

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Escrow Instructions ("Agreement") is made and entered into by and between the City of Redlands, a municipal corporation ("Buyer") and Sani H. Panhwar and Surriya Panhwar ("Seller") this 15th day of January, 2008 ("Effective Date"). Buyer and Seller are sometimes individually referred to herein as a "Party" and, together, as the "Parties."

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

AGREEMENT

ARTICLE I PURCHASE AND SALE

Section 1.1 Purchase and Sale. Seller is the owner of certain real property located in the City of Redlands and more particularly described as County of San Bernardino Assessor's Parcel No. 0168-571-72 (the "Property"). On all of the terms, covenants and conditions contained in this Agreement, Seller agrees to sell the Property to Buyer, and Buyer agrees to buy the Property from Seller.

Section 1.2 Purchase Price. The purchase price for the Property ("Purchase Price") is Thirty-Seven Thousand Three Hundred Seventy-Five Dollars (\$37,375).

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

ARTICLE II ESCROW

Section 2.1 Escrow, Escrow Holder, and Opening of Escrow. Within ten (10) days of the Effective Date of this Agreement, Buyer shall open an escrow to facilitate the transaction contemplated by this Agreement ("Escrow") with Redlands Escrow ("Escrow Holder") at the address specified in Section 8.6. Delivery by Buyer to Escrow of a fully-executed original or counterpart original of this Agreement shall constitute the opening of Escrow ("Opening of Escrow"). This Agreement shall constitute escrow instructions ("Escrow Instructions") to Escrow Holder. The Parties shall execute such additional Escrow Instructions consistent with the provisions of this Agreement that are mutually acceptable to the Parties or that may be required by Escrow



Holder. Escrow Holder's general provisions ("Standard Escrow Instructions") shall also constitute Escrow Instructions for purposes of this Agreement. As between the Parties, Buyer and Seller agree that if there is any conflict between the terms of this Agreement and the Standard Escrow Instructions, this Agreement shall control.

Section 2.2 Close of Escrow. Subject to the conditions set forth in Section 2.8, Escrow shall close on the date that fee title to the Property is conveyed from Seller to Buyer as contemplated by this Agreement and evidenced by the recording of a grant deed for the Property (Close of Escrow). Unless otherwise extended by written amendment to this Agreement, Close of Escrow shall occur on April 30, 2008, or sooner, after all conditions precedent to Close of Escrow have been satisfied or waived.

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

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

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



Section 2.6 Obligations of Buyer. In addition to performance by Buyer of all obligations of Buyer contained in this Agreement, on or before one (1) business day prior to Close of Escrow, Buyer shall have deposited into Escrow: (i) the Purchase Price for the Property; and (ii) all other sums and documents reasonably required of Buyer by Escrow Holder to the Close of Escrow.

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

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

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

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

Section 2.10 Taxes and Assessments. Prior to or concurrent with Close of Escrow, Seller shall pay, cancel or terminate all prior current taxes, including special taxes assessments and improvement fees or charges levied on or against the Property.

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



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

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

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

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

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

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

ARTICLE III FEASIBILITY, DUE DILIGENCE AND INSPECTIONS

Section 3.1 Feasibility, Due Diligence, and Inspections. Buyer shall have thirty (30) business days from the Effective Date of this Agreement to complete its due diligence ("Due Diligence Period"). After providing Seller with at least twenty-four (24) hours written notice, Buyer and its consultants, agents, contractors and employees ("Buyer's Agents") shall have the opportunity during the Due Diligence Period to enter the Property during regular business hours, or as reasonably necessary, to make visual inspections of the Property.

Section 3.2 Consequences of Feasibility and Due Diligence Inspection. If Buyer fails to disapprove, in writing, of the physical or environmental condition of the Property prior to the end of the Due Diligence Period, or any extension thereto, Buyer shall be deemed to have approved the physical and environmental condition of the Property. Buyer shall notify Seller in writing if Buyer disapproves the physical or environmental condition of the Property as a result of any visual inspection conducted pursuant to Section 3.1. In such event, within fifteen (15) business days after receipt of any such notification, Seller may either: (i) cancel the Escrow with respect to the Property by delivering written notice to Buyer and Escrow Holder; or (ii) give written notice to Buyer that Seller intends to remove or abate the condition prior to Close of Escrow ("Abatement Option"). If Seller elects to exercise the Abatement Option, Seller shall do so at its own cost and expense prior to Close of Escrow, or after Close of Escrow pursuant to a separate written agreement with Buyer.

Section 3.3 Right to Observe Inspections. Seller may be present and may observe any visual inspections conducted by Buyer or Buyer's consultants.

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

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



ARTICLE IV SELLER'S REPRESENTATIONS AND WARRANTIES

Section 4.1 Seller is selling the Property in "As-Is" condition. Except as otherwise expressly provided in this Agreement, Seller hereby disclaims all warranties of any kind or nature whatsoever, whether expressed or implied, including but not limited to warranties with respect to either of the Property, or its condition or suitability for Buyer's intended use.

ARTICLE V REPRESENTATIONS AND WARRANTIES

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

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

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

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



ARTICLE VI INSURANCE AND INDEMNIFICATION

Section 6.1 Indemnification by Buyer. Buyer shall indemnify, defend and hold harmless Seller from any loss of or damage to the Property, or injury or death of any person whomsoever, including attorneys' fees and costs, arising from the activities caused in whole or in part by any intentional or negligent act of Buyer or Buyer's Agents, or by any act or omission of Buyer or Buyer's Agents in the exercise of rights pursuant to the Buyer License.

ARTICLE VII DISPUTES AND DEFAULT

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

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

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

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



ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 8.1 Entire Agreement and Amendment. This Agreement fully and completely expresses the entire agreement between the Parties hereto with respect to the subject matter hereof. Any amendment to this Agreement shall be in writing and approved by the City Council of Buyer; provided, however, that an amendment to this Agreement solely for the purpose of extending the Close of Escrow may be approved in writing by the City Manager of Buyer.

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

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

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

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

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



To Buyer:

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

To Seller:

Sani H. Panhwar and Surriya Panhwar
4128 W. 163rd Street
Lawndale, CA 90260
(310) 350-7816

To Escrow Company:

Redlands Escrow
306 E. Citrus Ave.
Redlands, CA 92373
(909) 793-2939

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

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

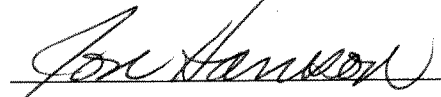
Section 8.9 Entire Agreement. This Agreement rescinds and supersedes that specific Purchase and Sale Agreement and Escrow Instructions between the Parties dated November 20, 2007 and sets forth and contains the entire understanding and agreement of the Parties as to the matters contained herein, and there are no oral or written representations, understandings or ancillary covenants or agreements which are not contained or expressly referenced herein, and no testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.



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

BUYER:

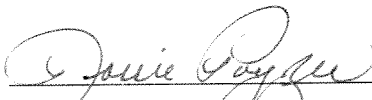
CITY OF REDLANDS



Mayor Jon Harrison

Date: January 15,, 2008

ATTEST:



Lorrie Poyzer, City Clerk

SELLER:



Sani H. Panhwar

Date: 1-14, 2008



Surriya Panhwar

Date: 1/14, 2008



Recording Requested By
and When Recorded Mail to:

ALREADY SIGNED &
NOTARIZED

GRANT DEED

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

IN WITNESS WHEREOF, this instrument is executed as of this ____ day of _____,
2008 by:

[PLEASE NOTARIZE SIGNATURES]

GRANTOR:

By: _____

Sani H. Panhwar

By: _____

Surriya Panhwar

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

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

WITNESS my hand and official seal.

