the Property. Subsequent to the Close of Escrow, the Property shall be tax-exempt. Any claims for a property tax refund shall be the sole responsibility and sole property of Seller and, at Seller's expense, Buyer will cooperate with Seller in processing any claim by Seller for a property tax refund after Close of Escrow. If for any reason the Property is not considered tax exempt following the Close of Escrow, Buyer shall be responsible for all property taxes that become due and payable following the Close of Escrow.

Section 2.11 Payment of Costs. The costs associated with this transaction shall be paid as follows:

- (a) Buyer shall pay an amount equal to the cost of obtaining a standard form CLTA title insurance policy covering the Property in the amount of the Purchase Price including the cost of the PTR;
- (b) Buyer shall pay all costs of Escrow, including the Escrow Holder's escrow fee;
- (c) Buyer shall pay the cost of documentary transfer taxes, if any, in connection with the recordation of the grant deed.

Section 2.12 Brokerage Fees. The Parties agree that Buyer is solely responsible for any fees and commissions relating to brokerage fees.

Section 2.13 Title Policy. Escrow Holder shall deliver to Buyer, through Escrow, a CLTA owner's policy of title insurance insuring Buyer's fee ownership of the Property, subject only to the usual printed title company exceptions and the Permitted Exceptions, in amounts equal to the Purchase Price, issued by Title Insurer and dated as of Close of Escrow.

Section 2.14 Execution of Other Documents; Compliance with Regulations. The Parties shall do such other things and shall execute all documents which are reasonably necessary for Close of Escrow to occur. Furthermore, the Parties shall comply at their own expense with all applicable laws required for Close of Escrow to occur including, but not limited to, any required filings with governmental authorities.

Section 2.15 Recording of Documents and Delivery of Funds. Upon receipt of the funds and instruments described in this Article, and upon the satisfaction or waiver of the conditions precedent to Close of Escrow referred to in this Article, Escrow Holder shall cause the Grant Deed and other documents specified in this Agreement to be recorded in the official records of the County of San Bernardino. Upon Close of Escrow, Escrow Holder shall deliver conformed copies of the Grant Deed and all other appropriate documents to Buyer.

Section 2.16 Escrow Cancellation Charges. Notwithstanding any other provision of this Agreement to the contrary, in the event that Close of Escrow fails to occur as result of the default of a Party, the defaulting party ("Defaulting Party") shall be liable for all Escrow cancellation charges. In the event that Close of Escrow fails to occur for any other reason, Buyer and Seller shall each be responsible for and shall pay one-half of all Escrow cancellation charges unless specified

otherwise in this Agreement.

ARTICLE III FEASIBILITY, DUE DILIGENCE AND INSPECTIONS

Section 3.1 Feasibility, Due Diligence, and Inspections. Buyer shall have fifteen (15) business days from the Effective Date of this Agreement to complete its due diligence ("Due Diligence Period"). At all times prior to Close of Escrow, Seller agrees that it shall provide to Buyer, in writing, any information relating to the Property that reasonably may impact in any manner Buyer's proposed use of the Property. After providing Seller with at least twenty-four (24) hours written notice, Buyer and its consultants, agents, contractors and employees ("Buyer's Agents") shall have the opportunity during the Due Diligence Period to enter the Property during regular business hours, or as reasonably necessary, to make inspections of the Property. After providing Seller with at least twenty-four hours written notice, Buyer may conduct any such tests or inspections as Buyer may elect or deem necessary including, but not limited to, the following:

- (a) General Inspection. Buyer, at its sole cost and expense, shall review the feasibility of, and all factors relevant to, its proposed use of the Property, and may conduct any and all inspections, reviews, examinations and tests of the Property to determine the feasibility of such use.
- (b) Inspection of Studies and Reports. To assist in Buyer's due diligence investigations, if any, at the time of execution and delivery of this Agreement, Seller shall deliver to Buyer copies of all surveys, soil tests, engineering studies and any other test results or reports in Seller's possession or under Seller's control concerning the Property ("Seller's Reports"). If so requested by Buyer, Seller shall instruct those who prepared the Seller's Reports to divulge to Buyer any other information they may have about the Property.

Section 3.2 Consequences of Feasibility and Due Diligence Inspection. If Buyer fails to disapprove, in writing, of the physical or environmental condition of the Property prior to the end of the Due Diligence Period, or any extension thereto, Buyer shall be deemed to have approved the physical and environmental condition of the Property. Buyer shall notify Seller in writing if Buyer disapproves the physical or environmental condition of the Property as a result of any inspection, study, test or review conducted pursuant to Section 3.1. In such event, within ten (10) business days after receipt of any such notification, Seller may either: (i) cancel the Escrow with respect to the Property by delivering written notice to Buyer and Escrow Holder; or (ii) give written notice to

Buyer that Seller intends to remove or abate the condition prior to Close of Escrow ("Abatement Option"). If Seller elects to exercise the Abatement Option, Seller shall do so at its own cost and expense prior to Close of Escrow, or after Close of Escrow pursuant to a separate written agreement with Buyer.

Section 3.3 Right to Observe Inspections and Testing. Seller may be present and may observe any inspections, studies or tests conducted by Buyer or Buyer's consultants; however, Seller shall not interfere with, or in any manner impede, any such inspection, study or test, and Buyer shall in no way be responsible for the safety of, or liable for, Seller during any such inspection, study or test.

Section 3.4 Repair of the Property. If Escrow is cancelled with respect to the Property, Buyer shall promptly repair any damage it has caused to the Property.

Section 3.5 License for Buyer Inspections. As consideration to Buyer, Seller hereby grants a non-exclusive license to Buyer to enable Buyer to conduct Buyer's due diligence activities as to its proposed use of the Property ("Buyer License"). The Buyer License shall include, but is not limited to, allowing Buyer to enter, cross over, on, along, through and across the Property and to make environmental and geological tests and borings. The Buyer License is granted subject to any covenants, restrictions, reservations, rights-of-way and encumbrances of record.

ARTICLE IV SELLER'S REPRESENTATIONS AND WARRANTIES

Section 4.1 To Seller's knowledge, there are no actions, suits, material claims, legal proceedings or any other proceedings pending or threatened before any court or governmental agency that could have a material, adverse effect on Buyer's purchase, ownership or intended use of the Property. Seller has the full right and authority to enter into this Agreement and consummate the transactions contemplated herein, and each person signing this Agreement in behalf of Seller is authorized to do so.

Section 4.2 Seller is selling the Property in "As-Is" condition. Except as otherwise expressly provided in this Agreement, Seller hereby disclaims all warranties of any kind or nature whatsoever, whether expressed or implied, including but not limited to warranties with respect to either of the Property, or its condition or suitability for Buyer's intended use.

ARTICLE V BUYER'S REPRESENTATIONS AND WARRANTIES

Section 5.1 In addition to any other representations and warranties made by Buyer pursuant to this Agreement, Buyer warrants and represents that the following facts are true and correct as of the date Buyer executes this Agreement, and the truth and accuracy of such representations and warranties shall constitute a condition to Close of Escrow. As used in this Agreement, the phrase "to Buyer's knowledge" shall be limited to the actual knowledge of the signatories to this Agreement on behalf of Buyer and any constructive knowledge imparted to it as a result of any report, study or other documentation in Buyer's possession.

