FIRST AMERICAN

First American Title Insurance Company

323 COURT STREET (P. O. BOX 6327) SAN BERNARDINO, CALIF. 92412 · (714) 889-0311

Insurance Policy No. 843651

NOTE: THIS CONTAINS IMPORTANT INFORMATION ABOUT THE REAL ESTATE TRANSACTION YOU HAVE JUST COMPLETED. READ IT AND RETAIN IT WITH YOUR OTHER VALUABLE PAPERS PERTAINING TO THE PROPERTY.

The new home or other real estate you have purchased is protected with a policy of title insurance issued by First American Title Insurance Company. This is your guarantee of ownership.

We have assigned the above number to your records to assure prompt processing of future title orders involving the property. If you sell or obtain a loan on this property within two years, FIRST AMERICAN TITLE INSURANCE COMPANY will REDUCE the usual policy rate 20 per cent.

To obtain this SAVINGS, it will be necessary for you to inform the real estate agent and/or escrow holder handling further transactions that such policies of title insurance as are required should be issued by First American Title. You should request that the escrow officer refer to the above number when opening the order with us for title insurance.

We appreciate the opportunity of serving you and will be glad to assist you in any way, remembering that PROTECTION OF YOUR PROPERTY IS YOUR FIRST CONSIDERATION--AND OURS.

C. Wayne Wood

C. Wayne Wood
Regional Vice President

Form No. 1084 (10/73)
California Land Title Association
Standard Coverage Policy Form

FIRST AMERICAN

POLICY OF TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

SUBJECT TO SCHEDULE B AND THE CONDITIONS AND STIPULATIONS HEREOF, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called the Company, insures the insured, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the amount of insurance stated in Schedule A, and costs, attorneys' fees and expenses which the Company may become obligated to pay hereunder, sustained or incurred by said 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 such title;
3. Unmarketability of such title; or
4. Any lack of the ordinary right of an abutting owner for access to at least one physically open street or highway if the land, in fact, abuts upon one or more such streets or highways;

and in addition, as to an insured lender only:

5. Invalidity of the lien of the insured mortgage upon said estate or interest except to the extent that such invalidity, or claim thereof, arises out of the transaction evidenced by the insured mortgage and is based upon
   a. usury, or
   b. any consumer credit protection or truth in lending law;
6. 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; or
7. Invalidity of any assignment of the insured mortgage, provided such assignment is shown in Schedule B.

IN WITNESS WHEREOF, First American Title Insurance Company has caused this policy to be signed and sealed by its duly authorized officers as of Date of Policy shown in Schedule A.

FIRST AMERICAN TITLE INSURANCE COMPANY
INCORPORATED
SEPTEMBER 24, 1968
CALIFORNIA

First American Title Insurance Company

BY [signature] PRESIDENT

ATTEST William C. [signature] SECRETARY

B1 1153201

FIRST AMERICAN TITLE INSURANCE COMPANY
323 COURT STREET (P. O. BOX 6327)
SAN BERNARDINO, CA 92412
(714) 889-0311

SCHEDULE A

TOTAL FEE FOR TITLE SEARCH, EXAMINATION
AND TITLE INSURANCE $252.00

AMOUNT OF INSURANCE: $50,000.00 POLICY NO. 843651 GOG

DATE OF POLICY: MAY 17, 1985 AT 8:00 A.M.

1. NAME OF INSURED:

CITY OF REDLANDS

2. THE ESTATE OR INTEREST REFERRED TO HEREIN IS AT DATE OF POLICY VESTED IN:

CITY OF REDLANDS, A MUNICIPAL CORPORATION.

3. THE ESTATE OR INTEREST IN THE LAND DESCRIBED IN SCHEDULE C AND WHICH IS COVERED BY THIS POLICY IS:

A FEE

SCHEDULE B

This policy does not insure against loss or damage, nor against costs, attorneys' fees or expenses, any or all of which arise by reason of the following:

Part One:

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 by making inquiry of 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.

6: Any right, title, interest, estate or easement in land beyond the lines of the area specifically described or referred to in Schedule C, or in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing in this paragraph shall modify or limit the extent to which the ordinary right of an abutting owner for access to a physically open street or highway is insured by this policy.

7: Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.

8: Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records.

9: Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not shown by the public records and not otherwise excluded from coverage but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (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 been a purchaser or encumbrancer for value without knowledge.

Part Two: Continued on subsequent page (S)

1:

GENERAL AND SPECIAL TAXES FOR THE FISCAL YEAR 1985-86, NOW A LIEN NOT YET PAYABLE.

2:

THE LIEN OF SUPPLEMENTAL TAXES ASSESSED PURSUANT TO CHAPTER 3.5 COMMENCING WITH SECTION 75 OF THE CALIFORNIA REVENUE AND TAXATION CODE.

3:

RIGHTS OF THE PUBLIC OVER ANY PORTION OF SAID LAND LYING WITHIN THE BOUNDARIES OF ANY ROAD, STREET OR HIGHWAY.