Signature of Notary Public

Exhibit "A"
LEGAL DESCRIPTION

(APN: 0168-571-72)

Portion of the Southwest Quarter, Section 14, Township 1 south, Range 3 west, within Tract
9828, Lot 72

Recording Requested By
and When Recorded Mail to:

CITY CLERK
CITY OF REDLANDS
P.O. BOX 3005
REDLANDS CA 92373

FEES NOT REQUIRED
PER GOVERNMENT CODE
SECTION 6103

GRANT DEED

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

IN WITNESS WHEREOF, this instrument is executed as of this 15th day of November 2007 by:

[PLEASE NOTARIZE SIGNATURES]

GRANTOR:

By: _____

Sani H. Panhwar

By: _____

Surriya Panhwar

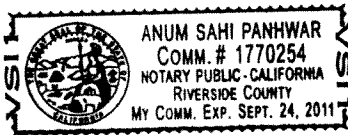
STATE OF CALIFORNIA)
) ss.
COUNTY OF ~~SAN BERNARDINO~~) RIVERSIDE

On November 15th 2007, 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.

Anura

Signature of Notary Public





306 EAST CITRUS AVENUE - P.O. BOX 6
REDLANDS, CALIFORNIA 92373

PHONE: (909) 793-2939
FAX: (909) 793-9718

February 26, 2008

CITY OF REDLANDS, INC.
P. O. BOX 3005
REDLANDS, CA 92373
ATTN: TAMARA ALANIZ

Escrow No.: 20931-DS

To assist us in completing this transaction, please attend to the items listed below and forward to us in the enclosed self-addressed envelope.

PLEASE SIGN AND RETURN THE FOLLOWING:

- ☒ Amendment to Escrow Instructions (Legal Description)
- ☐ CALFIRPTA DISCLOSURE
- ☐ Preliminary Title Report, for your approval

PLEASE FILL IN COMPLETELY, SIGN AND RETURN THE FOLLOWING:

- ☐ Statement of Information
- ☐ Preliminary Change of Ownership Form
- ☐ Fire Insurance Information

PLEASE SIGN EXACTLY AS YOUR NAME APPEARS BEFORE A NOTARY PUBLIC:

- ☐ Trust Deed

PLEASE SEND TO US THE FOLLOWING:

- ☐ Fire Insurance
- ☐ Funds estimated as needed from you in the amount of @@. Checks to be made payable to REDLANDS ESCROW, INC..
A CASHIER'S CHECK WILL EXPEDITE THE CLOSING OF THE ESCROW.
- ☒ Estimate Closing Statement showing closing costs

Very truly yours,
REDLANDS ESCROW, INC.

DOROTHY SKELTON
MANAGER

PAID 1.00

FEB 26 2008

11:00 AM



306 EAST CITRUS AVENUE - P.O. BOX 6
REDLANDS, CALIFORNIA 92373

PHONE: (909) 793-2939
FAX: (909) 793-9718

February 26, 2008

TO: REDLANDS ESCROW, INC.

Escrow No.: 20931-DS

Property Address: VACANT LAND , REDLANDS, CA

ADDITION AND/OR AMENDMENT TO ESCROW INSTRUCTIONS

The legal description is hereby modified, amended, and/or supplemented in the following particulars only:

LOT 72 OF TRACT 9828, IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 158, PAGE(S) 46 TO 48, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND AS AMENDED BY CERTIFICATE OF CORRECTION RECORDED MARCH 12, 1987 AS INSTRUMENT NO. 87-080943, OFFICIAL RECORDS.

All other terms and conditions remain the same.

EACH OF THE BELOW SIGNED STATES THAT HE/SHE/THEY HAS/HAVE READ THE FOREGOING INSTRUCTIONS AND UNDERSTANDS AND AGREES TO THEM.

CITY OF REDLANDS, INC.

SANI H. PANHWAR

By: _____
JON HARRISON, MAYOR

SURRIYA PANHWAR

By: _____
LORRIE POYZER, CITY CLERK

YOUR COPY

SIGN AND RETURN



306 EAST CITRUS AVENUE - P.O. BOX 6
REDLANDS, CALIFORNIA 92373

PHONE: (909) 793-2939
FAX: (909) 793-9718

Estimated Buyer(s) Closing Statement

Dated As of 2/27/2008 10:22:29 AM

Closing Date: 4/30/2008

Escrow No: 20931 - DS

Escrow Statement of:

Escrow Officer: DOROTHY SKELTON

Buyer(s):

CITY OF REDLANDS, INC.

Seller(s):

SANI H. PANHWAR, SURRIYA PANHWAR

Property Address: VACANT LAND REDLANDS, CA

	From	To	DEBITS	CREDITS
Total Consideration			\$37,375.00	
<u>Title Charges</u>				
Owners For \$37,375.00			\$500.00	
<u>Escrow Charges</u>				
Escrow Fee			\$581.00	
Balance Due Escrow				\$38,456.00
Totals			\$38,456.00	\$38,456.00

CITY OF REDLANDS, INC.

By: _____
JON HARRISON, MAYOR

By: _____
LORRIE POYZER, CITY CLERK

YOUR COPY

INTER OFFICE MEMORANDUM

Community Development Department Planning Division

DATE: March 3, 2008
TO: Lorrie Poyzer, City Clerk
FROM: Tamara Alaniz, Associate Planner
SUBJECT: Panhwar Property Acquisition Escrow Instructions and Legal Description
Amendment Signatures

Lorrie,

Redlands Escrow is processing the escrow for the Panhwar Property located on the Santa Ana River Wash Bluff off of Riverview Drive. She has forwarded the attached documents for signature and return by Mayor Harrison and yourself. Please review, sign if appropriate and return to Dorothy Skelton at the address contained herewith.

Thank you.

Attachments

PRELIMINARY CHANGE OF OWNERSHIP REPORT

To be completed by transferee (buyer) prior to transfer of subject property in accordance with Section 480.03 of the Revenue and Taxation Code. A Preliminary Change of 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.

THIS REPORT IS NOT A PUBLIC DOCUMENT

SELLER/TRANSFEROR: SANI H. PANHWAR
SURRIYA PANHWAR
BUYER/TRANSFEE: CITY OF REDLANDS, INC.
ASSESSOR'S PARCEL NUMBER(S): 0168-571-72-0
PROPERTY ADDRESS OR LOCATION: VACANT LAND, REDLANDS, CA
MAIL TAX INFORMATION TO: Name CITY OF REDLANDS, INC.
Address P. O. BOX 3005
REDLANDS, CA 92373
Phone Number (8 a.m. - 5 p.m.)

FOR RECORDER'S USE ONLY

DOCUMENT NUMBER

RECORDING DATE

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 a supplemental assessment in an amount to be determined by the County Assessor. For further information on your supplemental roll obligation, please call the County Assessor.

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)? Please explain _____
- ☐ ☒ 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. cosigner)? Please explain _____
- ☐ ☒ E. Is this document recorded to substitute a trustee of a 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 revocable trust that may be revoked by the transferor and is for the benefit of the ☐ transferor ☐ transferor's spouse?
2. to a trust that may be revoked by the Creator/Grantor who is also a joint tenant, and which names the other joint tenant(s) as beneficiaries when the Creator/Grantor dies?
3. to an irrevocable trust for the benefit of the ☐ Creator/Grantor and/or ☐ Grantor's spouse?
4. to an irrevocable trust from which the property reverts to the Creator/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) to child(ren)? ☐ or from grandparent(s) to grandchild(ren)?
- ☐ ☒ *K. Is this 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
- ☐ ☒ M. Is this transfer solely between domestic partners currently registered with the California Secretary of State?

*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. If you do not file a claim, your property will be reassessed.

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

If the conveying document constitutes an exclusion from a change in ownership as defined in section 62 of the Revenue and Taxation Code for any reason other than those listed above, set forth the specific exclusions claimed: _____

Please answer all questions in each section. If a question does not apply, indicate with "N/A". Sign and date at bottom of second page.