(a) To Buyer's knowledge, neither this Agreement, nor any action required hereunder, violates or shall violate any contract, agreement or instrument to which Buyer is a party. No other person or entity is required to consent to, acknowledge, or execute this Agreement in order to validate its execution by Buyer or to permit the consummation of the transactions contemplated herein.

(b) To Buyer's knowledge, Buyer, subject to the provisions of this Agreement, has the full right and authority to enter into this Agreement and consummate the transactions contemplated herein, and each person signing this Agreement on behalf of Buyer is authorized to do so.

(c) To Buyer's knowledge, except as set forth in this Agreement, there is no existing state of facts or circumstances, or any condition or event, that would preclude Buyer from fulfilling its obligations under this Agreement.

ARTICLE VI INSURANCE AND INDEMNIFICATION

Section 6.1 Indemnification by Buyer. Buyer shall indemnify, defend and hold harmless Seller its from any loss of or damage to the Property, or injury or death of any person whomsoever, including attorneys' fees and costs, arising from the activities caused in whole or in part by any intentional or negligent act of Buyer or Buyer's Agents, or by any act or omission of Buyer or Buyer's Agents in the exercise of rights pursuant to the Buyer License, or from all mechanic liens, materialmen liens and other liens resulting from the use of the Buyer License; provided, however, that Buyer shall not be liable in such instances that a loss, damage or injury is caused by Seller or by any act or omission for which Seller is liable without fault of Buyer.

ARTICLE VII DISPUTES AND DEFAULT

Section 7.1 Governing Law. This Agreement shall be governed by and construed in accordance with California law.

Section 7.2 Interpretation of Agreement. The headings set forth in this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions contained herein.

Section 7.3 Attorneys' Fees. In any action between Buyer and Seller seeking enforcement or interpretation of any provision of this Agreement or in connection with the purchase of the Property, the prevailing Party in such action shall be awarded its reasonable costs and expenses, including, but not limited to, reasonable attorneys' fees, (including in-house counsel fees of the Parties) disbursements, and court costs, in addition to any damages, injunctive, or other relief awarded, and, without limitation, attorneys' fees, disbursements, and court costs, incurred in any post judgment proceedings to collect or enforce any judgment.

Section 7.4 Default. Time is of the essence in this Agreement, and if either Party defaults on its obligations hereunder, then the other Party ("Non-Defaulting Party") may initiate termination of this Agreement by notice in writing to the Defaulting Party and Escrow Holder. If the Defaulting Party has not fully cured the default within thirty (30) days after receipt of such written notice, the Non-Defaulting Party may instruct Escrow Holder to cancel the Escrow, and the Non-Defaulting Party shall thereupon be released from its obligations under this Agreement. If said Default is not cured within the foregoing 30 day period, it is hereby mutually agreed that Escrow shall be immediately cancelled and the full deposit (less any escrow, title, or other applicable fees) shall be released to Seller and there will be no further liability from the Parties herein.

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 8.1 Entire Agreement and Amendment. This Agreement fully and completely expresses the entire agreement between the Parties hereto with respect to the subject matter hereof. By executing this Agreement, the Parties hereby expressly terminate that certain purchase and sale agreement dated July 18, 2006 between the Parties which, in part, addressed the subject matter hereof. Any amendment to this Agreement shall be in writing and approved by the City Council of Seller; provided, however, that an amendment to this Agreement solely for the purpose of extending the Close of Escrow may be approved in writing by the City Manager of Seller.

Section 8.2 Waiver. The failure of either Party at any time to require a performance by the other Party of any provision hereof shall not affect in any way the full right to require such performance at any time thereafter. The waiver of any breach of any provision of this Agreement by Buyer or Seller shall not be deemed to be a waiver of any preceding or subsequent breach of the same or any other provision of this Agreement.

Section 8.3 Representation by Independent Counsel. Buyer and Seller agree and acknowledge that they have been represented by independent legal counsel of their own choice throughout all negotiations preceding the execution of this Agreement, and that they have executed this Agreement with the consent of, and upon the advice of, their own legal counsel.

Section 8.4 Not for Benefit of Third Parties. This Agreement and every provision hereof is for the exclusive benefit of the Parties to this Agreement and not for the benefit of any third party.

Section 8.5 Assignment. This Agreement shall be binding upon the Parties hereto and their respective heirs, successors, representatives and assigns.

Section 8.6 Notices. All notices, demands and other communications given or required to be given pursuant to this Agreement shall be in writing, duly addressed as indicated below, and given by personal delivery, registered or certified mail (postage prepaid and return receipt requested), Federal Express or other reliable private express delivery, or by facsimile transmission (with original to follow via first-class U.S. Mail). Such notices, demands or other communications shall be deemed received: (i) immediately upon delivery if personally delivered or sent by facsimile transmission; or (ii) after three business days if given or sent by any other approved method specified above. Any Party specified below may, for purposes of this Agreement, change its name, address, facsimile number or person to whom attention should be directed by giving notice in the manner specified in this Section. Notices, demands and communications shall be duly addressed as follows:

To Buyer:

Attention: Ed Anderson
Iowa Street Medical Partners
29798 Haun Road, Suite 202
Menifee, CA 92586
(951) 723-8366

To Seller:

Attention: City Manager
City of Redlands
P.O. Box 3005
Redlands, CA 92373
(909) 798-7510

To Escrow Company:

First American Title Company
323 W. Court Street
San Bernardino, CA 92401-1604

Section 8.7 Severability. If any article, section, subsection, paragraph, sentence, clause or phrase contained in this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by a court of competent jurisdiction to be illegal, null or void or against public policy, the remaining articles, sections, subsections, paragraphs, sentences, clauses or phrases contained in this Agreement shall not be affected thereby.

Section 8.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

IN WITNESS OF THE FOREGOING, the undersigned execute this Agreement on behalf of Buyer and Seller.

IOWA STREET MEDICAL PARTNERS

Medical Real Estate Development, LLC,
A California limited liability company,
Authorized Agent

By: 

Edward L. Anderson or Kelly J. Combs,
its: Manager

Dated: September __, 2006

CITY OF REDLANDS



Mayor Jon Harrison

Dated: September 19, 2006

ATTEST:



Lorrie Poyzer, City Clerk

Dated: September 19, 2006

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

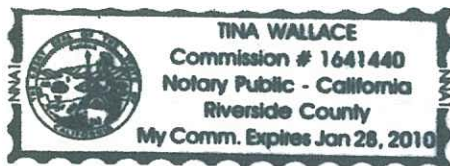
State of California

County of Riverside } ss.

On 9/12/06, before me, Tina Wallace, Notary Public,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Edward L. Anderson,
Name(s) of Signer(s)

☒ personally known to me

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



Place Notary Seal Above

WITNESS my hand and official seal.

Tina Wallace
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer Is Representing: _____

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer Is Representing: _____

Recording Requested By
and When Recorded Mail to:
City Clerk
City of Redlands
P.O. Box 3005
Redlands CA 92373

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the City of Redlands ("Grantor"), a municipal corporation organized and existing pursuant to California law, hereby grants to Iowa Street Medical Partners ("Grantee"), that certain real property located in the County of San Bernardino, State of California, and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, this instrument is executed as of this ____ day of _____, 2006 by:

[PLEASE NOTARIZE SIGNATURES]

GRANTOR:

CITY OF REDLANDS

By: _____

Jon Harrison, Mayor

ATTEST

Lorrie Poyzer, City Clerk

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

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

WITNESS my hand and official seal.

