

AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS

This Agreement for Purchase and Sale and Escrow Instructions ("Agreement"), dated September 5, 2006 ("Effective Date"), is made and entered into by and between Howard P. Floyd ("Seller") and the Redevelopment Agency of the City of Redlands, a public body, corporate and politic ("Agency"). Seller and Agency are sometimes individually referred to herein as a "Party" and, collectively, as the "Parties."

RECITALS

A. Whereas, Seller owns certain real property located in the City of Redlands, California commonly known as 330 N. Third Street and which is identified as County of San Bernardino Assessor Parcel Nos. 169-281-47, 48, 49 and 50 (the "Property"); and

B. WHEREAS, Agency has made a good faith offer to Seller to acquire the Property for a public use pursuant to California law; and

C. WHEREAS, Seller has been apprised, and is aware, of the statutory requirements relating to appraisals, offers and pertinent procedural requirements relating to the acquisition of the Property; and

D. WHEREAS, Seller is satisfied that the aforementioned procedural requirements have been fulfilled by Agency in negotiating this Agreement relative to Seller's interest in the Property; and

E. Whereas, Seller agrees to convey the Property to Agency, subject to the terms and conditions contained herein; and

F. WHEREAS, the Parties are in agreement and wish to provide for the payment to Seller by Agency for the acquisition of the Property for Agency's public use;

NOW THEREFORE, in consideration of the mutual promises contained herein, Howard P. Floyd and the Redevelopment Agency of the City of Redlands, agree as follows:

AGREEMENT

1. PURCHASE PRICE

The total price for the Property to be paid by Agency to Seller is Nine Hundred Forty Thousand Dollars (\$940,000) (the "Purchase Price").

2. TITLE TO PROPERTY

Seller shall, at Close of Escrow, by grant deed convey to Agency good and marketable fee title to the Property as evidenced by a standard form C.L.T.A. policy of title insurance in an amount equal to the Purchase Price of the Property issued by Chicago Title Company (the "Title Company") showing title vested in Agency, subject to the exceptions to title approved by Agency pursuant to Section 3.1 below.

3. CONDITIONS OF PURCHASE

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

3.1 Approval of Title. Within ten (10) days of Opening of Escrow, Escrow Holder shall deliver to Agency a current preliminary title report ("PTR"), including documents referred to therein, covering the Property and prepared by the Title Company. Agency shall have ten (10) days after the date of Title Company's provision of the PTR to Agency to approve or disapprove the status of title to the Property as disclosed in the PTR and related documents. Any disapproval of status of title shall be within the reasonable discretion of Agency and shall be limited to monetary encumbrances and covenants, conditions, restrictions and easements of record which adversely affect Agency's intended use of the Property. Any exception not disapproved in writing within the ten (10) day period shall be deemed approved by Agency, and shall constitute a permitted exception hereunder. Any objection to a title exception by Agency shall be made in writing to Seller, and Seller shall thereafter have twenty (20) 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 Seller to expend any money or commence any legal action to correct any exceptions within the twenty (20) day period. Seller shall notify Agency, in writing, of any disapproved title exceptions which Seller is unable to cause to be removed prior to or at Close of Escrow. Agency shall, within five (5) business days thereafter, elect by giving written notice to Seller 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. Agency's failure to give such notice shall be deemed an election to terminate this Agreement. In the event Agency 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 Seller, which consent shall not be unreasonably withheld, Agency shall have the right, for forty-five (45) days after the Opening of Escrow (the "Due Diligence Period"), to physically inspect and perform tests and environmental investigations (hereinafter collectively "Inspections") on the Property as Agency deems necessary. All Inspections shall be done at Agency's sole cost and expense. Within ten (10) days of the completion of such Inspections, the

Property shall be returned to its original condition. Agency shall have the right, in the exercise of its good faith discretion, to approve or disapprove of the condition of the Property as disclosed in such Inspections at any time during the Due Diligence Period. Any disapproval of the condition of the Property shall be in writing and given to Seller within such period. In the event Agency disapproves the condition of the Property within the Due Diligence Period, this Agreement shall terminate and the Parties shall be relieved from any further liabilities and obligations under this Agreement.

3.3 Personal Property.

A. The Parties acknowledge that Seller presently stores personal property on the Property. Prior to Close of Escrow, Seller shall, at Seller's sole expense, remove all personal property containing hazardous materials from the Property. Seller shall have the right, but not the obligation, to commence removal of such hazardous materials before the termination of the Due Diligence Period.

B. Prior to Close of Escrow, Seller shall use Seller's best efforts to remove all other non-hazardous personal property from the Property. In the event Seller fails to remove all non-hazardous personal property on the Property prior to Close of Escrow, such personal property shall become the property of Agency and Agency shall have the right to dispose of such property without liability to Seller.

C. Agency shall pay to Seller, in two installments, the sum of Three Hundred Eighty-Five Thousand Dollars (\$385,000) (the "Relocation Payment") for the relocation of personal property of Seller presently stored on the Property. Within five (5) days after the Due Diligence Period, Agency shall pay to Seller Two Hundred Thousand Dollars (\$200,000) as the first installment of the Relocation Payment. One Hundred Eighty-Five Thousand Dollars (\$185,000) shall be paid by Agency to Seller as the second installment of the Relocation Payment by one (1) business day prior to Close of Escrow.

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 Agency's execution of this Agreement, Agency 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 4.6 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 Agency and Seller in writing of the Opening of Escrow date, the date set for Close of Escrow, and its acceptance of the escrow instructions.

4.2 Obligations of Agency. In addition to performance by Agency of all obligations of Agency in this Agreement, on or before one (1) business day prior to Close of Escrow, Agency shall have deposited into Escrow: (i) the Purchase Price for the

Property, and (ii) all other sums and documents reasonably required of Agency by Escrow Holder for the Close of Escrow.

4.3 Obligations of Seller. In addition to fulfilling all other obligations of Seller required by this Agreement, on or before one (1) business day prior to Close of Escrow, Seller shall deposit a Grant Deed for the Property, substantially in the form attached hereto as Exhibit "B," properly executed by Seller and recordable, in addition to any other sums and documents reasonably required of Seller by Escrow Holder for Close of Escrow.

4.4 Closing. Escrow shall close on the date that fee title to the Property is conveyed from Seller to Agency as contemplated by this Agreement and evidenced by recording of a grant deed ("Close of Escrow"). Close of Escrow shall occur, if at all, on or before December 20, 2006.