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 _____ ☐ Other: Please explain: _____
- ☐ Inheritance - Date of Death _____ ☐ Termination of a Lease ☐ Sale/Leaseback
- ☐ Creation of Lease ☐ Assignment of a Lease _____
- ☐ Date lease began _____
- ☐ Original term in years (including written options) _____
- ☐ Remaining term in years (including written options) _____
- Monthly Payment _____ Remaining Term _____
- C. Was only a partial interest in the property transferred? ☐ Yes ☒ No
- If yes, indicate the percentage transferred _____ %

Please write Assessor's Parcel Number(s): _____

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 AND TERMS OF SALE

- A. CASH DOWN PAYMENT OR value of trade or exchange (excluding closing costs) Amount \$ 37,375
- B. FIRST DEED OF TRUST @ _____ % interest for _____ years. Pymts/Mo. = \$ _____ (Prin. & Int. only) Amount \$ _____
☐ 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 ☐ Finance company
Balloon payment ☐ Yes ☐ No Due Date _____ Amount \$ _____
- C. SECOND DEED OF TRUST @ _____ % interest for _____ years. Pymts/Mo. = \$ _____ (Prin. & Int. only) Amount \$ _____
☐ 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 \$ _____
- D. OTHER FINANCING: Is other financing involved not covered in (b) or (c) above? ☐ Yes ☐ No (Prin. & Int. only) Amount \$ _____
Type: _____ @ _____ % interest for _____ years. Pymts/Mo. = \$ _____
☐ 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 \$ _____
- E. WAS AN IMPROVEMENT BOND ASSUMED BY THE BUYER? ☐ Yes ☒ No Outstanding Balance: Amount \$ _____
- F. TOTAL PURCHASE PRICE (or acquisition price, if traded or exchanged, include real estate commission if paid.)

TOTAL ITEMS A THROUGH E \$ 37,375

- G. PROPERTY PURCHASED ☐ Through a broker ☒ Direct from seller ☐ From a family member ☐ Other (please explain): _____
If purchased through a broker, provide broker's name and phone number: _____
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: PROPERTY INFORMATION

- 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: i.e., timber, mineral, water rights, etc.) _____
- B. IS THIS PROPERTY INTENDED AS YOUR PRINCIPAL RESIDENCE? ☐ Yes ☒ No
If yes, enter date of occupancy _____ / _____ / 20____ or intended occupancy _____ / _____ / 20____
(month) (day) (year) (month) (day) (year)
- C. IS PERSONAL PROPERTY INCLUDED IN PURCHASE PRICE? (i. e. furniture, farm equipment, machinery, etc.) (Deleted ☐ Yes ☐ No)
(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 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 If yes, is the income from:
☐ Lease/Rent ☐ Contract ☐ Mineral rights ☐ Other (please explain): _____
- F. WHAT WAS THE CONDITION OF 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: _____

CERTIFICATION

OWNERSHIP TYPE (✓)
☐ Proprietorship
☐ Partnership
☐ Corporation
☐ Other _____

I certify that the foregoing is true, correct and complete to the best of my knowledge and belief.
This declaration is binding on each and every co-owner and/or partner.

ATTEST: Lorrie Poyzer Lorrie Poyzer, City Clerk

NAME OF NEW OWNER/CORPORATE OFFICER

Jon Harrison

TITLE
Mayor

SIGNATURE OF NEW OWNER/CORPORATE OFFICER

DATE
February 11, 2008

NAME OF ENTITY (typed or printed)

City of Redlands

FEDERAL EMPLOYER ID NUMBER
95-6000766

ADDRESS (typed or printed)

P. O. Box 3005, Redlands, CA 92373-1505

E-MAIL ADDRESS (optional)

DATE

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

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

RECEIVED

FEB 04 2008

306 EAST CITRUS AVENUE - P.O. BOX 6
REDLANDS, CALIFORNIA 92373

PHONE: (909) 793-2939

FAX: (909) 793-9718

**Redlands
Escrow Inc.**

January 29, 2008

CITY OF REDLANDS, INC.
P. O. BOX 3005
REDLANDS, CA 92373

Escrow No.: 20931-DS

To assist us in completing this transaction, please attend to the items listed below and forward to us in the enclosed self-addressed envelope.

PLEASE SIGN AND RETURN THE FOLLOWING:

- (X) Escrow Instructions
- (X) CALFIRPTA DISCLOSURE
- (X) Preliminary Title Report, for your approval

1-31-08 Underlying Docs.

PLEASE FILL IN COMPLETELY, SIGN AND RETURN THE FOLLOWING:

- () Statement of Information
- (X) Preliminary Change of Ownership Form
- () Fire Insurance Information

PLEASE SIGN EXACTLY AS YOUR NAME APPEARS BEFORE A NOTARY PUBLIC:

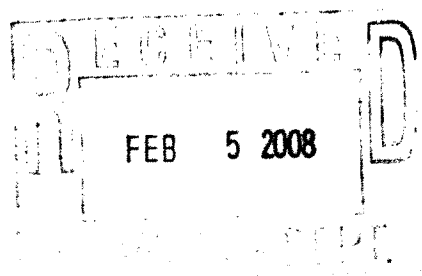
- () Trust Deed

PLEASE SEND TO US THE FOLLOWING:

- () Fire Insurance
- () Funds estimated as needed from you in the amount of @@. Checks to be made payable to REDLANDS ESCROW, INC..
A CASHIER'S CHECK WILL EXPEDITE THE CLOSING OF THE ESCROW.

Very truly yours,
REDLANDS ESCROW, INC.


DOROTHY SKELTON
MANAGER





306 EAST CITRUS AVENUE - P.O. BOX 6
REDLANDS, CALIFORNIA 92373

PHONE: (909) 793-2939
FAX: (909) 793-9718

Escrow No.: 20931-DS

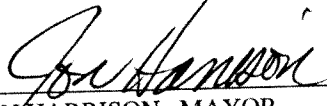
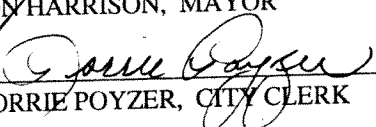
January 29, 2008

(a) Tax Withholding: State of California: Under the California Revenue and Taxation Code, Sections 18805, and 26131, every Buyer of California real property must, unless an exemption applies, deduct and withhold from Seller's proceeds three and one-third percent (3 - 1/3%) of the gross sales price. The primary exemptions are: NO withholding is required if (a) Seller is a Partnership; (b) Seller has a Homeowners Property Tax Exemption for the transferred; (c) if the sales price of the property does not exceed \$100,000.00 (d) Seller is a corporation which is a bank acting as a Trustee, other than as Trustee under a Deed of Trust (e) Seller is a corporation and the buyer is acquiring the property either under their foreclosure of a Deed of Trust or Mortgage or by a Deed in Lieu of Foreclosure; (f) Seller has provided the Buyer with a Withholding Certificate from the Franchise Tax Board that excuses withholding or (g) Buyer's and Escrow Holder's good faith reliance on the Seller's affidavit that the conditions requiring the withholding do not exist. Seller and Buyer agree to execute and deliver as directed, any instrument affidavit and statement, or to perform any act reasonably necessary to carry out the provisions of Revenue and Taxation Code Sections as set forth above.

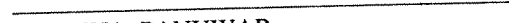
BUYER'S SIGNATURE:

SELLER'S SIGNATURE:

CITY OF REDLANDS, INC.

By: 
JON HARRISON, MAYOR
By: 
LORRIE POYZER, CITY CLERK


SANI H. PANHWAR


SURRIYA PANHWAR

SIGN AND RETURN



306 EAST CITRUS AVENUE - P.O. BOX 6
REDLANDS, CALIFORNIA 92373

PHONE: (909) 793-2939
FAX: (909) 793-9718

SALE ESCROW INSTRUCTIONS

Escrow Officer: DOROTHY SKELTON
Escrow No.: 20931-DS

Deposit Prior to close of Escrow	\$37,375.00
Total CashThru:	\$37,375.00
Total:	\$37,375.00

Date: January 29, 2008

REDLANDS ESCROW, INC. IS LICENSED BY THE DEPARTMENT of CORPORATIONS, STATE OF CALIFORNIA, ESCROW LICENSE NO. 963-0248

Buyer shall deliver to you any instruments and/or funds required from Buyer to enable you to comply with these instructions, all of which you are authorized to use and/or deliver on or before April 30, 2008, and when you are in a position to obtain a standard Policy of Title Insurance through COMMONWEALTH LAND TITLE CO., provided that said policy has a liability of at least the amount of the above total consideration, covering the following described property in the City of REDLANDS, County of SAN BERNARDINO, State of CA.