Signature of Notary Public

EXHIBIT "A"

**VACATION OF A PORTION OF BARTON ROAD
(PARCEL 1, P.M. NO. 13966)**

That portion the southwest $\frac{1}{4}$ of Block 15 of Barton Ranch, in the City of Redlands, County of San Bernardino, State of California, as shown by map recorded in Book 6, Page 19 of Maps, records of San Bernardino County, California described as follows;

Beginning at the southerly terminus of that certain course shown as "N0°38'57"W 421.30'" for a portion of the westerly line of Parcel 1 of Parcel Map No. 13966 as shown on the map recorded in Book 166, Pages 12 through 14, inclusive, of Parcel Maps in the office of said County Recorder;

Thence along the southwesterly and southerly lines of said Parcel 1 the following courses: along a tangent curve from said westerly line, said curve being concave northeasterly and having a radius of 13.00 feet, southeasterly and easterly 20.30 feet through a central angle of 89°28'15";

thence tangent from said curve North 89°52'48" East 67.06 feet to the beginning of a tangent curve concave southerly and having a radius of 1910.00 feet;

thence along said curve easterly 120.06 feet through a central angle of 03°36'06" to the southeasterly corner of said Parcel 1;

thence leaving said southerly line of said Parcel 1 along the southerly prolongation of the easterly line of said Parcel 1, non-tangent from said curve, South 00°38'57" East 8.02 feet to a point on a non-tangent curve concave southerly and having a radius of 1902.00 feet, a radial line of said curve from said point bears South 03°29'56" West, said curve being concentric with and 8.00 feet southerly of said southerly line of Parcel 1;

thence along said curve westerly 120.13 feet through a central angle of 03°37'08";

thence tangent from said curve South 89°52'48" West 76.99 feet to the beginning of a tangent curve concave northeasterly and having a radius of 13.00 feet;

thence along said curve westerly, northwesterly and northerly 20.30 feet through a central angle of 89°28'15" to a line parallel with and westerly 10.00 feet from said westerly line of Parcel 1;

thence tangent from said curve along said parallel line North 00°38'57" West 7.91 feet;

thence North 89°21'03" East 10.00 feet to the **POINT OF BEGINNING.**

EXHIBIT "A"
Street Vacation - Barton Road

CONTAINING: 1,808 square feet or 0.042 acres more or less.

EXHIBIT "B" attached hereto and by this reference made a part hereof.

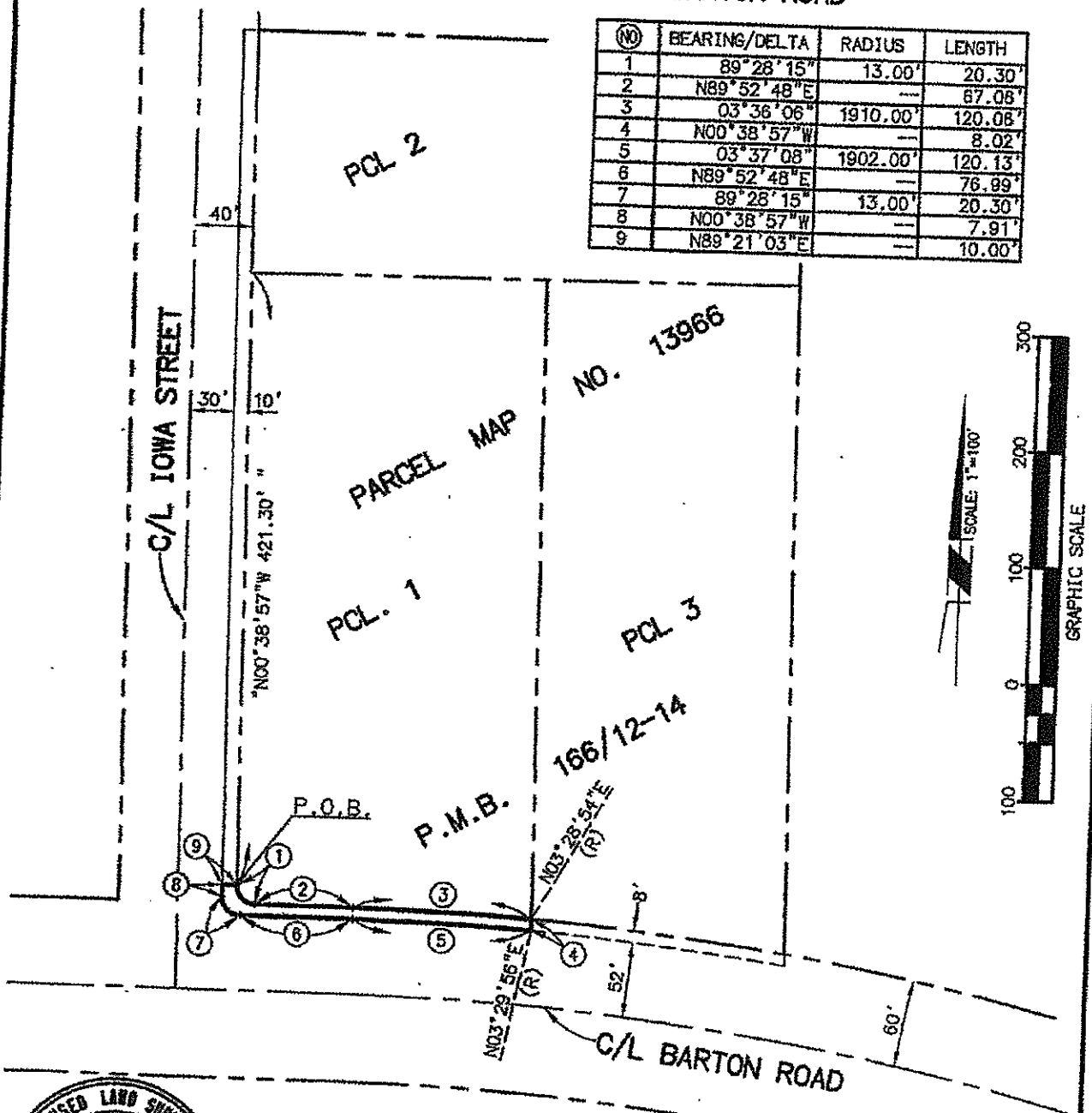
This description was prepared
by me or under my direction.


Thomas E. Verloop, PLS 5348, 9/7/2006
My license expires 12/31/07. Date



EXHIBIT. "B" **VACATION OF A PORTION OF BARTON ROAD**

(NO)	BEARING/DELTA	RADIUS	LENGTH
1	89°28'15"	13.00'	20.30'
2	N89°52'48"E	---	87.08'
3	03°36'06"	1910.00'	120.08'
4	N00°38'57"W	---	8.02'
5	03°37'08"	1902.00'	120.13'
6	N89°52'48"E	---	76.99'
7	89°28'15"	13.00'	20.30'
8	N00°38'57"W	---	7.91'
9	N89°21'03"E	---	10.00'



RBF
CONSULTING

SHEET 1 OF 1 SHEET
 PLANNING ■ DESIGN ■ CONSTRUCTION

40810 COUNTY CENTER DRIVE, SUITE 100
 TEMECULA, CALIFORNIA 92591-6022
 951.676.8042 ■ FAX 951.676.7240 ■ www.RBF.com

SEPTEMBER 06, 2006

SCALE
 1"=100'

JOB NO.
 15101194-M1

\\DATA\15101194\CA22\TOPPERS\1510EX001.DWG 15101194 9/6/06 4:10 pm



First American Title Company
323 Court Street, San Bernardino, CA 92401
Phone - (909)889-0311 Fax - (866)232-4615

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

November 14, 2006
File No: SSB-2484338 (CZ)

Re: **Vacant Portion of Barton Road, Parcel 1, P.M. No 13966, Redlands, CA**

Dear Valued Customer:

Congratulations on the sale of your property referenced above. **First American Title Company** will be handling your transaction. Your escrow officer is **Cheryl Zanini** and can be reached at **(909)889-0311**. The fax number is **(866)232-4615**. Please do not hesitate to call at any time during your transaction.