4.5 Costs. Agency shall pay all non-recurring Escrow costs and title charges.

4.6 Prorations. Current real property taxes, bonds and assessments shall be prorated at the date of recordation of the deed, on the basis of a thirty (30) day month.

4.7 Brokerage Fees. In addition to the Purchase Price, Agency shall pay to Seller the sum of Sixty Thousand Dollars (\$60,000) as compensation for brokerage fees payable by Seller for the Property.

4.8 Additional Documents. Agency and Seller 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.

5. SELLER'S REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS

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

5.1 Seller has full right, power and authority to execute this Agreement and to convey fee simple title to the Property to Agency as provided herein. Seller warrants that there are no oral or written leases, sub-leases, rental agreements, licenses, ownership claims or other rights of possession and/or ownership on all or any portion of the Property and agrees to defend, indemnify and hold the Agency harmless for any and all loss or expense occasioned by reason of any such lease, sub-lease, rental agreement, license or other right of ownership, lien, encumbrance and/or possession held by any other party in the Property.

5.2 Seller agrees that Agency has satisfied all legal requirements imposed by Government Code sections 7261, 7267.1 and 7267.2.

5.3 Seller is not a foreign person 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.

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

6. HAZARDOUS SUBSTANCES

Seller represents to Agency that, to the best of Seller's knowledge, there exists no "Hazardous Materials" (as such term is defined in federal and state law) underground storage tanks or pipelines in, on, under or about the Property. Seller further understands and agrees that in the event Agency incurs any loss or liability concerning Hazardous Materials, underground storage tanks or pipelines, whether attributable to events occurring prior to or following the Effective Date of this Agreement, then Agency may pursue Agency's remedies against Seller and any prior owners of the Property for any liability or indemnification regarding such Hazardous Materials, underground storage tanks or pipelines.

7. AGENCY'S REPRESENTATIONS AND WARRANTIES

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

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

7.2 Agency shall, prior to close of Escrow, deliver to Seller an executed letter, in the form attached hereto as Exhibit "A," evidencing Agency's interest in acquisition of the Property.

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

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.

Redevelopment Agency of the
City of Redlands
Attn: Executive Director
P.O. Box 3005
Redlands, CA 92373

Howard Floyd
902 W. State Street
Redlands, CA 92373

9. GENERAL PROVISIONS

9.1 Entire Agreement. This Agreement supersedes any and all prior oral or written agreements between the Parties relating to 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 Agency and Seller 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 Agency's Performance. Close of Escrow and performance of any duty imposed on Agency by this Agreement is conditioned on Seller's full performance of all duties imposed on Seller in this Agreement.

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

9.5 Counterparts. This Agreement maybe 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 Attorney's 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.

9.7 Release. In consideration of this Agreement, Seller hereby releases Agency and its appointed officials, officers, employees and agents (the "Released Parties") and hereby waives any and all claims, liabilities and obligations in any matter against the Released Parties arising out of Seller's ownership of the Property, whether or not now known, suspected or claimed, including but not limited to, any claims for inverse condemnation, pre-condemnation damages, relocation benefits, business goodwill, and/or eminent domain. In this respect, Seller expressly waives the benefits and 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 expect 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."

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

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

REDEVELOPMENT AGENCY OF THE
CITY OF REDLANDS

SELLER

By: _____

Jon Harrison, Chairperson

By: _____

Howard Floyd

ATTEST:

By: _____

Lorrie Poyzer, Secretary

Exhibit "A"
Community Redevelopment Agency of the City of Redlands
35 Cajon Street
Redlands, California 92373

September 5, 2006

Mr. Howard Floyd
902 W. State Street
Redlands, CA 92373

Re: 330 N. Third Street (APNs 169-281-47 and 169-281-50)

Dear Mr. Floyd:

This letter will confirm that the above-described Property is located within the redevelopment project area known as the "Redlands Redevelopment Project Area" under the Redevelopment Plan for the Redlands Redevelopment Project Area adopted by the City Council of the City of Redlands by Ordinance No. 1500 on September 26, 1972 and amended by that certain First Amendment to the Redevelopment Plan for the Redlands Redevelopment Project Area adopted by the City Council of the City of Redlands by Ordinance No. 1576 on February 17, 1976 (as amended, the "Redevelopment Plan"). Pursuant to the Redevelopment Plan, the Redlands Redevelopment Project Area, including the Property, is targeted for redevelopment. The Redevelopment Agency of the City of Redlands ("Agency") has the power of condemnation under the Redevelopment Plan.

Through several meetings with Agency staff and officials you have become aware of the Agency's interest in the possible acquisition of the Property. I also confirmed to you that I, as Executive Director, and the Agency staff, would recommend the Agency Board's consideration of eminent domain to acquire the Property if a mutually agreeable purchase price and terms could not be agreed upon between you and the Agency.

We understand that thereafter, under threat of the possibility of the Agency commencing the aforementioned eminent domain proceeding, you have entered into an agreement with the Agency for the acquisition of the Property. If you fail to convey the Property pursuant to the terms of your agreement, the Agency staff intends to recommend the Agency commence the steps required to acquire the Property, including through the use the eminent domain if necessary.

Very truly yours,

John Davidson
Executive Director

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

EXHIBIT "B"
GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, [name] ("Grantors"), hereby grant to the City of Redlands ("Grantee"), a municipal corporation organized and existing pursuant to California law, 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:

[NAME]

By:

GRANTEE:

CITY OF REDLANDS

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

(Seal)

Exhibit “A”
LEGAL DESCRIPTION



CHICAGO TITLE COMPANY

Date: September 14, 2006

RAY ALEXANDER
COLDWELL BANKER REALTY CENTER
501 WEST REDLANDS BOULEVARD
REDLANDS, CALIFORNIA 92373



Each Office is independently
Owned And Operated

RAY ALEXANDER
Broker Associate
(909) 748-5110 DIRECT
(909) 792-4147 BUSINESS
(909) 792-0803 FAX
(909) 792-5291 RESIDENCE



REALTY CENTER
501 W Redlands Blvd., Suite A
Redlands, CA 92373
raysharon@verizon.net

Order No.: 607022216 - E53

Property: 330 3RD STREET, REDLANDS, CALIFORNIA

RE:

In response to a request for our issuance of a Policy of Title Insurance, we enclose herewith our Preliminary Report for your review.