PORTION OF THE SOUTHWEST QUARTER, SECTION 14, TOWNSHIP 1 SOUTH, RANGE 3 WEST, WITHIN TRACT 9828, LOT 72 AS PER MAP 158, PAGES 46 THROUGH 48, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Property Address: VACANT LAND, REDLANDS, CA (NOT VERIFIED BY ESCROW HOLDER)

SHOWING TITLE VESTED IN: CITY OF REDLANDS, INC.

FREE FROM ENCUMBRANCES EXCEPT:

1. Second Half 2008 installment(s) of the General and Special County, and city (if any) taxes, including any special district levies, payments which are included therein and collected therewith, for current fiscal year, not delinquent, including taxes for ensuing year, if any, a lien not yet due or payable.
2. Covenants, conditions, restrictions, reservations, rights, rights of way, easements and exceptions of minerals, oil, gas, water, carbons and hydrocarbons on or under said land, now of record, and in deed to file, if any, affecting the use and occupancy of said property.
3. Assessments and bonds of record, if any, not delinquent.

ADDITIONAL INSTRUCTIONS:

1. This is an ALL CASH transaction.
2. Buyer shall have thirty (30) business days from January 15, 2008 to complete its due diligence period, inspections and determination of feasibility. If Buyer fails to disapprove of the physical or environmental condition of Property prior to the end of the Due Diligence Period, or any extension thereto, Buyer shall notify the Sellers in writing of any disapproval at which time Sellers shall have fifteen (15) days to notify Buyer whether conditions are to be remedied or if notification is to be delivered to escrow holder as to their intent and how escrow holder is to proceed with this escrow.
3. This escrow and the Buyer's and Sellers' obligations herein are contingent upon the Buyer's written approval to escrow of the items set forth in the preliminary title report on the property described herein, within ten (10) business days of mailing/or by messenger thereof by Escrow Holder to Buyer at his/her address hereinafter set forth. If written approval of any matter is not delivered to Escrow Holder within the time specified above, then all such matters shall be deemed approved and this contingency satisfied.
4. Buyers acknowledge that the property is being purchased in its "AS IS" PRESENT CONDITION WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE. Buyers acknowledge for Buyers and Buyers successors, heirs and assigns, that Buyer has been given a reasonable opportunity to inspect and investigate property and all improvements thereon, either independently or through agents of Buyers choosing, and that in purchasing the property Buyers

SIGN AND RETURN

SELLER(S) INITIALS _____

BUYER(S) INITIALS _____

are not relying on Seller or its agents as to the condition of the property and/or any improvements thereon, including, but not necessarily limited to, electrical, plumbing, heating, sewage, roof, foundation, soils, and geology, lot size or suitability of the property and/or its improvements for particular purposes, or that appliances, if any, plumbing and/or utilities are in working order, and/or that the improvements are structurally sound and/or in compliance with any city, county, state and/or federal statutes, codes or ordinances. The closing of this transaction shall constitute an acknowledgement by the Buyers that THE PREMISES WERE ACCEPTED WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND OR NATURE AND IN AN "AS IS" PRESENT CONDITION BASED SOLELY ON BUYER'S OWN INSPECTION.

5. Closing fees are as follows:

Buyer agrees to pay for all charges in connection with the Owner's Title Policy fee, documentary transfer tax, if any, recording fees to record the Grant Deed and TOTAL escrow fee.

6. All parties herein agree that the Grant Deed for subject property being conveyed through this escrow has been prepared and executed outside of escrow. Subject Grant Deed shall be delivered to Escrow Agent for recordation through title, prior to close of escrow.

7. Buyer and Sellers agree to pay any overnight mailing charges, if required and/or requested, to facilitate the closing of this escrow.

8. All parties are herewith notified that the California Legislature passed Senate Bill 1550 amending Section 12389 and adding Sections 12413 and 12413.5 to the California Insurance Code providing, among its other provisions, that: (1) NO DISBURSEMENT OF ANY FUNDS may be made from the escrow account, when such funds are received in the form of a draft (whether in-state or out-of-state bank, until the draft has cleared the bank for payment thereof). (2) NO DISBURSEMENT OF ANY FUNDS may be made from the escrow account, when such funds are received in the form of a cashier's check (or any other item) drawn on an OUT-OF-STATE BANK, until such item(s) have cleared the account drawn against. IF THE BORROWER INTENDS TO CLOSE WITH FUNDS ON AN OUT-OF-STATE BANK, OR IF THEIR LOAN IS TO BE FUNDED BY A LENDER EITHER BY DRAFT OR BY OUT-OF-STATE CHECK, IT WILL NOT BE POSSIBLE TO DISBURSE THE ESCROW FUNDS UNTIL SUCH FUNDS ARE AVAILABLE IN THE ESCROW ACCOUNT HELD BY THE TITLE COMPANY SUB- ESCROW DEPARTMENT. Borrower(s) and Lender(s) acknowledge that no interest shall be paid to any party who deposits funds to close the within escrow. Further, Borrower(s) will be charged interest on loans, encumbrances and other obligations until paid by the title company. Borrower(s) and Lender(s) herewith agree to hold Escrow Holder harmless for any damages, interest, costs, fees or the like incurred by the Parties by reason of compliance with the provisions of Senate Bill 1550.

9. The Tax Reform Act of 1986, provides that REDLANDS ESCROW, INC. must report to the Internal Revenue Service certain information regarding all real estate transactions. This information includes, among other things, the Borrower's Social Security number and/or Tax Identification number and forwarding address and the gross sales price of the transaction. This is not a requirement generated by REDLANDS ESCROW, INC., but rather a means of complying with the new tax law. This information must be provided to REDLANDS ESCROW, INC. upon the opening of escrow, and Escrow cannot close, nor can deeds or other documents be recorded until the information is provided and the Borrower certifies the accuracy of the information in writing. By execution of the Escrow Instructions, the Parties acknowledge receipt of this Notice.

10. Buyers are aware that as of recordation of the Grant Deed to this property in their favor, property taxes will accrue at approximately 1.3% of the purchase price, and Buyers will be billed by the Tax Assessors Office for additional amounts. Buyer to complete a Preliminary Change of Ownership Report through this escrow as required by the County Assessors Office. Buyer understands that failure to complete said report, in its entirety, may result in a penalty to Buyer. Any supplementary taxes owed by the Seller for the period of Seller's ownership shall be paid by the Seller. Supplementary taxes charged by Buyer after the close of escrow shall be the sole responsibility of the Buyer.

AS A MATTER OF RECORD ONLY, WITH WHICH ESCROW HOLDER IS NOT TO BE CONCERNED:

- (a) Possession shall be delivered to Buyer on close of escrow.
- (b) All permanently installed fixtures and fittings that are attached to the property or for which special openings have been made are included in the purchase price, including electrical, light, plumbing, trees and shrubs.
- (c) Unless exempt, Transferor (Seller), shall comply with Civil Code 1102 et seq., by providing Transferee (Buyer) with a Real Estate Transfer Disclosure Statement; A) X Buyer has received and read a Real Estate Transfer Disclosure Statement; OR B) _____ Seller shall provide Buyer with a Real Estate Disclosure Statement within 5 Calendar days of Seller's acceptance after which Buyer shall have (3) days after delivery to Buyer, in person, or five (5) days after delivery by deposit in the mail, to terminate this agreement by delivery of a written notice of termination to Seller.
- (d) Seller warrants, through the date possession is made available to Buyer, that the property and improvements, if any, shall be maintained in the same condition as upon the date of acceptance.
- (e) Seller warrants that the Seller has no knowledge of any notice of violations of City, County, State, Federal, Building, Zoning, Fire, Health Codes or ordinances, or other governmental regulations filed or issued against the property. This warranty shall be effective until the date of close of escrow.