PLEASE SIGN AND RETURN the enclosed item(s):

- Escrow Instructions

COMPLETE IN FULL, SIGN AND RETURN the enclosed items:

- 1099S Input and Certifications
- Seller Certification under FIRPTA
- Seller Information Request

SIGN AND ACKNOWLEDGE BEFORE A NOTARY PUBLIC the enclosed items. All documents should be signed ***Exactly*** as your name(s) appear, if your names appear incorrectly, please make the necessary correction then sign.

- Grant Deed
- Owner's Affidavit

ENCLOSED are the following for your records:

- Privacy Policy Notice
- General Provisions for First American Title Company
- Escrow Instructions

Should you have any questions or need further assistance, please contact the undersigned. We appreciate the opportunity to serve you.

Sincerely,

Cheryl Zanini
Escrow Officer
czanini@firstam.com

CZ/gl



First American Title Company
323 Court Street, San Bernardino, CA 92401
Phone - (909)889-0311 Fax - (866)232-4615

ESCROW INSTRUCTIONS

TO: **First American Title Company ("First American")**
Attn: **Cheryl Zanini (Escrow Officer)**

Date: **November 14, 2006**
File No.: **SSB-2484338 (CZ)**

Property: **Vacant Portion of Barton Road, Parcel 1, P.M. No 13966 Redlands, CA**

This escrow has been opened pursuant to that certain real estate purchase agreement entitled "**Purchase and Sale Agreement and Escrow Instructions**" dated as of **September 19, 2006** ("Purchase Agreement") by and between **City of Redlands** ("Seller") and **Iowa Street Medical Partners** ("Buyer") with regard to that certain real property commonly described as **Vacant Portion of Barton Road, Parcel 1, P.M. No 13966**, in the City of **Redlands**, County of **San Bernardino**, State of **California** ("State") as further legally described on **Exhibit 'A'** attached hereto and incorporated herein by reference (the "Real Property"). The terms and conditions of the Purchase Agreement are incorporated herein by reference. First American has been requested to act as escrow agent for the Buyer and Seller (jointly referred to as the "Parties" and individually as a "Party") under the Purchase Agreement.

First American is willing to act as escrow agent ("Escrow Agent") for the parties pursuant to the Purchase Agreement subject to the following terms and conditions.

1. **Obligations of Escrow Agent:** Escrow Agent shall be responsible only for the applicable portions of Purchase Agreement dealing with financing, escrow, allocation of costs, title and vesting, prorations, property taxes, title insurance, delivery of documents and Seller's assignment of proceeds to pay the broker commission, if any.
2. **Satisfaction of Executory Terms:** Pursuant to the Purchase Agreement, the consummation of the escrow is subject to satisfaction of certain executory terms and provisions which are not the responsibility of Escrow Agent. The Parties shall be solely responsible for determining such satisfaction and shall notify Escrow Agent in writing in a form reasonably satisfactory to Escrow Agent when such executory terms have been fully satisfied or are otherwise waived. Escrow Agent's receipt of such written acknowledgment shall constitute a direction to Escrow Agent to close the Escrow.
3. **General Provisions:** Escrow Agent's duties and responsibilities in this escrow are subject to the General Provisions. To the extent that the Purchase Agreement is inconsistent with the General Provisions, the terms of the General Provisions shall control as to Escrow Agent's rights, duties and responsibilities.
4. **Clarification of Purchase Agreement Terms:**
 - (a) **Sales Price:** The sales price of the Real Property is **\$15,810.12**
 - (b) **Close of Escrow:** Close of escrow shall occur on **November 20, 2006**.

Closing Funds: Funds to close escrow must be received in a form sufficient to satisfy applicable good funds laws of the State. All funds in excess of \$100,000 must be wire transferred to Escrow Agent.

Requirements for Interest Bearing Accounts: In the event that Escrow Agent is requested to deposit funds in an interest-bearing account, Escrow Agent shall not be obligated to open such account until Escrow Agent has received an executed Form W-9 with appropriate taxpayer information from the Party to whose benefit the interest will accrue. The Parties acknowledge receipt of a form entitled "Notice of Opportunity to Earn Interest" delivered concurrently with this Escrow Instruction. The Parties acknowledge that Escrow Agent shall be entitled to a fee of \$50.00 for opening any interest bearing account.

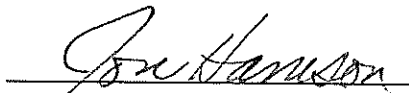
Funds Held Fee: If the event that funds remain in escrow for any reason more than 90 days after the close of escrow, or if escrow has not closed 90 days after the estimated closing date set forth in the existing escrow instructions to Escrow Holder ("Dormancy Period"), Escrow Holder will make reasonable efforts to notify the parties regarding same. If funds remain in escrow beyond the Dormancy Period, a monthly "funds held fee" of \$25.00 shall accrue for each month or fraction of a month thereafter that the funds, or any portion thereof, remain in escrow. Escrow Holder is instructed to deduct the monthly funds held fee directly from the funds held in escrow on a monthly or other periodic basis (i.e. quarterly, semi-annually, etc.). The parties agree to pay these sums to compensate Escrow Holder for administering, monitoring, accounting, reminders and other notifications and processing of the funds so held in accordance with this provision.

Document/Funds Delivery: After close of escrow, all documents, funds and statements are to be sent to the undersigned at the addresses provided to Escrow Agent.

Escrow Fees: Escrow Agent shall allocate fees and costs between the Parties in accordance with the Purchase Agreement. The Parties understand that in the event of cancellation of this Escrow, Escrow Agent shall be entitled to a cancellation fee and reimbursement of any direct costs incurred at the request of a Party.

