

COUNCIL AGENDA: DECEMBER 17, 2013

HEARING

SUBJECT: RESOLUTION OF NECESSITY PERTAINING TO THE ACQUISITION OF A PORTION OF PROPERTY (1.051 acres) LOCATED AT APN #259-050-025, OWNER ESTATE/INTEREST OF CORRIDOR GROUP LLC - FOR PROPOSED IMPROVEMENTS TO NEWCOMB STREET (NEWCOMB SHOULDER STABILIZATION PROJECT)

SOURCE: City Attorney's Office

COMMENT: Staff has sent several communications to the owner/representative of the subject property, Corridor Group LLC, to acquire the above-referenced portion of property (approximately 1.051 acres of property, currently utilized for agricultural purposes). This portion of the property needs to be acquired in order to make improvements to Newcomb Street as part of the Newcomb Shoulder Stabilization Project. The City and property owner have not been able to reach an agreement.

Staff is asking City Council to adopt a Resolution of Necessity, as the plans for the proposed project are complete and the City wishes to commence construction work. The City Attorney has prepared the attached Resolution of Necessity as authorized and for adoption by City Council. The statutory offer and summary of the basis for just compensation, pursuant to Government Code Sections 7267.1 and 7267.2(a) and prepared by City and/or its agent, have been sent to the owners. The City Attorney has also notified the above owners, in writing via certified mail, and more than 15 days prior to the Council meeting, that this matter would be scheduled for this meeting's agenda. As of today, no written request to be heard has been received by the City from the property owners. In adopting a Resolution of Necessity, the City Council must find that the public interest and necessity require the project, that the project is planned or located in the manner that will be most compatible with the greatest public good and least private injury, and that the property sought to be acquired is necessary for the project. Passage of the Resolution requires a two-thirds vote of all members of the City Council.

RECOMMENDATION: That City Council:

1. Hear testimony from the owners and/or their representative(s), if they appear at the hearing and request to be heard;
2. Adopt the attached Resolution of Necessity; and
3. Authorize the City Attorney to take all appropriate action necessary to acquire said property on behalf of the City of Porterville.

Attachment: Resolution of Necessity and Attachments

ITEM NO. 11

CITY COUNCIL, CITY OF PORTERVILLE
COUNTY OF TULARE, STATE OF CALIFORNIA

RESOLUTION NO. _____ - 2013

RESOLUTION OF NECESSITY REQUIRING THE EXERCISE OF
THE POWER OF EMINENT DOMAIN PERTAINING TO THE ACQUISITION OF
PROPERTY FOR USE BY THE CITY OF PORTERVILLE FOR IMPROVEMENTS TO
NEWCOMB STREET FOR THE NEWCOMB SHOULDER STABILIZATION PROJECT
IN COMPLIANCE WITH THE REQUIREMENTS OF SECTION 1245.210 ET SEQ. OF
THE CODE OF CIVIL PROCEDURE OF THE STATE OF CALIFORNIA

WHEREAS, the City of Porterville intends to undertake a project to make
improvements to a section of Newcomb Street and complete related work; and

WHEREAS, after notice and opportunity have been given to the property
owner(s) at issue, the City Council of the City of Porterville hereby finds and determines
as follows:

1. The City of Porterville intends to construct the aforementioned Project, a
public use, together with related improvements to carry out and make effective the
principal purpose pursuant to Code of Civil Procedure Section 1240.120(a), and in
connection therewith, acquire interest in certain real property. Said public use is a
function of the City of Porterville.

2. The City of Porterville is authorized to acquire the portion of the parcel
described in Appendix 1 herein and exercise the power of eminent domain for the public
use set forth herein in accordance with the California Constitution and the California
Eminent Domain Law, Code of Civil Procedure Section 1230.010 et seq. and pursuant
to Government Code Section 37350.5, Streets and Highways Code Section 5100 et
seq., and Sections 3 and 4 of the Charter of the City of Porterville.

3. The property to be acquired will affect a portion of a parcel generally
located at the southwest corner of Olive Avenue and Newcomb Street and consisting of
the property more particularly described in Appendix 1, attached hereto and
incorporated herein by reference together with a map thereof.

4. On November 19, 2013, there was mailed a Notice of City of Porterville's Intent to Adopt a Resolution of Necessity for acquisition by eminent domain of the real property described in Appendix 1 herein, which Notice of Intent is attached hereto as Appendix 2 and is incorporated herein by this reference. Said Notice of Hearing was mailed to all persons whose names appear on the last equalized County Assessment Roll as having an interest in the property described in Appendix 1. Said Notice advised said persons of their right to be heard on the matters referred to therein on the date and at the time and place stated therein. Said persons received the Notice of Intent.