SELLER(S) INITIALS _____

BUYER(S) INITIALS

- (f) State law requires that residences be equipped with an operable smoke detector, and water heaters be braced, strapped or anchored. Local law may have additional requirements. Seller shall deliver to Buyer a written statement of compliance in accordance with applicable state and local laws prior to close of escrow.
- (g) The parties hereto acknowledge that these escrow instructions are in addition to their Purchase and Sale Agreement and Escrow Instructions which does not supersede nor replace their "Agreement". These instructions are created merely to facilitate the closing process in compliance to their existing executed agreement between the parties. All parties understand there is no real estate agent involved in this transaction.

Make the following prorations and adjustments as of NO PRORATIONS THROUGH ESCROW..

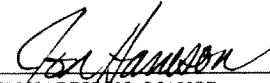
I/We will pay, on demand, regardless of the consummation of this escrow, all charges incurred by you for me/us, including fee for preparing instruments I/we execute, recording charges and your customary buyer's escrow fee.

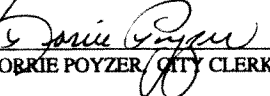
THE FOREGOING INSTRUCTIONS AND THOSE "GENERAL INSTRUCTIONS" ATTACHED HERETO AND MADE A PART HEREOF ARE APPROVED AND ACCEPTED IN THEIR ENTIRETY AS FULLY SET OUT IN THIS PARAGRAPH. EACH OF THE UNDERSIGNED BUYER(S) HEREBY AUTHORIZE ESCROW AGENT TO FURNISH COPIES OF CLOSING STATEMENTS TO LENDER AND/OR BROKER INVOLVED.

I/We have received a copy of these instructions.

BUYER'S SIGNATURE:

CITY OF REDLANDS, INC.

By: 
JON HARRISON, MAYOR

By: 
LORRIE POYZER, CITY CLERK

MAILING ADDRESS: P. O. BOX 3005, REDLANDS, CA 92373

FORWARDING ADDRESS: P. O. BOX 3005, REDLANDS, CA 92373

I/We will hand you all instruments and money necessary of me/us to enable you to comply therewith, including a deed to the property described, executed in favor of the vestees, which you are authorized to use and deliver when you hold in this escrow for my/our account the above sum, and any pro-rata adjustments and instruments deliverable to me under these instructions. From funds due me/us, pay at the close of escrow any encumbrances of record, plus accrued interest, charges and bonus if any, bonds, and/or assessments necessary to comply with same, and/or pay any delinquent monthly installment(s) on existing encumbrance(s) as disclosed by beneficiary statement(s), without my/our subsequent approval.

Instruct the Title Company to begin search of title at once. Deduct and pay from proceeds due me/us, any expenses incurred in my/our behalf including charges for assurance of title, for sending in offset, or beneficiaries' statement(s) and/or demand(s), Documentary Transfer Tax on Deed, filling in, acknowledging, and recording any document(s) necessary on my/our part, including recording of purchase price encumbrance(s) and seller's escrow fee as charged.

I/We have received a copy of these instructions.

SELLER'S SIGNATURE:

SANI H. PANHWAR

SURRIYA PANHWAR

MAILING ADDRESS: 4128 W. 163RD STREET, LAWNSDALE, CA 90260

FORWARDING ADDRESS: 4128 W. 163RD STREET, LAWNSDALE, CA 90260

SELLER(S) INITIALS _____

BUYER(S) INITIALS  _____

GENERAL INSTRUCTIONS

If the conditions of this escrow have not been complied with prior to the date set out in paragraph 3, or any extension thereof, you are nevertheless to complete the escrow as soon as the conditions, except as to time, have been complied with, unless written demand shall have been made upon you not to complete it.

Unless otherwise provided, make all adjustments on basis of 30-day month based on the latest available figures in case of taxes, assessments or bonds, principal, and interest on encumbrances of record based on statements by mortgages, beneficiaries or holder of notes for collection, interest on new encumbrances by endorsement on Notes, and rents on basis of statement presented into escrow by Seller and approved by Buyer, and assume Seller will collect all rents due prior to close of escrow. Assume that insurance premiums are paid and transfer on behalf of parties hereto any fire insurance policies handed you. Forward such policies, upon close of escrow to agent with the request that insurer consent to such transfer or attach Loss Payable or Mortgagee's Clause or other additions or corrections, and that Agent thereafter forward such policies to parties entitled thereto.

The expression "close of escrow", if written in these instructions, shall mean the date first instrument is filed of record.

You shall in no event be liable for forgeries or false impersonations in connection with these instructions, instruments of record, or those handled in this escrow.

You need to make payment to or for or deliver documents to any party only if in your exclusive judgement such may be made without you incurring any liability. If any controversy arises between the parties hereto, or with any third person, you shall not be required to determine the same or take any action but you may await the settlement of any such controversy by final appropriate legal proceedings or otherwise as you may require and/or file a suite in interpleader and obtain an order from the court requiring the parties to interplead and litigate in court their several claims and rights among themselves, notwithstanding anything in these printed or typed instructions to the contrary. In the event such interpleader suite is brought, you shall ipso facto be fully released and discharged from all obligations to further perform any and all duties or obligations imposed upon you in this escrow and the parties jointly and severally agree to pay you all costs, expenses and attorney's fees expended or incurred by you, the amount thereof to be fixed and a judgement thereof to be rendered by the court in such suite. In either event, you shall not be liable for interest or damage.

Whenever provision is made herein for the payment of any sums, the delivery of any instrument or the performance of any act "outside escrow" the escrow holder shall have no responsibility therefor and shall not be concerned therewith.

You are to cause no examination or report to be made on state, county or city taxes, either real or personal, or state corporation taxes for the year stated on page one prior the date first installment payments are due and payable, and you are to order no special tax report except as herein otherwise specifically instructed. You are to cause no examination of the title to personal property described herein unless specifically instructed herein.

All monies received in this escrow by you shall be deposited in a bank in an "Escrow Funds" account with other escrow funds, and all such monies received in this and other escrows and deposited into the same "Escrow Funds" account shall constitute one General Escrow Fund. All disbursements shall be made to parties in interest, by your check, and checks and instruments will be mailed to one of the parties entitled thereto, if more than one, to address given. Instruct County Recorder to mail instruments in the same manner.

In the event it may be necessary or proper to comply with the conditions and instructions of this escrow, you are authorized to cause to be deposited, during the pendency of this escrow, any funds or documents with any bank, savings and loan association, title company or another escrow agency licensed under the Escrow Act, to be credited to your account upon recordation of the instruments required to be recorded to complete this escrow; said funds and documents shall be received by you, prior to recording.

If the property involved in this escrow is included in escrow instructions with a bank, savings and loan association, title company or another escrow agency licensed under the Escrow Act, then you are authorized to make such arrangements with such bank, savings and loan association, title company, or licensed escrow agency, as to delivery to it of cash or instruments as will enable you to comply with the instructions in this escrow.

Recordation of any instruments delivered through this escrow, if necessary or proper in the issuance of policies of title called for, is authorized, and in connection therewith, funds/or instruments received in this escrow may be delivered to or deposited into another escrow being handled by you or deposited with any title company, or other escrow agency licensed under the Escrow Act, for the purpose of complying with the terms and conditions of these escrow instructions.

The parties to these escrow instructions authorize you to destroy these instructions and all other instruments and records in this escrow at any time after 5 years from the date of these instructions.

Order search of title. Deliver title policy to parties entitled thereto. Prepare documents for my signature.

I, as buyer and/or borrower, will pay on demand, regardless of the consummation of this escrow, all charges and costs incurred by you for me as buyer and/or borrower, including but not limited to fee for preparing instruments I shall execute, or have executed, fee for recording documents, insurance endorsements, your escrow fee and all other expenses and costs as is in this escrow provided.

I, as seller and/or lender, will pay on demand, regardless of the consummation of this escrow, all charges incurred by you for me as seller, including but not limited to title change, fee for preparing instruments I should execute, your escrow fee, fee for obtaining beneficiaries' statements and demands, and insurance endorsements and all other expenses and costs as in this escrow provided.

Each person signing these instruments authorizes you to deduct all their expenses from funds due them.