SELLER:

City of Redlands, a municipal corporation


By: Jon Harrison, Its: Mayor

ATTEST:


By: Lorrie Poyzer, Its: City Clerk

BUYER:

Iowa Street Medical Partners, a General
Partnership

By: Medical Real Estate Development ,
LLC A California Limited Liability
Company, Authorized Agent

By: : Edward L. Anderson or Kelly J.
Combs, Its: Manager



1099-S INPUT

Company No. 06243	Office No. 3601	Type ☒ Add ☐ Change ☐ Delete	Order/Escrow/File Number SSB-2484338 (CZ)	Actual Closing Date
[1]	[2]	[3]	[4]	[5]

SUBJECT PROPERTY INFORMATION

Street Address or Brief Form of Legal Description (for vacant land, use APN) [6] Vacant Portion of Barton Road, Parcel 1, P.M. No 13966		
City (for vacant land use county)	State	Zip
Redlands	CA	

Transaction Data

Contract Sales Price. (Line 401 of HUD-1 Form) Note: If this is an exchange, provide total dollar value of cash, notes and debt relief received by this exchanger.	No. of 1099-S forms required for the sale of this property.	2 or More 1099-S Forms. If 2 or more 1099-S forms are required for this transaction, record the dollar amount for this seller based on the seller's declaration.	Buyers Part of Real Estate Tax. Show any real estate tax, on a residence, charged to the buyer at settlement.	Contingent Transaction. Is this a contingent transaction wherein gross proceeds cannot be determined with certainty at time of closing?	Exchange. Was (or will there be) other property or services received?
[7] \$15,810.12	[8]	\$	\$	☐ Yes	☐ Yes

SELLER INFORMATION – PLEASE PRINT CLEARLY

Seller's Name [9] City of Redlands	
Seller's Forwarding Street Address Attention: City Manager City of Redlands P.O. Box 3005	
City Redlands, CA 92373	State CA
Zip (or country if not USA)	

SELLER'S SOCIAL SECURITY NUMBER [10]	SELLER'S TAX IDENTIFICATION NUMBER OR
You are required by law to provide your closing agent with your correct Taxpayer Identification Number. If you do not provide your closing agent with your correct Taxpayer Identification Number, you may be subject to civil or criminal penalties imposed by law under the Tax Reform Act of 1986 under Internal Revenue Code Section 6045(E), 6676, 6722, 6723, and 7203.	
Under penalties of perjury, I certify that the number shown above is my correct Taxpayer Identification Number. [11] ☒ <u>Jon Harrison</u> <u>11/21/06</u> Seller's Signature Date Jon Harrison, Mayor	
Attest: <u>Lois Poyzer</u> Lois Poyzer, City Clerk	

INSTRUCTIONS

- Make sure all data fields and areas indicated by numbers are accurately completed.
- If there is more than one seller in this transaction, each seller must have a separate 1099-S form. In most cases a husband and wife are considered one seller and only one name and corresponding Social Security Number or Tax Identification Number can appear on this form.**
- Also, if more than one seller, indicate the total number of 1099-S forms required for the transaction and report the correct dollar value for this seller in area number [8].
- Make sure all seller's information (name, forwarding address, Social Security or Taxpayer Identification Number, and seller's signature) is obtained. Missing or incorrect information may be subject to IRS penalty.
- Double check all information for completeness and accuracy before submitting for processing.

Reproduced by First American Title Insurance 1/2001

**SELLER'S CERTIFICATION UNDER
FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA")
(26 U.S.C. 1445)**

File No: **SSB-2484338**

November 14, 2006

THIS SECTION FOR INDIVIDUAL TRANSFEROR:

Section 1445 of the Internal Revenue Code provides that a transferee (buyer) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. To inform the transferee (buyer) that withholding of tax is not required upon my disposition of a U.S. real property interest, I, _____, hereby certify the following:

1. I am not a nonresident alien for purposes of U.S. income taxation;
2. My U.S. taxpayer identification number (Social Security Number) is _____;
3. My home address is _____

I understand that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement I have made here could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete.

Date

Signature

Typed or Printed Name

THIS SECTION FOR ENTITY TRANSFEROR:

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by City of Redlands [name of transferor] ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is 95-6000766;
4. Transferor's office address is 35 Cajon Street, P.O. Box 3005 (mailing);
Redlands, CA 92373

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

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

November 21, 2006

Date

Jon Harrison
Signature

Mayor, Jon Harrison

Typed or Printed Name

ATTEST:

Lorrie Poyzer
Lorrie Poyzer, City Clerk



First American Title Company
323 Court Street, San Bernardino, CA 92401
Phone - (909)889-0311 Fax - (866)232-4615

To: **First American Title Company**
Cheryl Zanini, Escrow Officer

File No.: **SSB-2484338 (CZ)**

Re: **Vacant Portion of Barton Road, Parcel 1, P.M. No**
13966, Redlands, CA

SELLER INFORMATION REQUEST
(complete, sign and return)

1st Loan

Lender Name: None
Loan No.: _____
Phone No.: _____

2nd Loan

Lender Name: None
Loan No.: _____
Phone No.: _____

Private Party Loan

Lender Name: None
Address: _____
Phone No.: _____ Fax No. _____

Line of Credit

Lender Name: None
Loan No.: _____
Phone No.: _____

Master Association:

Name: None
Address: _____
Monthly Dues: _____
Phone No.: _____ Fax No. _____

Management Company (for Master Association):

Name: None
Address: _____
Phone No.: _____ Fax No. _____

Homeowners Assoc.

Name: None
Address: _____

Monthly Dues: _____
Phone No.: _____ Fax No. _____

Management Co.

Name: None
Address: _____

Phone No.: _____ Fax No. _____

Does this transaction involve a Tax Deferred Exchange? If so, please complete the following:

Exchange Company

Company Name: _____
Contact: _____
Address: _____

Phone No.: _____ Fax No. _____

Proceeds: The undersigned instructs you to deliver proceeds due, if any, in the manner set forth on Page 3 of this form.

Authorization: The undersigned authorize First American Title Company to: obtain statements, comply with the instructions, and pay fees (for example: statement fees, transfer fees, late fees) from the above mentioned companies. Fees are to be paid from the undersigned's proceeds, at close of escrow. In the event one of the above loans is an equity line, we authorize the lender to immediately "FREEZE" our account and acknowledge that the equity line will be closed upon receipt of payment.

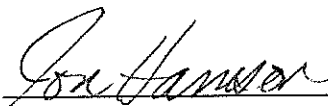
City of Redlands

Auth. Signature:

Auth. Sig. (Print Name):

Title:

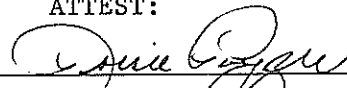
TIN:



Jon Harrison

Mayor

ATTEST:



Lorrie Poyzer

City Clerk

Home Phone: --

Business Phone: (909) 798-7533

Spouse's Bus Phone: _____

Email Address: citycouncil@cityofredlands.org

Alt Email Address: _____

Other: _____

Forwarding
Address:

Phone:

Please indicate below the manner in which you wish to receive proceeds, if any, due you after closing (absent a box being checked, proceeds will be mailed to the last known mailing address):

☐

Hold check for pick-up

☐Mail check to Forwarding
Address☒

Wire proceeds to Bank below

☐Overnight Mail to Forwarding
Address

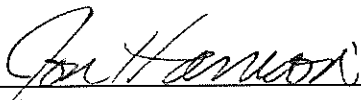
Bank Name: BANK OF AMERICA
Address: 333 S. HOPE ST. 13th FLOOR
LOS ANGELES, CA 90071
Name on Acct: CITY OF REDLANDS
Account No.: 06301-80202
Routing No.: 0260-0959-3
Phone No.: Gilbert Gil, Officer, Sales Support Associate
(213) 621-7137
Type of Account: ☒ Checking ☐ Savings

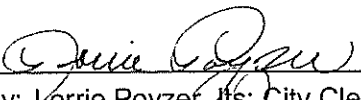
Any further instructions: Notify Janice McConnell at (909) 798-7511 or
by email at jmccConnell@cityofredlands.org
of the transaction.

If you choose to have your proceeds wired: Please note that the ABA/Routing number located at the bottom of your checks, may NOT be the federal wire routing number. Please contact your bank directly for this information. Your bank may charge a fee for the receipt of wired funds. First American Title Company may charge a \$15.00 fee to wire funds.