5. The hearing set out in said Notice was held on December 17, 2013, at the time and place stated therein, and all interested parties were given an opportunity to be heard. The hearing was closed.

Based upon the evidence presented, this City Council by vote of two-thirds or more of its members, further finds, determines, declares, and resolves each of the following:

- a. The public interest and necessity require the proposed project.
- b. The proposed project serves a public purpose and is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.
- c. The property described herein in Appendix 1 is necessary for the proposed project.
- d. The offer required by Section 7267.2(a) of the Government Code, and the summary of the basis for the amount established as just compensation, attached hereto in Appendix 2, was made to the owner or owners of record.
- e. All conditions and statutory requirements necessary to exercise the power of eminent domain ("the right to take") to acquire the

property described herein have been complied with by the City of Porterville.

- f. A portion of the property described in Appendix 1 may be acquired for a more necessary public use pursuant to Code of Civil Procedure Section 1240.610. The City Council further finds and determines that insofar as and to the extent that said parcel has heretofore been dedicated to a public use for telephone and/or electric utility purposes, the acquisition and use of said parcel by the City of Porterville for the public use described above is for a more necessary public use than the use to which the property has already been appropriated.

6. The City Attorney is hereby AUTHORIZED and EMPOWERED:

- a. To acquire in the name of the City of Porterville, by condemnation, the property described in Appendix 1, attached hereto and incorporated herein by this reference in accordance with the provisions of the California Eminent Domain Law and the Constitution of California;
- b. To acquire the property in fee simple unless a lesser estate is described in Appendix 1, herein;
- c. To prepare or have prepared and to prosecute or to retain counsel to prosecute in the name of the City of Porterville such proceedings in the proper court as are necessary for such acquisition;
- d. To deposit the probable amount of compensation, based on an appraisal, and to apply to said court for an order permitting the City of Porterville to take immediate possession and use of said property for said public uses and purposes.

This Resolution was passed by the City Council members of the City of Porterville at a regularly scheduled meeting thereof on the 17th day of December, 2013, by the following vote:

AYES:

NOES:

ABSENT:

Mayor Cameron Hamilton, City of Porterville

ATTEST:

John Lollis, City Clerk,
City of Porterville

By: Patrice Hildreth, Chief Deputy City Clerk

APPENDIX 1

LEGAL DESCRIPTION

Exhibit "A"

That portion of the north half of the Northeast quarter of Section 33, Township 21 South, Range 27 East, Mount Diablo Base and Meridian, in the County of Tulare, State of California, according to the Official Plat thereof, more particularly described as:

COMMENCING AT the Northeast quarter of said Section 33,

THENCE, South $89^{\circ}35'05''$ West, along the north line of said Northeast quarter, a distance of 63.25 feet;

THENCE, leaving said north line, South $00^{\circ}24'55''$ East, a distance of 80.00 feet to a point on the southerly right of way line of Olive Avenue as described in a State of California Superior Court Judgment in Condemnation, recorded May 13, 1977, as Instrument No. 24828, in Book 3416, page 722, Tulare County Official Records, said point also being the **POINT OF BEGINNING**;

THENCE, South $45^{\circ}03'34''$ East, 28.46 feet to a point on a line parallel with and distant 42.00 feet westerly, measured at right angles, from the east line of said Northeast quarter;

THENCE, South $00^{\circ}17'48''$ West, along said parallel line, 1,223.40 feet to a point on the south line of the north half of said Northeast quarter;

THENCE, North $89^{\circ}47'26''$ East, along said south line, 42.00 feet to a point on the east line of said Northeast quarter;

THENCE, North $00^{\circ}17'48''$ East, along the east line of said Northeast quarter, 1,031.98 feet to an angle point in the westerly right of way line of Newcomb Street situated North of the Hubbs & Minor Ditch per said State of California Superior Court Judgment in Condemnation, recorded May 13, 1977, as Instrument No. 24828, in Book 3416, page 722, Tulare County Official Records;

THENCE, North $23^{\circ}31'13''$ West, a distance of 99.06 feet to a point in the west line of the East 40 feet of said Northeast quarter situated North of the Hubbs & Minor Ditch;

THENCE, North $00^{\circ}17'48''$ East, along the west line of the East 40.00 feet of said Northeast quarter, 120.71 feet to a point on said southerly right of way line of Olive Avenue;

THENCE, South $89^{\circ}35'05''$ West, along said southerly right of way line, 22.25 feet to the **POINT OF BEGINNING**.