The signing parties hereto jointly and severally agree to pay demand all attorney's fees, costs and damages suffered or incurred by you in case of any controversy or litigation, including but not limited to, a suit in interpleader brought by you, in connection with or arising out of this escrow, plus reasonable compensation for time and expense in preparing for and/or attending court and you are hereby given a lien upon all rights, titles and interest of each of the undersigned in all escrowed papers and other property or moneys deposited in this escrow, to protect your rights and to indemnify and reimburse you hereunder.

Whenever the context so requires, the masculine gender includes the feminine and neuter, the singular number includes the plural, and the plural number includes the singular.

All parties agree that as far as your rights and liabilities are involved, this transaction is an escrow and not any other legal relation and you are an escrow holder only on the within expressed terms, and you shall have no responsibility of notifying any of the parties to this escrow of any sale, resale, loan, exchange, or other transaction involving any property herein described or of any profit realized by any person, firm or corporation (broker, agent and parties to this and/or any other escrow included) in connection therewith, regardless of the fact that such transaction(s) may be handled by you in this escrow or in another escrow.

These instructions may be executed in counterparts, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original and said counterparts together shall constitute one and the same instrument. Any amended supplemental or additional instructions given shall be subject to the forgoing conditions and instructions.

SELLER(S) INITIALS: _____

BUYER(S) INITIALS: _____

SIGN AND RETURN



Commonwealth Land Title Company
3480 Vine Street
Suite 100
Riverside, CA 92507
Phone: (951) 774-0825

RECEIVED

FEB 04 2008

Redlands Escrow
306 East Citrus Avenue
Redlands, CA 92373

Our File No: 02139856 - 92
Title Officer: Richard Knowlton
e-mail: rknowlton@landam.com
Phone: (951) 774-0825
Fax: (951) 782-0881

Attn: **Dorothy**

Your Reference No: 20931-DS

Property Address: Vacant Land, California

PRELIMINARY REPORT

Dated as of January 18, 2008 at 7:30 a.m.

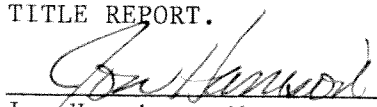
In response to the above referenced application for a policy of title insurance, Commonwealth Land Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter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

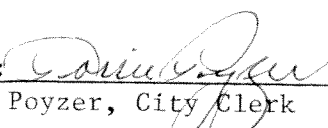
The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit B attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit B. Copies of the Policy forms should be read. They are available from the office which issued this report.

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

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

I HAVE READ, UNDERSTAND, HEREBY APPROVE, AND HAVE RECEIVED A COPY OF THIS PRELIMINARY TITLE REPORT.


Jon Harrison, Mayor, City of Redlands
CLTA Preliminary Report (Revised 11-17-06)

ATTEST: 
Lorrie Poyzer, City Clerk

SCHEDULE A

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

ALTA Owners 2006 Policy (6-17-06)

ALTA Loan 2006 Policy (6-17-06)

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

A FEE

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

Panhwar Sani H. Panhwar Surriya husband and wife as joint tenants

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

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

EXHIBIT "A"

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

Lot 72 of Tract 9828, in the City of Redlands, County of San Bernardino, State of California, as per map recorded in Book 158, Page(s) 46 to 48, of Maps, in the Office of the County Recorder of said County, and as amended by Certificate of Correction Recorded March 12, 1987 as Instrument No. 87-080943, Official Records.

SCHEDULE B – Section A

The following exceptions will appear in policies when providing standard coverage as outlined below:

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that 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 that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.

SCHEDULE B – Section B

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

- A. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, to be levied for the fiscal year 2008 – 2009 which are a lien not yet payable.
- B. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, for the fiscal year 2007 - 2008.

1st Installment:	\$291.38 (Delinquent) This amount is valid until December 10, after which penalties apply
Penalty:	\$291.36 Due with installment amount if paid after December 10
2nd Installment:	\$291.36 (Open) This amount is valid until April 10, after which penalties apply
Penalty (including cost):	\$39.14 Due with installment amount if paid after April 10
Exemption:	\$0.00
Code Area:	005000
Assessment No.:	0168-571-72-0-000

- C. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2006-2007 (and subsequent years, if any).

Amount to Redeem:	\$715.66
Prior to:	January 31, 2008

Amount to Redeem:	\$724.26
Prior to:	February 29, 2008

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

1. Covenants, conditions and restrictions as set forth in the document
Recorded: October 3, 1985 as Instrument No. 85-244012, of Official Records.

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

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

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

Granted to:	Southern California Edison Company, a Corporation
Purpose:	Public utilities
Recorded:	December 4, 1986 as Instrument No. 86-367064, of Official Records.
Affects:	Said easement is described as follows:

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

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

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

3. Title search discloses no open deeds of trust. Please confirm prior to close of escrow.

END OF SCHEDULE B EXCEPTIONS

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

REQUIREMENTS SECTION:

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

Parties	Buyers/Sellers
---------	----------------

REQ NO.2: This Company will require that a full copy of any unrecorded agreement, contract or lease be submitted to us, together with all supplements, assignments and amendments, before any policy of title insurance will be issued.

INFORMATIONAL NOTES SECTION

NOTE NO. 1: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.

NOTE NO. 2: California insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.

WIRING INSTRUCTIONS FOR THIS OFFICE ARE:

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

RE: 02139856 810 - RK4

PLEASE INDICATE COMMONWEALTH LAND TITLE COMPANY ESCROW OR TITLE ORDER NUMBER

NOTE NO. 3: The charges which the company will make for next day messenger services (i.e. Federal Express, UPS, DHL, Airborne, Express mail, etc.) Are \$15.00 per letter, standard overnight service, and \$25.00 for larger size packages and/or priority delivery services. Such charges include the cost of such messenger service and the company's expenses for arranging such messenger service and its overhead and profit. Special messenger services will be billed at the cost of such services. There will be no additional charge for pick-up or delivery of packages via the company's regularly scheduled messenger runs.

NOTE NO. 4: The charge for a policy of title insurance, when issued through this title order, will be based on the Basic Rate.

NOTE NO. 5: THIS COMPANY REQUIRES CURRENT BENEFICIARY DEMANDS PRIOR TO CLOSING. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:

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

NOTE NO. 6: There are no conveyances affecting said land recorded within 24 months of the date of this report.

Typist: 766

Date Typed: January 28, 2008

Exhibit B (Revised 11-17-06)
CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990
EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

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

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

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. Land use
 - d. improvements on the Land
 - e. Land division
 - f. environmental protection

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

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

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

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

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

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

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

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection

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

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

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

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

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the

character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

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

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

EXCEPTIONS FROM COVERAGE

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

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

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

- 1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
- 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
- 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
- 6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
- 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

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

EXCEPTIONS FROM COVERAGE

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

- 1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that 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 that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- 3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- 4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- 5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.

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

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

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

- (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

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

EXCEPTIONS FROM COVERAGE

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

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

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

EXCEPTIONS FROM COVERAGE

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

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that 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 that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.

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

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

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



Commonwealth Land Title Company
3480 Vine Street
Suite 100
Riverside, CA 92507
Phone: (951) 774-0825
Fax:

File No: 02139856

Notice to Customers

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

1. You are a natural person or trust;
2. Your transaction involves the purchase, sale or refinancing of residential real property containing one-to-four-dwelling units;
3. You previously purchased title insurance or escrow services involving a transaction which closed between May 19, 1995 and October 8, 2002 from one of the following companies:
LandAmerica Financial Group, Inc.
Commonwealth Land Title Insurance Company or
Commonwealth Land Title Company
Lawyers Title Insurance Corporation or Lawyers Title Company
First American Title Insurance Company, First American Title Company, First American Title Guarantee Company
Fidelity National Financial, Inc.
Fidelity National Title Insurance Company
Fidelity National Title Company
Fidelity National Title Insurance Company of California, Inc.
Fidelity National Loan Portfolio Services
Ticor Title Insurance Company
Security Union Title Insurance Company
Chicago Title Insurance Company
Chicago Title Company
Chicago Title and Trust Company
Rocky Mountain Support Services, Inc.
California Tracking Service, Inc.
Title Accounting Services Corporation
4. You did not receive a \$65.00 cash payment from LandAmerica Financial Group, Inc. in the reconveyance fee claims process pursuant to the Final Judgments entered in People of the State of California v. LandAmerica Financial Group, Inc., et al., Sacramento Superior Court Case No. 92 AS 06111, and Taylor, et al. v. LandAmerica Financial Group, Inc., et al., Los Angeles Superior Court Case No. BC 231917.