If you choose to have your proceeds delivered (using a service other than regular mail): First American Title Company may charge a \$15.00 fee to deliver the funds.

City of Redlands, a municipal corporation


By: Jon Harrison, Its: Mayor


By: Lorrie Poyzer, Its: City Clerk

RECORDING REQUESTED BY

First American Title Company

AND WHEN RECORDED MAIL TO:

Iowa Street Medical Partners
Attention: Ed Anderson, Iowa Street Medical
Partners, 29798 Haun Road, Suite 202
Menifee, CA 92586

Space Above This Line for Recorder's Use Only

A.P.N.: Portion of APN: 0292-168-24-0-
000

File No.: SSB-2484338 (CZ)

GRANT DEED

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX **\$17.60**; CITY TRANSFER TAX **\$0.00**;
SURVEY MONUMENT FEE \$

- ☒ computed on the consideration or full value of property conveyed, OR
☐ computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
☐ unincorporated area; ☒ City of **Redlands**, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **City of Redlands, a municipal corporation organized and existing pursuant to California law**

hereby GRANTS to **Iowa Street Medical Partners, General Partnership**

the following described property in the City of **Redlands**, County of **San Bernardino**, State of **California**:

See Exhibit "A" attached hereto and made apart hereof

Dated: **11/16/2006**

City of Redlands, a municipal corporation


By: Jon Harrison, Its: Mayor


By: Lorrie Poyzer, Its: City Clerk

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) SS
CITY OF REDLANDS)

By the authority granted under Chapter 4, Article 3, Section 1181, of the California Civil Code, and Chapter 2, Division 3, Section 40814, of the California Government Code, on November 20, 2006, before me, Teresa Ballinger, Assistant City Clerk, on behalf of Lorrie Poyzer, City Clerk of the City of Redlands, California, personally appeared Jon Harrison and Lorrie Poyzer { X } 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.

LORRIE POYZER, CITY CLERK

By: Teresa Ballinger
Teresa Ballinger, Assistant City Clerk
(909)798-7531

CAPACITY CLAIMED BY SIGNER(S)

- { } **Individual(s) signing for oneself/themselves**
{ } **Corporate Officer(s)**
Title(s) _____
Company _____
{ } **Partner(s)**
Partnership _____
{ } **Attorney-In-Fact**
Principal(s) _____
{ } **Trustee(s)**
Trust _____
{ x } **Other**
Title(s): Mayor and City Clerk
Entity Represented: City of Redlands, a municipal corporation

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW:

Title or Type of Document: Grant Deed

Date of Document: November 20, 2006

Signer(s) Other Than Named Above: None

A.P.N.: 0292-168-24-0-000 and
0292-168-26-0-000

Grant Deed - continued

File No.:SSB-2484338 (CZ)

Date: 11/15/2006

STATE OF _____)SS
COUNTY OF _____)

On _____, before me, _____,
Notary Public, personally appeared

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

WITNESS my hand and official seal.

Signature

My Commission Expires: _____

This area for official notarial seal

Notary Name: _____

Notary Phone: _____

Notary Registration Number: _____

County of Principal Place of Business: _____

OWNER'S AFFIDAVIT

STATE OF }
COUNTY OF } ss

, individually and, if applicable, as the on behalf of **City of Redlands** (company name of the Property as defined below) ("Declarant") is of legal age, being first duly sworn, deposes and states under penalty of perjury under the laws of the State of .

1. That certain real property (the "Property") as described in that certain Commitment for Title Insurance/Preliminary Report No. **SSB-2484338** dated as of ("Commitment/Report") issued by or on behalf of **First American Title Company** ("First American") is improved by the following (check all that apply):

☐ Single family residences

☐ One-to-four family residences

☐ Apartment building

☐ Office building

☐ Commercial building

☐ Combination office/commercial building

☐ Industrial building

☒ Vacant Land

Other: _____

2. WORK OF IMPROVEMENT: Please respond to A, B and C below:

A. For the period of 90-days prior to the date of this Affidavit, no repairs or work of improvement has been conducted on, nor any materials supplied to, the Property except as follows:

None

(Enter "None" if such is true.)

If you have described any work of improvement above, please complete the following:

☐ Started on _____, 20____.

☐ Completed on _____, 20____.

☐ Will be completed on _____, 20____.

B. Cessation of Labor (Please place an "X" by 1 or 2 below):

- ☐ 1. There has been a cessation of labor where a work of improvement was discontinued before completion within 150 days of the date of this Affidavit. PLEASE DESCRIBE THE NATURE OF THE WORK THAT WAS DISCONTINUED: _____

Date that the work of improvement was discontinued: _____20____.

- ☒ 2. There has not been a cessation of labor where a work of improvement was discontinued before completion within 150 days of the date of this Affidavit.

C. There are no unpaid bills for labor or material because of any improvements made to the Property except:

None

(Enter "None" if such is true.)

3. No one is in possession of, or has any right to possession of, the Property except:

☒ Declarant as owner.

☐ Tenants based only on month-to-month rental agreements.

☐ Tenants based upon existing leases as listed on the Rent Roll attached hereto as **Exhibit A** and incorporated herein by reference.

☐ Other: _____

4. No person(s) or entities, have (i) any options to purchase or rights of first refusal, including but not limited to lessees under any leases referred to in Paragraph 3 above, and/or (ii) easements, licenses, agreements or other rights allowing them to use, encroach on, or access to the Property except (i) as shown in the Commitment/Report, and (ii)

None

_____. (Enter "None" if such is true.)

5. Those certain lease(s) shown as exception number(s) in the Commitment/Report have either: (a) expired by their own terms, or (b) if they have not expired, the lessee(s) have vacated the Property and Declarant has been notified of the vacation of the Property either by correspondence from the lessee or by physical inspection of the Property.

6. To the best of Declarant's knowledge, there are no unrecorded real property taxes or assessments against the Property.

The undersigned is not aware of any release reports of commitment statements which have been issued under California Civil Code 850, et seq.

7. This Affidavit is given for the purpose of inducing First American and its agents to issue policy(ies) of title insurance which may provide coverage with respect to all matters set forth herein. If First American elects, in its discretion, to (a) accept this Affidavit, and (b) issue title insurance policy(ies) to third parties, First American will do so in material reliance on this Affidavit and the representation and covenants in this Affidavit.
8. Declarant acknowledges that he/she has read this Affidavit, that all the statements made in this Affidavit are true and correct of his/her own actual knowledge, and fully understands the legal aspects of any misrepresentations or untrue statements made in this Affidavit. Declarant, both personally and on behalf of Owner, covenants and agrees to defend, indemnify, and hold First American harmless from and against any and all claims, actions, suits (including arbitration), liabilities, losses, damages, costs, charges, attorney's fees and other expenses of every nature and character as a result of its reliance on this Affidavit.

Executed on November 21, 2006, at Redlands, California.
(City) (State)

"Declarant"

Individually (must be signed individually):

On Behalf of Owner:

City of Redlands, a municipal corporation

Jon Harrison
By: Jon Harrison, Its: Mayor

ATTEST:

Lorrie Poyzer
By: Lorrie Poyzer, Its: City Clerk

State of California
County of _____

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 20____,
by _____, personally known to me or proved to me on this basis of
satisfactory evidence to be the person(s) who appeared before me.