The above described parcel contains 45,791 square feet or 1.051 acres more or less.

BASIS OF BEARINGS being the north line of the Northeast quarter of Section 33, Township 21 South, Range 27 East, Mount Diablo Base and Meridian, taken as North 89°35'05" East, as shown on Record of Survey filed in Book 21 of Licensed Surveys, at page 68 in the Office of the Tulare County Recorder.

END OF DESCRIPTION

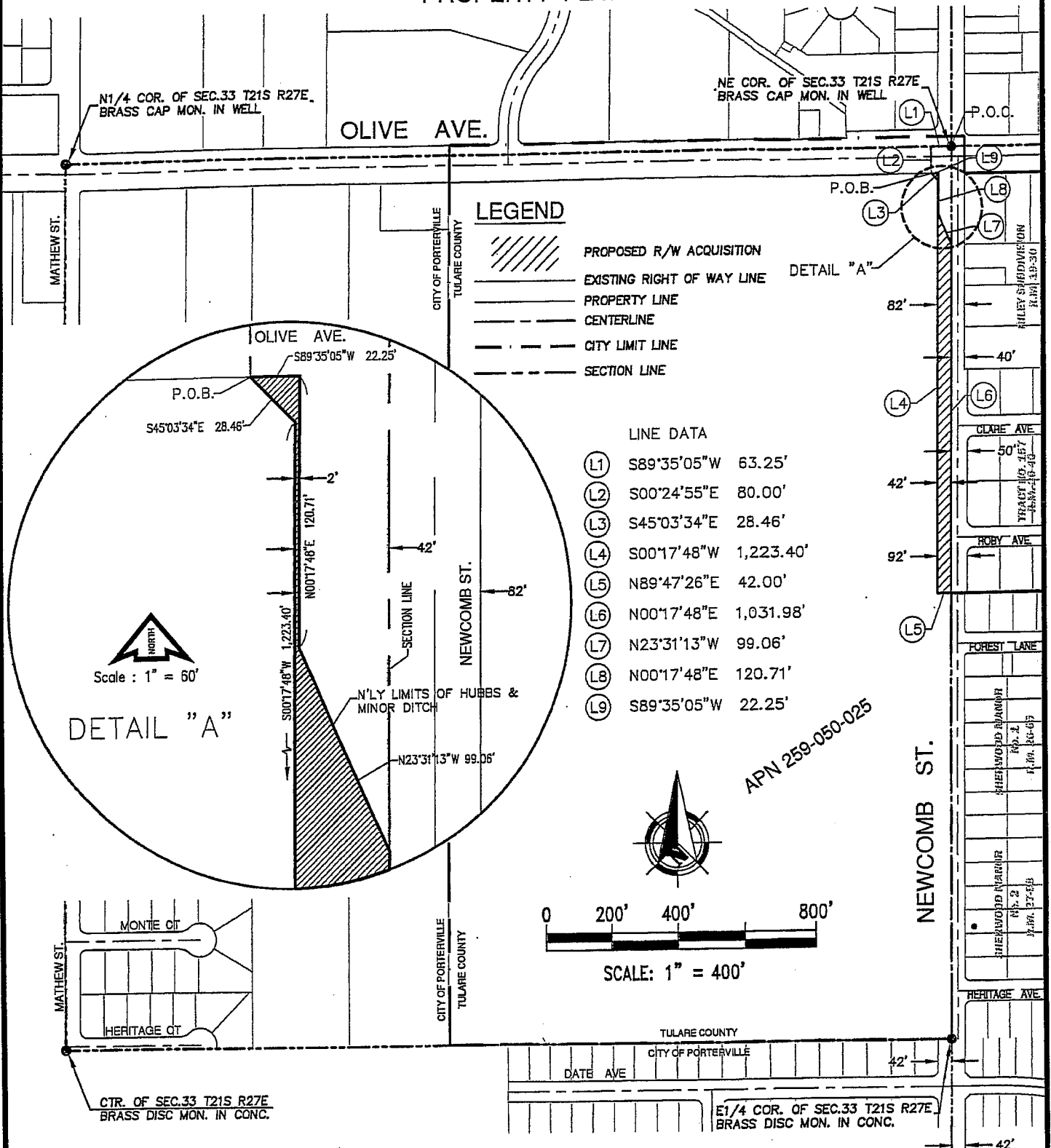
This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

Signature: _____
Licensed Land Surveyor

Date: _____

PROPERTY PLAT

EXHIBIT "B "



City of Porterville

291 N. MAIN ST.
PORTERVILLE, CA 93257
(559) 782-7462

A Portion of the North half of the Northeast quarter of Section 33, Township 21 South, Range 27 East, Mount Diablo Base and Meridian, in the County of Tulare, State of California.