Should you have any questions in connection with this or any other matter concerning the above referenced order, please do not hesitate to contact our office.

Thank you for choosing Chicago Title Company.

Title Department:

CHICAGO TITLE COMPANY
560 E. HOSPITALITY LANE
SAN BERNARDINO, CA 92408
(909)384-7805 fax: (909)384-7902

DAN DULIN
TITLE OFFICER



RECEIVED READ AND APPROVED
By: *Jon Harrison*
Jon Harrison, Chairperson
Date: October 10, 2006
ATTEST: *Lorrie Poyzer*
Lorrie Poyzer, Secretary

AMENDMENT TO PURCHASE AND SALE AGREEMENT

Return

This First Amendment to Agreement ("Amendment") for Purchase and Sale and Escrow Instructions ("Purchase and Sale Agreement") is made this 19th day of September, 2006 by and between the Redevelopment Agency of the City of Redlands, a public body ("Agency") and Howard Floyd, an individual ("Seller"). Agency and Seller are sometimes individually referred to herein as a "Party," and together, as the "Parties."

RECITALS

WHEREAS on September 5, 2006, the Parties entered into the Purchase and Sale Agreement relating to Agency's purchase of certain real property owned by Seller commonly known as Assessor Parcel Nos. 169-281-47, 169-281-48, 169-281-49 and 169-281-50 (the "Property"); and

WHEREAS as part of the Purchase and Sale Agreement, Seller requested that the escrow associated with the sale of the Property be undertaken by Guardian Escrow; and

WHEREAS, Seller is now requesting that Agency agree to a change in designation of the escrow company from Guardian Escrow to VIP Group, a wholly-owned subsidiary of Coldwell Banker Realty Center;

NOW, THEREFORE, the Parties agree to amend their Purchase and Sale Agreement as follows:

AGREEMENT

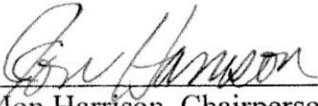
Section 1: Section 4.1 of the Purchase and Sale Agreement is hereby amended to substitute the name of VIP Group, a wholly-owned subsidiary of Coldwell Banker Realty Center ("VIP") in place of Guardian Escrow Company, and to acknowledge that Agency shall be excused by Seller from any obligation under the Purchase and Sale Agreement to open escrow with Guardian Escrow and that, instead, escrow shall now be opened by Agency with VIP within five (5) business days of Agency's approval of this Amendment.

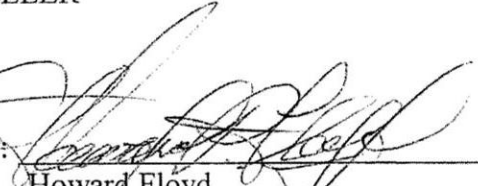
Section 2: All other terms and conditions of the Purchase and Sale Agreement shall remain the same.

Executed this 19th day of September, 2006 in Redlands, California.

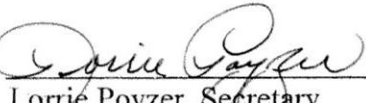
REDEVELOPMENT AGENCY OF THE
CITY OF REDLANDS

SELLER

By: 
Jon Harrison, Chairperson

By: 
Howard Floyd

ATTEST:

By: 
Lorrie Poyzer, Secretary

NATURAL HAZARD DISCLOSURE STATEMENT AND DISCLOSURE REPORT RECEIPT

This statement applies to the following property: **330 NORTH 3RD STREET REDLANDS CA 92373** Date **9/12/2006 11:15:00 AM**

The transferor and his or her agent(s) or a third-party consultant disclose the following information with the knowledge that even though this is not a warranty, prospective transferees may rely on this information in deciding whether and on what terms to purchase the subject property. Transferor hereby authorizes any agent(s) representing any principal(s) in this action to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property. The following are representations made by the transferor and his or her agent(s) based on their knowledge and maps drawn by the state and federal governments. This information is a disclosure and is not intended to be part of any contract between the transferee and transferor. **THIS REAL PROPERTY LIES WITHIN THE FOLLOWING HAZARDOUS AREA(S):**

1. **A SPECIAL FLOOD HAZARD AREA** (Any type Zone "A" or "V") designated by the Federal Emergency Management Agency. Refer to Report.
Yes ☒ No ☐ Pending ☐ Do not know and information not available from local jurisdiction ☐
2. **AN AREA OF POTENTIAL FLOODING** shown on a dam failure inundation map pursuant to Section 8569.5 of the Government Code. Refer to Report.
Yes ☐ No ☒ Do not know and information not available from local jurisdiction ☐
3. **A VERY HIGH FIRE HAZARD SEVERITY ZONE** pursuant to Section 51178 or 51179 of the Government Code. The owner of this property is subject to the maintenance requirements of Section 51182 of the Government Code. Refer to Report.
Yes ☐ No ☒
4. **A WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISKS AND HAZARDS** pursuant to Section 4125 of the Public Resources Code. The owner of this property is subject to the maintenance requirements of Section 4291 of the Public Resources Code. Additionally, it is not the state's responsibility to provide fire protection services to any building or structure located within the wildlands unless the Department of Forestry and Fire Protection has entered into a cooperative agreement with a local agency for those purposes pursuant to Section 4142 of the Public Resources Code. Refer to Report.
Yes ☐ No ☒
5. **AN EARTHQUAKE FAULT ZONE** pursuant to Section 2622 of the Public Resources Code. Refer to Report.
Yes ☐ No ☒
6. **A SEISMIC HAZARD ZONE** pursuant to Section 2696 of the Public Resources Code. Refer to Report.
Yes (Landslide Zone) ☐ Yes (Liquefaction Zone) ☐ No ☐ Map not yet released by state ☒

THESE HAZARDS MAY LIMIT YOUR ABILITY TO DEVELOP THE REAL PROPERTY, TO OBTAIN INSURANCE, OR TO RECEIVE ASSISTANCE AFTER A DISASTER. THE MAPS ON WHICH THESE DISCLOSURES ARE BASED ESTIMATE WHERE NATURAL HAZARDS EXIST. THEY ARE NOT DEFINITIVE INDICATORS OF WHETHER OR NOT A PROPERTY WILL BE AFFECTED BY A NATURAL DISASTER. TRANSFEREE(S) AND TRANSFEROR(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE REGARDING THOSE HAZARDS AND OTHER HAZARDS THAT MAY AFFECT THE PROPERTY.