(seal)

Signature _____

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) SS
CITY OF REDLANDS)

By the authority granted under Chapter 4, Article 3, Section 1181, of the California Civil Code, and Chapter 2, Division 3, Section 40814, of the California Government Code, on November 20, 2006, before me, Teresa Ballinger, Assistant City Clerk, on behalf of Lorrie Poyzer, City Clerk of the City of Redlands, California, personally appeared Jon Harrison and Lorrie Poyzer { X } 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.

LORRIE POYZER, CITY CLERK

By: Teresa Ballinger
Teresa Ballinger, Assistant City Clerk
(909)798-7531

CAPACITY CLAIMED BY SIGNER(S)

{ } Individual(s) signing for oneself/themselves

{ } Corporate Officer(s)

Title(s) _____

Company _____

{ } Partner(s)

Partnership _____

{ } Attorney-In-Fact

Principal(s) _____

{ } Trustee(s)

Trust _____

{ x } Other

Title(s): Mayor and City Clerk

Entity Represented: City of Redlands, a municipal corporation

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW:

Title or Type of Document: Owner's Affidavit

Date of Document: November 20, 2006

Signer(s) Other Than Named Above: None

EXHIBIT A

RENT ROLL

Escrow General Provisions

The parties understand and acknowledge:

1. SPECIAL DISCLOSURES:

A. DEPOSIT OF FUNDS & DISBURSEMENTS

Unless directed in writing to establish a separate, interest-bearing account together with all necessary taxpayer reporting information, all funds shall be deposited in general escrow accounts in a federally insured financial institution including those affiliated with Escrow Holder ("depositories"). All disbursements shall be made by Escrow Holder's check or by wire transfer unless otherwise instructed in writing. The Good Funds Law (California Insurance Code 12413.1) mandates that Escrow Holder may not disburse funds until the funds are, in fact, available in Escrow Holder's account. Wire transfers are immediately disburseable upon confirmation of receipt. Funds deposited by a cashier's or certified check are generally available on the next banking day following deposit. Funds deposited by a personal check and other types of instruments may not be available until confirmation from Escrow Holder's bank which can vary from 2 to 10 days.

B. DISCLOSURE OF POSSIBLE BENEFITS TO ESCROW HOLDER

As a result of Escrow Holder maintaining its general escrow accounts with the depositories, Escrow Holder may receive certain financial benefits such as an array of bank services, accommodations, loans or other business transactions from the depositories ("collateral benefits"). All collateral benefits shall accrue to the sole benefit of Escrow Holder and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of any such collateral benefits.

C. MISCELLANEOUS FEES

Escrow Holder may incur certain additional costs on behalf of the parties for services performed, or fees charged, by third parties. The fees charged by Escrow Holder for services including, but not limited to, wire transfers, overnight delivery/courier services, recording fees, notary fees, etc. may include a mark up over the direct cost of such services to reflect the averaging of direct, administrative and overhead charges of Escrow Holder for such services which shall, in no event, exceed \$10 for each markup.

D. METHOD TO DELIVER PAYOFF TO LENDERS/LIENHOLDERS

To minimize the amount of interest due on any existing loan or lien, Escrow Holder will deliver the payoff funds to the lender/lienholder in an expeditious manner as demanded by the lender/lienholder using (a) personal delivery, (b) wire transfer, or (c) overnight delivery service, unless otherwise directed in writing by the affected party.

2. PRORATIONS & ADJUSTMENTS

The term "close of escrow" means the date on which documents are recorded. All prorations and/or adjustments shall be made to the close of escrow based on the number of actual days, unless otherwise instructed in writing.

3. CONTINGENCY PERIODS

Escrow Holder shall not be responsible for monitoring contingency time periods between the parties. The parties shall execute such documents as may be requested by Escrow Holder to confirm the status of any such periods.

4. REPORTS

As an accommodation, Escrow Holder may agree to transmit orders for inspection, termite, disclosure and other reports if requested, in writing or orally, by the parties or their agents. Escrow Holder shall deliver copies of any such reports as directed. Escrow Holder is not responsible for reviewing such reports or advising the parties of the content of same.

5. INFORMATION FROM AFFILIATED COMPANIES

Escrow Holder may provide the parties' information to and from its affiliates in connection with the offering of products and services from these affiliates.

6. RECORDATION OF DOCUMENTS

Escrow Holder is authorized to record documents delivered through escrow which are necessary or proper for the issuance of the requested title insurance policy(ies). Buyer will provide a completed Preliminary Change of Ownership Report form ("PCOR"). If Buyer fails to provide the PCOR, Escrow Holder shall close escrow and charge Buyer any additional fee incurred for recording the documents without the PCOR. Escrow Holder is released from any liability in connection with same.

7. PERSONAL PROPERTY TAXES

No examination, UCC search, insurance as to personal property and/or the payment of personal property taxes is required unless otherwise instructed in writing.

8. REAL PROPERTY TAXES

Real property taxes are prorated based on the most current available tax statement from the tax collector's office. Supplemental taxes may be assessed as a result of a change in ownership or completion of construction. Adjustments due either party based on the actual new tax bill issued after close of escrow or a supplemental tax bill will be made by the parties outside of escrow and Escrow Holder is released of any liability in connection with such adjustments. The first installment of California real property taxes is due November 1st (delinquent December 10th) and the second installment is due February 1st (delinquent April 10th). If a tax bill is not received from the County at least 30 days prior to the due date, buyer should contact the County Tax Collector's office and request one. Escrow Holder is not responsible for same.

9. CANCELLATION OF ESCROW

(a) Any party desiring to cancel this escrow shall deliver written notice of cancellation to Escrow Holder. Within a reasonable time after receipt of such notice, Escrow Holder shall send by regular mail to the address on the escrow instructions, one copy of said notice to the other party(ies). Unless written objection to cancellation is delivered to Escrow Holder by a party within 10 days after date of mailing, Escrow Holder is authorized, at its option, to comply with the notice and terminate the escrow. If a written objection is received by Escrow Holder, Escrow Holder is authorized, at its option, to hold all funds and documents in escrow (subject to the funds held fee) and to take no other action until otherwise directed by either the parties' mutual written instructions or a final order of a court of competent jurisdiction. If no action is taken on this escrow within 6 months after the closing date specified in the escrow instructions, Escrow Holder's obligations shall, at its option, terminate. Upon termination of this escrow, the parties shall pay all fees, charges and reimbursements due to Escrow Holder and all documents and remaining funds held in escrow shall be returned to the parties depositing same.

(b) Notwithstanding the foregoing paragraph, Escrow Holder shall have the right to unilaterally terminate any escrow which is subject to the provisions of the Equity Purchaser Law (CA Civil Code Section 1695 et seq.) and may return all documents and funds without any consent by or notice to the buyer.

10. CONFLICTING INSTRUCTIONS & DISPUTES

If Escrow Holder becomes aware of any conflicting demands or claims concerning this escrow, Escrow Holder shall have the right to discontinue all further acts on Escrow Holder's part until the conflict is resolved to Escrow Holder's satisfaction. Escrow Holder has the right at its option to file an action in interpleader requiring the parties to litigate their claims/rights. If such an action is filed, the parties jointly and severally agree (a) to pay Escrow Holder's cancellation charges, costs (including the funds held fees) and reasonable attorneys' fees, and (b) that Escrow Holder is fully released and discharged from all further obligations under the escrow. If an action is brought involving this escrow and/or Escrow Holder, the party(ies) involved in the action agree to indemnify and hold the Escrow Holder harmless against liabilities, damages and costs incurred by Escrow Holder (including reasonable attorneys' fees and costs) except to the extent that such liabilities, damages and costs were caused by the negligence or willful misconduct of Escrow Holder.