4:

AN EASEMENT FOR THE HEREINAFTER SET FORTH SPECIFIC PURPOSE AND INCIDENTAL PURPOSES, RECORDED IN BOOK 2486, PAGE 315, OFFICIAL RECORDS.

SAID EASEMENT IS FOR POLE LINES AND CONDUITS, AND IS DESCRIBED AS FOLLOWS:

AN EASEMENT OVER THE SOUTH 50 FEET OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 22 HEREIN DESCRIBED:

ALL OF SAID POLES SHALL BE ERECTED AND MAINTAINED WITHIN 2 FEET OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE WEST LINE OF SAID SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4, WHICH POINT IS 24 FEET NORTHERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTH LINE OF SAID LAND; THENCE EAST, PARALLEL WITH SAID SOUTH LINE, TO A POINT WHICH IS 144.24 FEET WEST, MEASURED ALONG SAID SOUTH LINE FROM THE INTERSECTION OF SAID SOUTH LINE WITH THE EAST LINE OF SAID LAND; THENCE IN A STRAIGHT LINE FROM SAID LAST MENTIONED POINT TO A POINT IN THE EAST LINE OF SAID LAND, WHICH IS NORTH 22.3 FEET FROM THE SOUTHEAST CORNER THEREOF.

SAID EASEMENT WAS CONVEYED TO SOUTHERN CALIFORNIA EDISON COMPANY BY SUCH DOCUMENT.

REFERENCE IS HEREBY MADE TO THE RECORD OF SAID DOCUMENT FOR FURTHER AND OTHER PARTICULARS.

5:

AN EASEMENT FOR EITHER OR BOTH POLE LINES, CONDUITS AND INCIDENTAL PURPOSES, IN DEED RECORDED IN BOOK 3462, PAGE 69, OFFICIAL RECORDS.

SAID EASEMENT IS DESCRIBED AS FOLLOWS:

A STRIP OF LAND, 10 FEET IN WIDTH, LYING WITHIN THE NORTHWEST 1/4 OF SECTION 22, TOWNSHIP 1 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, THE CENTER LINE OF SAID STRIP IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF PENNSYLVANIA STREET, AS NOW ESTABLISHED, DISTANT WESTERLY THEREON 115 FEET FROM THE WESTERLY LINE OF ORANGE STREET, AS NOW ESTABLISHED; THENCE NORTHERLY PARALLEL WITH SAID WESTERLY LINE OF ORANGE STREET, A DISTANCE OF 190 FEET.

SAID EASEMENT WAS CONVEYED TO SOUTHERN CALIFORNIA EDISON COMPANY BY SUCH DOCUMENT.

SCHEDULE C

THE LAND REFERRED TO IN THIS POLICY IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN BERNARDINO, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 1 OF PARCEL MAP NO. 9105, IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 95 OF PARCEL MAPS, PAGES 98 AND 99, RECORDS OF SAID COUNTY.

GOG/MJS

ENDORSEMENT

Attached to Policy N.o.

Issued by

First American Title Insurance Company

The Company, recognizing the current effect of inflation on real property valuation and intending to provide additional monetary protection to the insured owner named in the policy, hereby modifies the policy, as follows:

1. Notwithstanding anything contained in the policy to the contrary, the amount of insurance provided by the policy, as stated in Schedule A thereof, is subject to cumulative annual upward adjustments in the manner and to the extent hereinafter specified.

2. "Adjustment date" is defined, for the purpose of this endorsement, to be 12:01 a.m. on the first January 1 which occurs more than six months after the date of policy, as shown in Schedule A of the policy to which this endorsement is attached, and on each succeeding January 1

3. An upward adjustment will be made on each of the adjustment dates, as defined above, by increasing the maximum amount of insurance provided by the policy. The coverage will increase by the same percentage change by which the annual "ENR 20-cities Building Cost Index" has increased, (as published in the "4th Quarter Roundup" December issue of *Engineering News Record,* a weekly McGraw Hill publication). All upward adjustments in the aggregate shall not 50% total rise in the amount of insurance, so that the maximum amount of insurance in force shall never exceed 150% of the amount of insurance stated in Schedule A of the policy, less the amount of any claim paid under the policy which, under the terms of the conditions and stipulations, reduces the amount of insurance in force. There shall be no annual adjustment in the amount of insurance for years in which there is no increase in the Building Cost Index.

4. In the settlement of any claim against the Company under the policy, the amount of insurance in force shall be deemed to be the amount which is in force as of the date on which the insured claimant first learned of the assertion or possible assertion of the claim, or as of the date of receipt by the Company of the first notice of the claim, whichever shall first occur.

Nothing herein contained shall be construed as extending or changing the effective date of the policy.

This endorsement is made a part of the policy and is subject to the schedules, exclusions, conditions and stipulations therein, except as modified by the provisions hereof.

First American Title Insurance Company

BY PRESIDENT

BY ASSISTANT SECRETARY

FIRST AMERICAN TITLE INSURANCE COMPANY INCORPORATED SEPTEMBER 24, 1968 CALIFORNIA

First American F.A. 11.1 Inflation
(CLTA/ALTA Owners)