Signature of Transferor(s) [Signature] Date 9/12/06
 Signature of Transferor(s) [Signature] Date 9/17/06
 Agent(s) [Signature] Date 9/17/06
 Agent(s) [Signature] Date 9/17/06

Check only one of the following

- ☐ Transferor(s) and their agent(s) represent that the information herein is true and correct to the best of their knowledge as of the date signed by the transferor(s) and agent(s).
- ☒ Transferor(s) and their agent(s) acknowledge that they have exercised good faith in the selection of a third-party report provider as required in Civil Code Section 1103.7, and that the representations made in this Natural Hazard Disclosure Statement are based upon information provided by the independent third-party disclosure provider as a substituted disclosure pursuant to Civil Code Section 1103.4. Neither transferor(s) nor their agent(s) (1) has independently verified the information contained in this statement and report or (2) is personally aware of any errors or inaccuracies in the information contained on the statement. This statement was prepared by the provider below.

Third-Party Disclosure Provider(s) Property I.D. Date 9/12/2006 11:15:00 AM

Transferee represents that he or she has read and understands this document. Pursuant to Civil Code Section 1103.8, the representations made in this Natural Hazard Disclosure Statement do not constitute all of the transferor's or agent's disclosure obligations in this transaction.

Items 7-17 below indicate additional statutory disclosures and legal information provided in the report.

7. **ENVIRONMENTAL RISK REPORT** (Enclosed if ordered and automatically enclosed for Santa Clara and San Mateo Counties.)
8. **INDUSTRIAL USE ZONE DETERMINATION** (where available) pursuant to Section 1102.17 of the California Civil Code. Refer to Report.
9. **FLOOD HAZARD DETERMINATION** pursuant to 42 U.S.C. Section 4001 et seq. Refer to Report.
10. **LOCAL JURISDICTION HAZARDS** (May include but will not be limited to one or more of the following: Fault Activity, Methane Gas, Landslide Inventory Reports, Liquefaction Susceptibility, Fire Database Disclosure, Naturally Occurring Asbestos, Airport Noise Impact Zone, Airport Vicinity, Radon, Williamson Act, Right to Farm, Groundwater Deiciency, Flood and Inundation Hazards, Critical Habitats, Duct Sealing Requirements, Methamphetamine Contamination, and Underground Reservoirs). Refer to Report.
11. **MELLO-ROOS & SPECIAL ASSESSMENTS** pursuant to Section 53311-53365.7 / 53754 of the California Government Code. **NOTICE OF SUPPLEMENTAL PROPERTY TAX BILL** pursuant to Civil Code Section 1102.6c. Refer to Report.
12. **MILITARY ORDNANCE FACILITIES** pursuant to California Civil Code Sections 1102.15 and 1940.7. Refer to Report.

Items 13-17 below are guides enclosed in Buyer's Copy of report.

13. **ENVIRONMENTAL HAZARDS:** "A Guide for Homeowners, Buyers, Landlords and Tenants" pursuant to California Health and Safety Code Section 25100 et seq., 25417, and 26100, Business and Professions Code Section 10084, and Civil Code Section 2079.7. Refer to Report.
14. **EARTHQUAKE SAFETY:** "The Homeowner's Guide To Earthquake Safety" and "Residential Earthquake Hazards Report" form pursuant to California Business and Professions Code Section 10149 and Government Code Sections 8897.1, 8897.2, and 8897.5. Refer to Report.
15. **RESIDENTIAL EARTHQUAKE HAZARDS REPORT FORM** pursuant to California Business and Professions Code Section 10149, and California Government Code Sections 8897.1, 8897.2, and 8897.5. Refer to enclosed "The Homeowner's Guide to Earthquake Safety".
16. **LEAD-BASED PAINT:** "Protect Your Family From Lead in Your Home" pursuant to HUD Mortgage Letter 92-94, Title X of Housing and Com. D.V. Act of 1992. Refer to Report.
17. **MOLD:** Chapter VI re mold, pursuant to Health and Safety Code Section 25100 et seq., 25417, and 26100, Business and Professions Code Section 10084, and Civil Code Section 2079.7. Refer to Report.

Signature of Transferee(s) [Signature] Date 10/10/06
 Signature of Transferee(s) [Signature] Date 10/10/06
 ATTEST: [Signature] **Property I.D.**
[Signature] **John Harrison, Chairperson**
[Signature] **Lorrie Poyzer, Secretary**

PRELIMINARY CHANGE OF OWNERSHIP

(To be completed by transferee (buyer) prior to transfer of subject property in accordance with Section 480.3 of the Revenue and Taxation Code.) This report is not a public document.

SELLER/TRANSFEROR: HOWARD P. FLOYDBUYER/TRANSFeree: REDEVELOPMENT AGENCY OF THE CITY OF REDLANDSASSESSOR'S PARCEL NUMBER(S): 0169-281-47, 48, 49 & 50PROPERTY ADDRESS OR LOCATION: 330 Third Street, Redlands, CA 92373Mail Tax Information to: (Name): REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS(Address): P.O. Box 3005Redlands, CA 92373PHONE NUMBER (8 a.m. to 5 p.m.): ☒ 909 798 7510

A preliminary Change in Ownership Report must be filed with each conveyance in the County Recorder's office for the county where the property is located: this particular form may be used in all 58 counties of California

NV-O

NV-T

CSH

PP

AREA

NOTICE: A lien for property taxes applies to your property on January 1 of each year for the taxes owing in the following fiscal year, July 1 through June 30. One-half of these taxes is due November 1, and one-half is due February 1. The first installment becomes delinquent on December 10, and the second installment becomes delinquent on April 10. One tax bill is mailed before November 1 to the owner of record.

IF THIS TRANSFER OCCURS AFTER JANUARY 1 AND ON OR BEFORE DECEMBER 31, YOU MAY BE RESPONSIBLE FOR THE SECOND INSTALLMENT OF TAXES DUE FEBRUARY 1.

The property which you acquired may be subject to supplemental assessment in an amount to be determined by the San Bernardino County Assessor. For further information on your supplemental roll obligation, please call the Assessor Realty Division at . For information about this form, please call the Change of Ownership Section at .