OWNER:	Warren Moe / Dorothy Jue
APN:	259-050-025
AREA:	45,791 S.F
ACRES:	1.051 AC.
DRAWN BY:	DC
CHECK BY:	DB

APPENDIX 2

WALTER McCORMICK (1926 - 2005)
S.L. KABOT
NANCY A. JENNER
JULIA M. LEW
CHAD M. LEW

MICHAEL J. MAURER

LAW OFFICES OF
MCCORMICK KABOT JENNER & LEW
A PROFESSIONAL CORPORATION
1220 WEST MAIN STREET
VISALIA, CALIFORNIA 93291

TELEPHONE
(559) 734-6729

FACSIMILE
(559) 734-8762

INTERNET
WWW.MKJW.COM

November 19, 2013

Corridor Group LLC
c/o Lisa Moe
P.O. Box 5233
Sherman Oaks, CA 91413

Corridor Group LLC
c/o D. Moe
6750 Balboa Blvd.
Van Nuys, CA 91406

RE: **Notice of City of Porterville's Intent to Adopt a Resolution of Necessity to Acquire Property by Eminent Domain [CA Code of Civil Procedure 1245.235]** Site Address: SW corner Olive Avenue & Newcomb Street, Porterville CA, Assessor's Parcel Number 259-050-025 (portion – approximately 1.051 acres)

Dear Property Owners:

1. **Notice of Intent of City Council to Adopt a Resolution of Necessity.** The City Council intends to consider the adoption of a Resolution of Necessity on December 17, 2013 that, if adopted, will authorize the City of Porterville to acquire the property described herein by eminent domain for the purpose of constructing improvements to portions of Newcomb Street as part of the Newcomb Shoulder Stabilization Project. A description of the property being considered for acquisition is included in the attachment marked Appendix A.
2. **Notice of Your Right to Appear and Be Heard.** Please take notice that the City Council of the City of Porterville, at a regular meeting to be held on Tuesday, December 17, 2013 at 6:30 p.m., or as soon thereafter as the matter may be heard, at Porterville City Hall, 291 N. Main Street, Porterville, California, will hold a hearing on whether such a Resolution of Necessity should be

adopted, as required by California Code of Civil Procedure section 1245.235 for the commencement of an eminent domain proceeding to acquire real property. You have a right to appear and be heard before the City Council at the above scheduled hearing on the following matters and issues, and to have the City Council give judicious consideration to your testimony prior to deciding whether or not to adopt the proposed Resolution of Necessity:

- a. Whether the public interest and necessity require the proposed project;
- b. Whether the proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
- c. Whether the property sought to be acquired by eminent domain and described in the Resolution of Necessity is necessary for the proposed project;
- d. Whether the offer required by Government Code section 7267.2(a), together with the accompanying statement and summary basis for the amount established as just compensation, was actually made to you and whether said offer and statement/summary were in a form and contained all of the factual information required by Government Code section 7267.2(a). Said offer is attached hereto as Appendix A.
- e. Whether City Council has complied with all conditions and statutory requirements necessary to exercise the power of eminent domain (the "right to take") to acquire the property described herein, including relocation assistance, as well as any other matter regarding the right to take said property by eminent domain; and
- f. Whether City Council has statutory authority to acquire the property by eminent domain.

A copy of the proposed Resolution of Necessity will be available, upon your request, for inspection at the office of the Clerk of City Council at Porterville City Hall, 291 N. Main Street, Porterville, California five (5) days after this Notice was mailed and prior to the hearing at the place of the hearing.

Your name appears on the last equalized Tulare County assessment roll and as Owner (in our preliminary title report) of the property required for the proposed project.

The statutes that authorize the City to acquire the property by eminent domain for this proposed project are Streets and Highways Code § 10102 (street right of way) and Streets and Highways Code §§5100 *et seq.* (Street Improvement Act acquisitions).