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

Name: _____

Address: _____

Telephone No: _____



Commonwealth Land Title Company
3480 Vine Street
Suite 100
Riverside, CA 92507
Phone: (951) 774-0825
Fax:

File No: 02139856

Notice to Customers

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

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

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

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

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

Name: _____

Address: _____

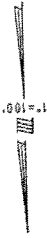
Telephone No: _____

0168 - 57

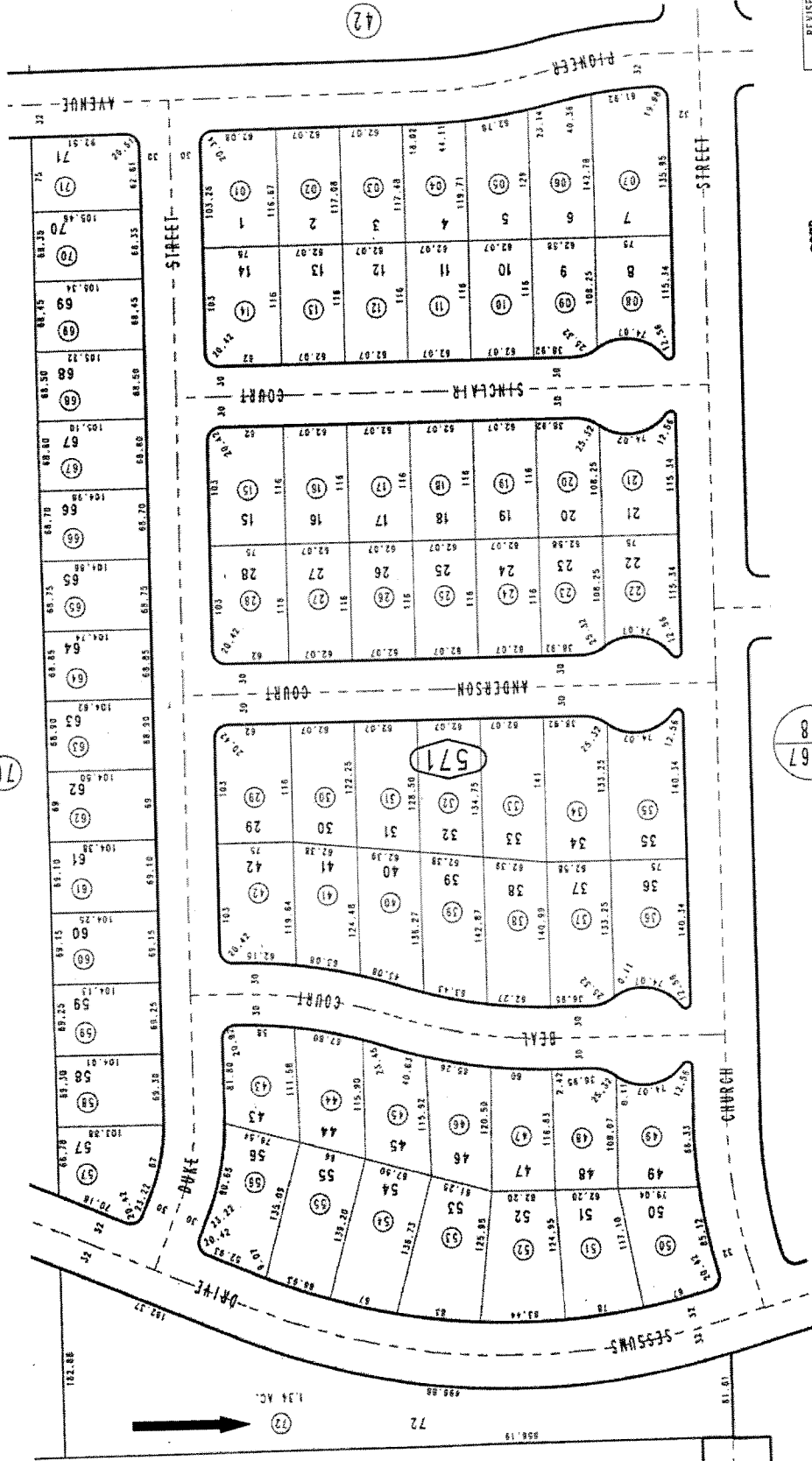
Redlands City
Tax Rate Area
5000

Tract No. 9828, M.B. 158/46-48

THIS MAP IS FOR THE PURPOSE
OF AD VALOREM TAXATION ONLY.



76



39

0167 08

OCT 31 2000

Assessor's Map
Book 0168 Page 57
San Bernardino County

Pln. S.W. 1/4, Sec. 14
T.1 S., R.3 W.

REVISED
05/16/89 BLB
04/14/93 BLB
04/20/94 BLB
03/29/2000 PE
10/03/2000 PE

MAY 1989

DATE OPENED: 1. 2308

ORDER NUMBER: 2 13 9856

Schedule "B"

Docs

YOUR COPY

NOTARIAL PUBLIC STATE OF CALIFORNIA

NOTARIAL PUBLIC STATE OF CALIFORNIA

NOTARIAL PUBLIC STATE OF CALIFORNIA

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NOTARIAL PUBLIC STATE OF CALIFORNIA

86-367064

FILE	FILE	FILE	FILE
FILE	FILE	FILE	FILE
FILE	FILE	FILE	FILE
FILE	FILE	FILE	FILE

RECORDED IN
OFFICIAL RECORD

NOV DEC -4 PM 1:41

SAN BERNARDINO
CO., CALIF.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NOTARY PUBLIC	NOTARY PUBLIC	NOTARY PUBLIC	NOTARY PUBLIC
NOTARY PUBLIC	NOTARY PUBLIC	NOTARY PUBLIC	NOTARY PUBLIC
NOTARY PUBLIC	NOTARY PUBLIC	NOTARY PUBLIC	NOTARY PUBLIC
NOTARY PUBLIC	NOTARY PUBLIC	NOTARY PUBLIC	NOTARY PUBLIC

STA-30, INC., a California corporation (hereinafter referred to as "Grantor"), hereby grants to
STANLEY J. FRIEDMAN, a corporation, its successors and assigns (hereinafter referred to as
"Grantee"), an easement and right of way to construct, use, maintain, operate, alter, add to, repair,
replace, reconstruct, improve and remove at any time and from time to time underground electrical supply
systems and communication systems (hereinafter referred to as "systems"), consisting of wires,
underground conduits, cables, vaults, manholes, and including above-ground enclosures, markers
and concrete pads and other appurtenant fixtures and equipment necessary or useful for distributing
electrical energy and for transmitting intelligence by electrical means, in, on, over, under, across and
along that certain real property in the County of San Bernardino, State of California, described as
follows:

All streets, highways and public places, and within 6 feet of all front lot lines, also within 4 feet
of all side lot lines, as shown on Tract Map No. 9828 on file in Book 158, pages 46 through 48 of
Maps, in the Office of the Recorder of said County.

The Grantor agrees for itself, its successors and assigns, not to erect, place or maintain, nor to
permit the erection, placement or maintenance of any building, planter boxes, earth fill or other
structures except walls and fences over the facilities installed hereunder. The Grantee, and its
contractors, agents and employees, shall have the right to trim or cut tree roots as may endanger or
interfere with said systems and shall have free access to said systems and every part thereof, at all
times, for the purpose of exercising the rights herein granted; provided, however, that in making any
excavation on said property of the Grantor, the Grantee shall make the same in such a manner as will
cause the least injury to the surface of the ground around such excavation, and shall replace the earth
so removed by it and restore the surface of the ground to as near the same condition as it was prior to
such excavation as is practicable.