PART I: TRANSFER INFORMATION*Please answer all questions*

- | YES | NO | |
|--------------------------|-------------------------------------|--|
| ☐ | ☒ | A. Is this transfer solely between husband and wife (Addition of a spouse, death of a spouse, divorce settlement, etc.)? |
| ☐ | ☒ | B. Is this transaction only a correction of the name(s) of the person(s) holding title to the property (For example, a name change upon marriage)? |
| ☐ | ☒ | C. Is this document recorded to create, terminate, or reconvey a lender's interest in the property? |
| ☐ | ☒ | D. Is this transaction recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest (e.g. consigner)? |
| ☐ | ☒ | E. Is this document recorded to substitute a trustee under a deed of trust, mortgage, or other similar document? |
| ☐ | ☒ | F. Did this transfer result in the creation of a joint tenancy in which the seller (transferor) remains as one of the joint tenants? |
| ☐ | ☒ | G. Does this transfer return property to the person who created the joint tenancy (original transferor)? |
| ☐ | ☒ | H. Is this transfer of property: |
| ☐ | ☒ | 1. to a trust for the benefit of the grantor, or grantor's spouse? |
| ☐ | ☒ | 2. to a trust revocable by the transferor? |
| ☐ | ☒ | 3. to a trust from which the property reverts to the grantor within 12 years? |
| ☐ | ☒ | I. If this property is subject to a lease, is the remaining lease term 35 years or more including written options? |
| ☐ | ☒ | *J. Is this a transfer between parent(s) and child(ren) ☐ or from grandparent(s) to grandchild(ren)? ☐ |
| ☐ | ☒ | *K. Is this a transaction to replace a principal residence by a person 55 years of age or older? |
| | | Within the same county? ☐ Yes ☐ No |
| ☐ | ☒ | *L. Is this transaction to replace a principal residence by a person who is severely disabled as defined by Revenue and Taxation Code Section 69.5? Within the same county? ☐ Yes ☐ No |

*If you checked yes to J, K, or L, you may qualify for a property tax reassessment exclusion, which may result in lower taxes on your property. Failure to file a claim results in the reassessment of the property.

Please provide any other information that would help the Assessor to understand the nature of the transfer

IF YOU HAVE ANSWERED "YES" TO ANY OF THE ABOVE QUESTIONS EXCEPT J, K, OR L, PLEASE SIGN AND DATE, OTHERWISE COMPLETE BALANCE OF THE FORM.

PART II: OTHER TRANSFER INFORMATION

- A. Date of transfer if other than recording date: _____
- B. Type of transfer. Please check appropriate box.
- | | | | | |
|--|--|---|--|--|
| ☒ Purchase | ☐ Foreclosure | ☐ Gift | ☐ Trade or Exchange | ☐ Merger, Stock, or Partnership Acquisition |
| ☐ Contract of Sale - Date of Contract _____ | | | | |
| ☐ Inheritance - Date of Death _____ | ☐ Other (please explain): _____ | | | |
| ☐ Creation of a Lease | ☐ Assignment of a Lease | ☐ Termination of a Lease | ☐ Sale/Leaseback | |
| ☐ Date lease began _____ | | | | |
| ☐ Original term in years (including written options) _____ | | | | |
| ☐ Remaining term in years (including written options) _____ | | | | |
- C. Was only a partial interest in the property transferred? ☐ Yes ☒ No
- If 'Yes' indicate the percentage transferred: _____ %.

PRELIMINARY CHANGE OF OWNERSHIP

Please answer, to the best of your knowledge, all applicable questions, sign and date. If a question does not apply, indicate with "N/A".

PART III: PURCHASE PRICE & TERMS OF SALE

A. CASH DOWN PAYMENT OR Value of Trade or Exchange (excluding closing costs) Amount \$ 940,000⁰⁰

B. FIRST DEED OF TRUST @ _____ % Interest for _____ years. Payments/Mo. = \$ _____ (Prin. & Int. only) Amount \$ 0

☐ FHA (_____ Discount Points) ☐ Fixed Rate ☐ New Loan
☐ Conventional ☐ Variable Rate ☐ Assumed Existing Loan Balance
☐ VA (_____ Discount Points) ☐ All Inclusive D.T. (\$ _____ Wrapped) ☐ Bank or Savings & Loan
☐ Cal-Vet ☐ Loan Carried by Seller Due Date ☐ Finance Company
 Balloon Payment ☐ Yes ☐ No Amount \$ 0

C. SECOND DEED OF TRUST @ _____ % Interest for _____ years. Payments/Mo. = \$ _____ (Prin. & Int. only) Amount \$ 0

☐ Bank or Savings & Loan ☐ Fixed Rate ☐ New Loan
☐ Loan Carried by Seller ☐ Variable Rate ☐ Assumed Existing Loan Balance
 Balloon Payment ☐ Yes ☐ No Due Date Amount \$ 0

D. OTHER FINANCING - Is other financing involved not covered in (B) and (C) above? ☐ Yes ☐ No Amount \$ 0

Type _____ @ _____ % Interest for _____ years. Payments/Mo. = \$ _____ (Prin. & Int. only) Amount \$ 0

☐ Bank or Savings & Loan ☐ Fixed Rate ☐ New Loan
☐ Loan Carried by Seller ☐ Variable Rate ☐ Assumed Existing Loan Balance
 Balloon Payment ☐ Yes ☐ No Due Date Amount \$ 0

E. WAS AN IMPROVEMENT BOND ASSUMED BY THE BUYER? ☐ Yes ☐ No Outstanding Balance: Amount \$ 0

F. TOTAL PURCHASE PRICE (or acquisition price, if traded or exchanged, include real estate commission if paid). **Total Items A through E** \$940,000.00

G. PROPERTY PURCHASED: ☒ Through a broker: ☐ Direct from seller: ☐ From a Family member ☐ Other (explain)

If purchased through a broker, provide broker's name and phone no.:

Coldwell Banker- Realty Center 792-4147

Please explain any special terms, seller concessions, or financing and any other information that would help the Assessor understand the purchase price and terms of sale.