THIS COMPANY CONDUCTS ESCROW BUSINESS UNDER CERTIFICATE OF AUTHORITY
ISSUED BY THE STATE OF CALIFORNIA DEPARTMENT OF INSURANCE.

Escrow General Provisions

11. USURY

Escrow Holder is not to be concerned with usury as to any loans or encumbrances in this escrow and is hereby released of any responsibility and/or liability therefore.

12. AMENDMENTS TO ESCROW INSTRUCTIONS

Any amendment to the escrow instructions must be in writing, executed by all parties and accepted by Escrow Holder. Escrow Holder may, at its sole option, elect to accept and act upon oral instructions from the parties. If requested by Escrow Holder the parties agree to confirm said instructions in writing as soon as practicable. The escrow instructions as amended shall constitute the entire escrow agreement between the Escrow Holder and the parties hereto with respect to the subject matter of the escrow.

13. INSURANCE POLICIES

In all matters relating to insurance, Escrow Holder may assume that each policy is in force and that the necessary premium has been paid. Escrow Holder is not responsible for obtaining fire, hazard or liability insurance, unless Escrow Holder has received specific written instructions to obtain such insurance prior to close of escrow from the parties or their respective lenders.

14. COPIES OF DOCUMENTS; AUTHORIZATION TO RELEASE

Escrow Holder is authorized to rely upon copies of documents, which include facsimile, electronic, NCR, or photocopies as if they were an originally executed document. If requested by Escrow Holder, the originals of such documents shall be delivered to Escrow Holder. Escrow Holder may withhold documents and/or funds due to the party until such originals are delivered. Documents to be recorded **MUST** contain original signatures. Escrow Holder may furnish copies of any and all documents to the lender(s), real estate broker(s), attorney(s) and/or accountant(s) involved in this transaction upon their request. Delivery of documents by escrow to a real estate broker or agent who is so designated in the purchase agreement shall be deemed delivery to the principal.

15. EXECUTION IN COUNTERPART

The escrow instructions and any amendments may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute the same instruction.

16. TAX REPORTING, WITHHOLDING & DISCLOSURE

The parties are advised to seek independent advice concerning the tax consequences of this transaction, including but not limited to, their withholding, reporting and disclosure obligations. Escrow Holder does not provide tax or legal advice and the parties agree to hold Escrow Holder harmless from any loss or damage that the parties may incur as a result of their failure to comply with federal and/or state tax laws. **WITHHOLDING OBLIGATIONS ARE THE EXCLUSIVE OBLIGATIONS OF THE PARTIES. ESCROW HOLDER IS NOT RESPONSIBLE TO PERFORM THESE OBLIGATIONS UNLESS ESCROW HOLDER AGREES IN WRITING.**

A. TAXPAYER IDENTIFICATION NUMBER REPORTING

Federal law requires Escrow Holder to report seller's social security number or tax identification number (both numbers are hereafter referred to as the "TIN"), forwarding address, and the gross sales price to the Internal Revenue Service ("IRS"). To comply with the USA PATRIOT Act, certain taxpayer identification information (including, but not limited to, the TIN) may be required by Escrow Holder from certain persons or entities involved (directly or indirectly) in the transaction prior to closing.

Escrow cannot be closed nor any documents recorded until the information is provided and certified as to its accuracy to Escrow Holder. The parties agree to promptly obtain and provide such information as requested by Escrow Holder.

B. State Withholding & Reporting

Under California law (Rev & Tax Code §18662), a buyer may be required to withhold and deliver to the Franchise Tax Board (FTB) an amount equal to 3.33% of the sales price in the case of disposition of California real property interest ("Real Property") by either: 1) a seller who is an individual, trust or estate or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of seller; OR 2) a corporate seller that has no permanent place of business in California immediately after the transfer of title to the Real Property. Buyer may be subject to a penalty (equal to the greater of 10% of the amount required to be withheld or \$500) for failing to withhold and transmit the funds to FTB in the time required by law. Buyer is not required to withhold any amount and will not be subject to penalty for failure to withhold if: a) the sales price of the Real Property does not exceed \$100,000; b) the seller executes a written certificate under penalty of perjury certifying that the seller is a corporation with a permanent place of business in California; OR c) the seller, who is an individual, trust, estate or a corporation without a permanent place of business in California, executes a written certificate under penalty of perjury certifying one of the following: (i) the Real Property was the seller's or decedent's principal residence (as defined in IRC §121); (ii) Real Property being conveyed was last used by the seller as seller's principal residence within the meaning of IRC §121 (even if the seller did not meet the two out of the last five years requirement or one of the special circumstances in IRC §121); (iii) the Real Property is or will be exchanged for property of like-kind (as defined in IRC §1031) 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 IRC §1031; (iv) the Real Property has been compulsorily or involuntarily converted (as defined in IRC §1033) and 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 IRC §1033; or (v) the Real Property sale will result in a loss (or net gain not required to be recognized) for California income tax purposes. Seller is subject to penalties for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding laws.

Contact FTB: For additional information regarding California withholding, contact the Franchise Tax Board at (toll free) 888-792-4900, by e-mail nrws@ftb.ca.gov; or visit their website at www.ftb.ca.gov.

C. FEDERAL WITHHOLDING & REPORTING

Certain federal reporting and withholding requirements exist for real estate transactions where the seller (transferor) is a non-resident alien, a non-domestic corporation, partnership, or limited liability company; or a domestic corporation, partnership or limited liability company controlled by non-residents; or non-resident corporations, partnerships or limited liability companies.

D. TAXPAYER IDENTIFICATION DISCLOSURE

Federal and state laws require that certain forms include a party's TIN and that such forms or copies of the forms be provided to the other party and to the applicable governmental authorities. Parties to a real estate transaction involving seller-provided financing are required to furnish, disclose, and include the other party's TIN in their tax returns. Escrow Holder is authorized to release a party's TINs and copies of statutory forms to the other party and to the applicable governmental authorities in the foregoing circumstances. The parties agree to hold Escrow Holder harmless against any fees, costs, or judgments incurred and/or awarded because of the release of their TIN as authorized herein.

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First American Title Company

323 Court Street • San Bernardino, CA 92401

Seller's Estimated Settlement Statement

Property: Vacant Portion of Barton Road, Parcel 1, P.M. No
13966, Redlands, CA

File No: SSB-2484338

Officer: Cheryl Zanini/gl

New Loan No:

Settlement Date:

Disbursement Date:

Print Date: 11/14/2006, 3:29 PM

Buyer: Iowa Street Medical Partners

Address: Attention: Ed Anderson, Iowa Street Medical Partners, 29798 Haun Road, Suite 202, Menifce, CA 92586

Seller: City of Redlands

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

Charge Description	Seller Charge	Seller Credit
Consideration:		
Total Consideration		15,810.12
Cash (X To) (From) Seller	15,810.12	
Totals	15,810.12	15,810.12

Notice - This Estimated Settlement Statement is subject to changes, corrections or additions at the time of final computation of the Settlement Statement.

SELLER(S):

City of Redlands, a municipal corporation



By: Jon Harrison, Its: Mayor



By: Lorrie Poyzer, Its: City Clerk