EXECUTED this 19th day of NOVEMBER, 1986

Friedman Home, Inc. formerly
STA-30, INC., a California corporation

By [Signature] President

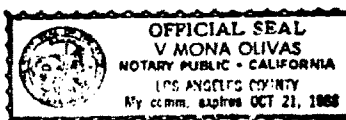
By [Signature] Secretary

GRANTOR

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO ss.

On NOVEMBER 19, 1986, before me, a Notary Public in and for said State,
personally appeared PAUL FRIEDMAN, personally known to me (or proved to me on
the basis of satisfactory evidence) to be President, and LESLIE FRIEDMAN
personally known to me (or proved to me on the basis of satisfactory evidence) to be Secretary, of
STA-30, INC., the corporation that executed the within instrument, and personally known to me (or proved
to me on the basis of satisfactory evidence) to be the persons who executed the within instrument on
behalf of the said corporation, and acknowledged to me that such corporation executed the same pursuant to
its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.



NOTICE

(This notice is required by California Government Code Section 12956.1.)

If this document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

REQUESTED BY:
Orange Coast Title Company
WHEN RECORDED MAIL TO:
Friedman Homes Inc.
4455 Rowland Avenue
El Monte, California 91731

FEE	SVY	COS	DEP
9-			D
USA	FTB	DBP	CO

RECORDED IN OFFICIAL RECORDS
OCT 3, 1985 AT 8: A.M.
SAN BERNARDINO COUNTY, CALIF.

85-244012

Declaration of Covenants, Conditions
and Restrictions for Tract 9828

This Declaration made by the undersigned, affecting Lots 1 to 72 inclusive, Tract 9828, situated in the City of Redlands, County of San Bernardino, State of California, as per map recorded in Book 158, Pages 46 through 48, inclusive, of maps, in the office of the recorder of San Bernardino County, State of California.

Witnesseth:

WHEREAS Friedman Homes Inc., a California corporation, the owner of all of said Tract 9828, said parties hereinafter being referred to as Declarant.

NOW THEREFORE, in consideration of the premises and for the use and purposes herein set forth, the above Declarant do hereby Declare that all conveyances of Lots, or Parcels comprised in the above described real property, shall be made and accepted upon the following conditions, provisions, restrictions and covenants which shall apply to and bind the parties thereto, their heirs, successors and assigns, and are designed for the mutual benefit of the owners of lots above described, such conditions covenants and restrictions being as follows, to wit;

(1) No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling not to exceed two and one-half stories in height and a private garage for not more than three cars provided that Lots owned by Declarant may be used as models, sales offices, temporary parking areas and construction offices, and may remodel, alter or otherwise change or erect any structure for such purposes without consent, any provision of the Declarant to the contrary notwithstanding.

(2) No noxious or offensive trade, business, industry or activity shall be carried on upon any lot within said Tract 9828, and no truck or commercial vehicle may be stored or parked on any premises not fully enclosed by a permanent building. There shall not be stored, kept, maintained or permitted to be upon any portion of said lots, not fully enclosed by a permanent building any broken down machinery or metal material designated as "junk".

(3) No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plat showing the location of the structure have been approved by the Architectural Committee as to quality of work and materials, harmony of exterior design with existing structures and as to locations with respect to topography and finish grade elevations. No fence or wall shall be erected, placed or altered on any lot near to any street than the minimum set back line unless similarly approved. Approval shall be as provided in Paragraph "6".

(4) The ground floor area of the main structure, exclusive of one story open porches and garages, shall be not less than 800 square feet. No building shall be located on any lot near to the front lot line or nearer to the side street line than the minimum building set back line shown on the recorded plat. In any event no building shall be located on any lot nearer than 20 feet to the front lot line or nearer than 10 feet to any side street line. No building shall be located nearer than 5 feet to an interior lot line, except that no side yard shall be required for a garage or other permitted accessory building located 40 feet or more from the minimum set back line. No dwelling shall be located on any interior lot nearer than 10 feet to the rear lot line. For the purpose of this covenant, eaves, steps and open porches shall not be considered as a part of a building. No dwelling shall be erected or placed on any building site having a width of less than 60 feet at the minimum building set back line nor shall any dwelling be erected or placed on any building site having an area of less than 7,000 square feet. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other out-buildings shall be used on any lot at any time as a residence, either temporarily or permanently.

(5) Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded map. Within these easements, no structures, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by owner of the lot, except for those improvements for which a public authority or utility company is responsible.

(6) An Architectural Committee is hereby created and the members thereof are:

Paul Friedman, 4455 Rowland Avenue El Monte, California 91731
 Alan Newman, 4455 Rowland Avenue El Monte, California 91731
 Trisha De Angelis, 4455 Rowland Avenue El Monte, California 91731

In the event of the death or resignation of any member of said committee, the remaining member or members shall have full authority to approve or disapprove the plans and specifications, design and location, or to designate a representative or representatives with like authority. In the event said committee or designated representative fails to approve or disapprove such location within 30 days after the plans and specifications have been submitted to it, or in any event if no suit to enjoin the election or erection of such buildings or the making of such alterations, has been commenced prior to 60 days, such approval may not then be required, and this provision will be deemed to be its designated representative shall be entitled to compensation for services performed pursuant to this covenant. The powers and duties of such committee or its designated representatives shall cease on or after 1st day of January, 1985. Thereafter the approval described in this covenant shall not be required unless prior to said date, and effective thereon, a written instrument be then executed and duly recorded by the then record owners of a majority of the lots in said tract, appointing a representative, or representatives, who shall thereafter exercise the same powers as exercised by the said committee.

(7) No fence or hedge height in the front set back areas shall be more than 3 feet on any lot in said tract.

(8) No oil drilling, oil development operations, oil refining, quarry or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structures designed for use in boring for oil or natural gas shall be erected, maintained, or permitted upon any lot.

(9) That each grantee of a lot in said tract agrees for himself, his heirs, assigns or successors in interest that he will permit free access by owners of adjacent or adjoining lots to slopes and or drainage ways located on his property which affect said adjacent or adjoining lots, when such access is essential is essential for the maintenance of permanent stabilization on said slopes, or maintenance of the drainage facilities for the protection and use of property, other than the lot on which the slope of drainage way is located.

(10) That each grantee of a lot in said tract agrees for himself, and his assigns that he will not in any way interfere with the established drainage pattern over his lot from adjacent lots in said tract, or that he will make adequate provisions for the proper drainage in the event it is necessary to change the established drainage over his lot. For the purposes hereof, "Established" drainage is defined as the drainage which occurred at the time the overall grading of said tract, including the landscaping of each lot in said tract, was completed by the undersigned grantor.

(11) These covenants are to run with the land and shall be binding on all parties and all persons claiming under then until January 2013, at which time said covenants shall insofar as such procedure shall be then lawful, be automatically extended for successive periods of 10 years, unless by a vote of the majority of the then recorded owners of the lots an agreement be recorded to change the said covenants in whole or in part.

(12) If the parties hereto, or any of them or their heirs or assigns shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons owning any real property situated in said

Page Three

development or subdivision to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant and either to prevent his or them from doing so or to recover damages or other dues for such violation.

(13) Invalidation of any one of these covenants by judgement or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

PROVIDED ALSO, that a breach of any of the foregoing covenants or conditions shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to said realty or any part thereof, but said covenants or conditions shall be binding upon and effective against any subsequent owner of said property or realty.

IN WITNESS WHEREOF, said Declarant has caused their names to be affixed hereto this 14th day of August, 1985.

FRIEDMAN HOMES INC.

[Signature]
Paul Friedman, President

STATE OF CALIFORNIA }
COUNTY OF Los Angeles } SS.

On August 14, 1985, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Paul Friedman known to me (or proved to me on the basis of satisfactory evidence) to be the President, and known to me (or proved to me on the basis of satisfactory evidence) to be Secretary of the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

Signature

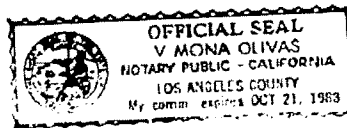
[Signature]
V. Mona Olivas

85-244012



WTC WORLD TITLE COMPANY

FOR NOTARY SEAL OR STAMP



WTC 063