PART IV: PURCHASE PRICE & TERMS OF SALE

A. TYPE OF PROPERTY TRANSFERRED:

☐ Single-family residence ☐ Agricultural ☐ Timeshare
☐ Multiple-family residence (no. of units: _____) ☐ Co-op / Own-your-own ☐ Manufactured Home
☐ Commercial / Industrial ☐ Condominium ☐ Unimproved lot
☐ Other (Description: _____)

B. IS THIS PROPERTY INTENDED AS YOUR PRINCIPAL RESIDENCE? ☐ Yes ☐ No
 If 'Yes', enter date of occupancy _____ / _____ / _____ or intended occupancy _____ / _____ / _____

C. Is Personal Property included in the Purchase Price (i.e. furniture, farm equipment, machinery, etc. (other than a manufactured home subject to local property tax?)) ☐ Yes ☐ No
 If yes, enter the value of the personal property included in the purchase price \$ _____ (Attach itemized list of personal property)

D. IS A MANUFACTURED HOME included in the purchase price? ☐ Yes ☐ No
 If yes, how much of the purchase price is allocated to the manufactured home? \$ _____
 Is the manufactured home subject to local property tax? ☐ Yes ☐ No What is the Decal Number? _____

E. DOES THE PROPERTY PRODUCE INCOME? ☐ Yes ☐ No
☐ Lease / Rent ☐ Contract ☐ Mineral Rights ☐ Other - Explain: _____
 If yes, the income from: _____

F. WHAT WAS THE CONDITION OF THE PROPERTY AT THE TIME OF SALE?
☐ Good ☐ Average ☐ Fair ☐ Poor
 Please explain the physical condition of the property and provide any other information (such as restrictions, etc) that would assist the Assessor in determining the value of the property.

Signed

I certify that the foregoing is true, correct and complete to the best of my knowledge and belief.

Date

October 10, 200

NEW OWNER/CORPORATE OFFICER

Please Print Name of New Owner / Corporate Officer

Jon Harrison, Mayor, City of Redlands

(NOTE: The Assessor may contact you for further information)

If a document evidencing a change of ownership is presented to the recorder for recordation without the concurrent filing of a Preliminary Change of Ownership Report, the recorder may charge an additional recording fee for twenty dollars (\$20).

atst
John Goggin, Secretary

VIP Group an Escrow Division

501 West Redlands Blvd., Ste. B

Redlands, CA 92373

P: (909) 798-3065 • F: (909) 798-9727

COMMISSION INSTRUCTIONS

Date: **October 10, 2006**
Escrow No.: **2369-DF**
Escrow Officer: **Diane Franken**

RE: **330 Third Street, Redlands, CA 92373**

Upon close of escrow, from funds received and/or held by you on my behalf you are instructed to pay:

COLDWELL BANKER - REALTY CENTER

a licensed real estate broker, the sum of

\$60,000.00

This is an **IRREVOCABLE COMMISSION ASSIGNMENT** and cannot be amended or revoked, insofar as it relates to payment of commission, without the prior written consent of broker(s) named herein, who shall be deemed a party to the escrow for the sole and exclusive purpose of receiving said commission.

The employment of said broker(s) in the transaction described in said escrow is acknowledged by the undersigned, who agreed to pay said sum to said broker(s) as a commission for services rendered pursuant to said employment.

REDEVELOPMENT AGENCY OF THE CITY
OF REDLANDS

ATTEST:



By: JON HARRISON, Chairperson



Lorrie Poyzer, Secretary

Please mail payment to address below unless payment is called for on the day the above escrow is closed.

Broker: **COLDWELL BANKER - REALTY
CENTER**

License No.: **00989051**

Agent: **Ray Alexander**

Address: **501 W. Redlands Blvd., Ste A
Redlands, CA 92373**

By: _____

Telephone No.: **(909) 792-4147**

VIP Group an Escrow Division

501 West Redlands Blvd., Ste. B

Redlands, CA 92373

P: (909) 798-3065 • F: (909) 798-9727

SALE ESCROW INSTRUCTIONS

TO: VIP Group an Escrow Division

Date: September 26, 2006

Escrow Officer: Diane Franken

Escrow Number: 2369-DF

VIP GROUP AN ESCROW DIVISION IS LICENSED AS AN ESCROW AGENT BY THE DEPARTMENT OF REAL ESTATE OF THE STATE OF CALIFORNIA LICENSE NUMBER 00989051.

REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS, (hereinafter known as Buyer) agree to purchase from HOWARD P. FLOYD (hereinafter known 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 VIP Group an Escrow Division, (hereinafter known as Escrow Holder), within 5 calendar days after receipt of same.

ESCROW SUMMARY:		
Buyer has deposited with escrow	\$	
Broker has on deposit for account of buyer	\$	
Buyer will deposit prior to close of escrow	\$	940,000.00
Buyer paid seller outside escrow (receipt acknowledged by seller)	\$	
Deed of Trust to Record	\$	
Deed of Trust to Record	\$	
Deed of Trust of Record	\$	
TOTAL CONSIDERATION:	\$	940,000.00

Furthermore, I will execute and deliver any instruments and/or funds which this escrow requires to show title as called for, all of which you are instructed to use on or before **December 20, 2006**, provided you hold a Policy of Title insurance with the usual title company's exceptions, with a liability of not less than \$ **940,000.00**, covering property in the City of **Redlands**, County of **San Bernardino**, State of California, described as follows:

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF.

Assessor's Parcel No. 0169-281-47, 48, 49 & 50

COMMONLY KNOWN AS: 330 Third Street, Redlands, CA 92373

SHOWING TITLE VESTED IN REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS

SUBJECT TO:

1. General and Special County and City (if any) Taxes for the current fiscal year, not due or delinquent, including any special levies, payments for which are included therein and collected therewith.
2. Lien of Supplemental Taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California.
3. Covenants, Conditions and Restrictions, reservations easements for public utilities, districts, water companies, alleys and streets, rights and rights of way of record, if any; also exceptions of oil, gas, minerals and hydrocarbons, and/or lease, if any, without the right of surface entry.

INSTRUCTIONS TO ESCROW:

CLOSING COSTS: THIS IS AN ALL CASH TRANSACTION. Buyer agrees to pay in cash, in addition to the Purchase Price, the amount required to cover Buyer's closing costs, including recordation charges for the Deed conveying the Property; Buyer's prorata portion of property taxes for the applicable tax year; Buyer's normal escrow fees; and other customary closing costs of Buyer. Buyer shall also pay all of Seller's non-recurring closing costs including but not limited to the escrow fees, documentary transfer taxes, commission due COLDWELL BANKER REALTY CENTER and cost of Buyer's CLTA Owner's Standard Coverage Title Insurance

EXHIBIT A

PARCEL NO. 1:

THAT PORTION OF BLOCK "D", CENTRAL TOWNSITE, IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 8 PAGE 57 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT 367 FEET NORTH OF THE SOUTHEAST CORNER OF LOT 29;
THENCE NORTH 33.5 FEET;
THENCE WEST 138 FEET;
THENCE SOUTH 33.5 FEET;
THENCE EAST TO THE POINT OF BEGINNING.

PARCEL NO. 2:

LOTS 1, 3, 5, 7, 9, 11, BLOCK "D", CENTRAL TOWNSITE, IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 8 PAGE 57 OF MAPS, RECORDS OF SAID COUNTY.

PARCEL NO. 3:

THE WEST 25 FEET OF THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF LOT 28, BLOCK 77 OF THE RANCHO SAN BERNARDINO, IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 PAGE 2 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF ORANGE STREET, WHICH SAID POINT IS 342.25 FEET NORTH AND 10 FEET WEST OF THE SOUTHEAST CORNER OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF THE SOUTH 1/2 OF SAID LOT 28;
THENCE NORTH ON THE WEST LINE OF SAID ORANGE STREET, 60 FEET;
THENCE WEST 320 FEET;
THENCE SOUTH 60 FEET;
THENCE EAST 320 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

THE WEST 25 FEET OF THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF LOT 28, BLOCK 77 OF THE RANCHO SAN BERNARDINO, IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 PAGE 2 OF MAPS, RECORDS OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF ORANGE STREET, WHICH SAID POINT IS 242.25 FEET NORTH AND 10 FEET WEST OF THE SOUTHEAST CORNER OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF THE SOUTH 1/2 OF SAID LOT 28;
THENCE NORTH ON THE WEST LINE OF SAID ORANGE STREET, 100 FEET;
THENCE WEST 320 FEET;
THENCE SOUTH 100 FEET;
THENCE EAST 320 FEET TO THE POINT OF BEGINNING.

which to approve or disapprove in writing. Absence of written notification by Buyer(s) of disapproval within specified time shall be deemed Buyer's approval of all documents and deposit of final closing funds by Buyer shall satisfy this condition in full.

PRELIMINARY CHANGE OF OWNERSHIP REPORT: Prior to the close of escrow, Grantee shall cause to be handed to Escrow Holder a fully completed and executed "Preliminary Change of Ownership Report" pursuant to the requirements and in accordance with Section 480.3 of the Revenue and Taxation Code, State of California. If Grantee so chooses, Grantee may elect not to complete and execute said form prior to the close of escrow. In such an event, Grantee is aware that a \$20.00 charge will be assessed by the County Recorder's Office and Escrow Holder will charge the account of the Grantee accordingly. Escrow Holder's sole duty shall be the delivery of said form to the County Recorder at the time of recordation of transfer documents.

DUE DILIGENCE PERIOD: Buyer to have a 45 day Due Diligence period from September 5, 2006 to October 20, 2006.

AFFIDAVIT – DEATH OF JOINT TENANT: Escrow Holder is instructed to prepare an Affidavit – Death of Joint Tenant for Betty D. Floyd and Seller to provide Escrow Holder with a Certified Copy of the Death Certificate for Bety D. Floyd, which will be recorded along with other document herein at close of escrow at Buyer's expense.

PROPERTY DISCLOSURE REPORT: Seller to provide Buyer with a Mandatory Zone Disclosure Report prior to close of escrow and agrees to pay for same at close of escrow.

SUPPLEMENTAL TAX INFORMATION: The tax assessor has the right to reassess the subject property **after** close of escrow and issue a supplemental tax bill to the Buyer, who shall be solely responsible for same. In the event the Seller receives a supplemental tax bill for prior tax year(s) before close of escrow, charge Seller's account. Supplemental tax bills for any tax period prior to close of escrow is the sole responsibility of the Seller. If any such supplemental tax bill has been issued for this current tax year, **it is the Seller's responsibility to forward said bill to the new Buyer, and the Buyer's responsibility for payment of same.** In such event said supplemental bill will be added to the current tax bill and prorated accordingly at close of escrow. **TAX BILLS ISSUED AFTER THE CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.**

IRS 1099 REPORTING DISCLOSURE: Parties are made aware that we are required by law to report the total "gross" proceeds (total consideration/sales price) on all real estate sales to the IRS at closing. In addition, parties are further made aware that Escrow Holder will also be required by H.R. 638 "Home Sale Tax Fairness Act of 1992" to report to IRS the amount of real estate property taxes apportioned between the parties at close of escrow. Seller is to complete, sign and return the attached certification form to Escrow Holder, (all sellers must sign), and this escrow may not close if this form is not received prior to closing. This is an IRS requirement, and any questions should be directed to the Treasury Department and not Escrow Holder. **NOTE:** Corporations are automatically exempt from IRS 1099 reporting.

INSTRUCTIONS NOT TO SUPERSEDE: These escrow instructions are executed for the sole purpose of enabling the Escrow Holder to complete this transaction, and are not intended to amend, modify, supersede or in any way change that certain agreement entered into by the parties hereto and dated prior to these escrow instructions. **VIP Group an Escrow Division**, its officers and/or employees shall not be concerned with said agreement or any matters as contained therein and is responsible only for such matters as are specifically set out above in the instructions.

THE FOLLOWING PRORATIONS AND/OR ADJUSTMENTS ARE TO BE MADE AS OF: **CLOSE OF ESCROW**

1. Real Property Taxes based on latest available tax bills.

MEMORANDA: THE FOLLOWING ARE SHOWN AS A MATTER OF AGREEMENT BETWEEN PARTIES ONLY. ALL PARTIES ARE AWARE AND ACKNOWLEDGE THAT ESCROW HOLDER SHALL HAVE NO RESPONSIBILITY WITH REGARD TO THESE ITEMS. ESCROW HOLDER WILL TAKE NO ACTION WITH RESPECT TO THESE ITEMS EITHER BEFORE OR AFTER THE CLOSE OF ESCROW:

AGENCY CONFIRMATION: The following agency relationship(s) are hereby confirmed for this transaction:

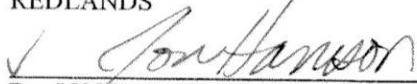
All parties acknowledge and agree that COLDWELL BANKER - REALTY CENTER represents both parties in this transaction.

PERSONAL PROPERTY: Prior to close of escrow, Seller, at Seller's expense, to remove all personal property containing hazardous material from the property. Seller shall have the right but not the obligation to commence removal of such hazardous material before the termination of the due diligence period. Also, Seller shall use Seller's best efforts to remove all other non-hazardous personal property on the property prior to close of escrow. In the event Seller fails to remove all non-hazardous personal property on the property prior to close of escrow, such personal property shall become the property of the Buyer and Buyer shall have the right to dispose of such property without liability to the Seller.

WE, 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 THEREIN, IN THEIR ENTIRETY.

Buyer's Signature:

REDEVELOPMENT AGENCY OF THE CITY OF
REDLANDS


By: JON HARRISON, Chairperson

ATTEST:


Lorrie Poyzer, Secretary

Address: P.O. Box 3005, Redlands, CA 92373

The foregoing terms, provisions, conditions and instructions are hereby approved and accepted in their entirety and concurred with 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 Signature:

HOWARD P. FLOYD

Address: 902 W. State Street, CA 92373

ADDITIONAL ESCROW INSTRUCTIONS AND PROVISIONS

1. The parties to this escrow are made aware that Escrow Holder has no obligation to verify signatures of any of the parties involved.
2. 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 instruction in writing.
3. Where the assignment of any insurance policy from Seller to Buyer is concerned, Seller 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.
4. 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.
5. 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.
6. 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.
7. If any form of Purchase Agreement of 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 and a copy of all escrow instructions, supplements or amendments to the lender.
8. 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.
9. 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.
10. You are to use your usual document forms or the usual forms of any title insurance company or title company and in our instructions insert dates and terms on the instruments if incomplete when executed.
11. If the date by which Buyer's or Seller's performances are due shall be other than your regular business day, such performances shall be due on your next succeeding business day.
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 concrete and specific instructions to you.

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. 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 required to submit any such beneficiary statements and/or demand to the parties for approval before the close of escrow unless expressly instructed to do so in writing. Should the parties desire to pre-approve any such beneficiary statement and/or demand, the parties requesting the same shall deliver separate and specific written escrow instructions to you.
16. 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.
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. You are not required to submit any such beneficiary statement and/or beneficiary demand to the parties for approval before the close of escrow unless expressly instructed to do so in writing. Should the party(ies) desire to pre-approve any such beneficiary statement and/or beneficiary demand, the party(ies) requesting the same shall deliver separate and specific written escrow instructions to you.
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.
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. Buyer acknowledges that pursuant to the California Revenue & Taxation Code a Change of Ownership form 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 form shall be furnished to Buyer by you for Buyer's completion and execution. Buyer is aware that if Buyer does not complete the form in full, sign and return it to you before closing, a penalty will be assessed by the county recorder. If the Change of Ownership form is not filed after the close of escrow within the time limits set forth by the county recorder, severe additional penalties will be assessed against the Buyer.

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. If conflicting demands or notices are made or served upon you or any controversy arises between the parties or with any third person arising out of or relating to this escrow, you shall have the absolute right to withhold and stop all further proceedings in, and in performance of, this escrow until you receive written notification satisfactory to you of the settlement of the controversy by written agreement of the parties, or by the final order or judgment of a court of competent jurisdiction.

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. If the parties do not pay any fees, costs

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.

Any purported oral instruction, amendment, supplement, modification, notice or demand deposited with you by the parties or either of them shall be ineffective and invalid. You are to be concerned only with the directives expressly set forth in the escrow instructions, supplements and amendments thereto, and are not to be concerned with nor liable for items designated as "memorandum items" in the escrow instructions. These 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 within escrow transaction.

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 \$75.00 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 \$75.00 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. 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 was not closed or cancelled within the described six (6) month period, you shall have no further obligations as Escrow Holder except to disburse funds and documents pursuant to written escrow instructions and 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. If the conditions of this escrow have not been complied with at the expiration date in these escrow instructions, you are instructed to complete the conditions at the earliest possible date, unless Buyer or Seller have made written demand upon you for the return of the funds and/or instruments deposited by Buyer or Seller and/or for cancellation of this escrow.

Should demands be made upon you, you may withhold and stop all further proceedings in this escrow without liability for interest on funds held or for damages until mutual cancellation instructions signed by all parties shall have been deposited with you. 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 judgment 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 and real estate 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. 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.

28. 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 without liability and without further notice to the parties.

Buyer's Signature:

Seller's Signature:



When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of **agency** relationship or representation you wish to have with the **agent** in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the **agent for the Seller** only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller:

A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer:

A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

WITNESS:

BUYER/SELLER [Signature] Date 10-16-06 Time AM/PM
 BUYER/SELLER Don Harrison, Mayor Lorrie Foyzer, City Clerk Date 10-16-06 Time AM/PM
 AGENT [Signature] By [Signature] Date 10-16-06
 (Please Print) (Associate-Licensee or Broker Signature)

THIS FORM SHALL BE PROVIDED AND ACKNOWLEDGED AS FOLLOWS (Civil Code § 2079.14):

- When the listing brokerage company also represents Buyer, the Listing Agent shall have one AD form signed by Seller and one signed by Buyer.
- When Buyer and Seller are represented by different brokerage companies, the Listing Agent shall have one AD form signed by Seller and the Buyer's Agent shall have one AD form signed by Buyer and one AD form signed by Seller.

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 1991-2006, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



Published and Distributed by:
REAL ESTATE BUSINESS SERVICES, INC.
a subsidiary of the California Association of REALTORS®
525 South Virgil Avenue, Los Angeles, California 90020



2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (e) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (f) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (g) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (h) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (i) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent which becomes the contract for the sale of the real property upon acceptance by the seller. (j) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property which constitutes or is improved with one to four dwelling units, any leasehold in this type of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (k) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (l) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (m) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (n) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (o) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller. (c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE. SAMPLE ONLY) _____ is the agent of (check one): ☐ the seller exclusively; or ☐ both the buyer and seller.

(Name of Listing Agent)

(DO NOT COMPLETE. SAMPLE ONLY) _____ is the agent of (check one): ☐ the buyer exclusively; or ☐ the seller exclusively; or ☐ both the buyer and seller.

(Name of Selling Agent if not the same as the Listing Agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article, if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

Buyer/Seller Initials () ()
Buyer/Seller Initials () ()