3. Failure to File a Written Request to Be Heard within Fifteen (15) Days After the Notice Was Mailed Will Result in Waiver of the Right to Appear and Be Heard. If you desire to be heard, please be advised that you must file a written request with the clerk of the governing board within fifteen (15) days after this Notice was mailed. You must file your request to be heard at: Porterville City Hall, 291 N. Main Street, Porterville, California.

Should you elect to mail your request to the clerk of the City Council, it must be actually received by the clerk for filing within fifteen (15) days after this Notice was mailed. The date of mailing appears on this Notice.

California Code of Civil Procedure section 1245.235(b)(3) provides that "failure to file a written request to appear and be heard within fifteen (15) days after the Notice was mailed will result in waiver of the right to appear and be heard" on the above matters and issues that are the subject of the hearing.

If you elect not to appear and be heard in regard to compensation, your nonappearance will not be a waiver of your right to claim greater compensation in a court of law. The amount to be paid for the property will not be considered by the board at this hearing.

If you elect not to appear and not to be heard, your failure will be a waiver of your right to later challenge the right of the City to take the property by eminent domain.

The amount of the compensation to be paid for the acquisition of the property is not a matter or issue being heard by City Council at this time. Your nonappearance at this noticed hearing will not prevent you from claiming greater compensation, in and as determined by a Court of Law in accordance with the laws of the State of California. This Notice is not intended to foreclose future negotiations between you and the representatives of the City on the amount of compensation to be paid for your property. If you elect not to appear and not to be heard, you will only be foreclosed from raising in a Court of law the issues that are the subject of this noticed hearing and that are concerned with the right to take the property by eminent domain.

If City Council elects to adopt the Resolution of Necessity, then within six months of the adoption of the Resolution, the City will commence eminent domain proceedings in Superior Court. In that proceeding, the Court will determine the

amount of compensation to which you are entitled.

Dated and mailed on November 19, 2013.

McCormick Kabot Jenner & Lew

By: 

Julia M. Lew
City Attorney
City of Porterville

CC: Baldo Rodriguez, Porterville Public Works Director
Jenni Byers, Porterville Project Manager
John Lollis, Porterville City Manager

Enclosures: Appendix A

Appendix "A"

Paragon Partners Ltd.

VIA CERTIFIED MAIL
RETURN RECEIPT

August 12, 2013

Corridor Group LLC
P.O. Box 5233
Sherman Oaks, CA 91413

**RE: Offer to Purchase Real Property Pursuant to
Government Code §7267.1 and § 7267.2(a)
Site Address: SW corner Olive Avenue & Newcomb Street, Porterville, CA
Assessor's Parcel Number: 259-050-025
Federal-Aid Project No. CML-5122**

Dear Corridor Group LLC:

The City of Porterville (City) is proposing to construct improvements to portions of Newcomb Street as part of the Newcomb Shoulder Stabilization Project. The proposed project will require the acquisition of a fee interest in a portion of the above referenced parcel, more particularly described in the enclosed Legal Description and shown on the enclosed Plat/Drawing (the Property). Paragon Partners Ltd. has been retained by the City to acquire those property rights.

California law requires that, before making an offer for the acquisition of real property for the Newcomb Shoulder Stabilization Project, the City must obtain an appraisal to determine the fair market value of the Property to determine an amount which it believes to be just compensation for that Property and must make an offer to the owner for an amount not less than the just compensation so determined. The City has appraised the Property to determine its fair market value, as defined in California Code of Civil Procedure section 1263.320. The Property was appraised in accordance with commonly accepted appraisal standards and included consideration of the highest and best use of the land, the land's current use and any improvements located thereon. The appraisal has been completed and reviewed, and the City has determined an amount which constitutes just compensation for the Property.

The City hereby offers you the sum total of **\$30,500.00** for the acquisition of 100% of the interest(s) in the Property. The enclosed Appraisal Summary Statement outlines the basis for this offer.

In accordance with California Code of Civil Procedure § 1263.025(a), the City hereby offers to reimburse you for the reasonable costs, not to exceed \$5,000, of an independent appraisal should you desire that such appraisal be conducted. Any independent appraisal shall be conducted by an appraiser licensed by the Office of Real Estate Appraisers.

5762 Bolsa Avenue, Suite 201, Huntington Beach, CA 92649
714-379-3376 • 714-373-1234 FAX

The amount of the offer to purchase the Property is based on the assumption that no hazardous substance, product, waste, or other material of any nature whatsoever which is or becomes listed, regulated, or addressed pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 United States Code section 9601 et seq., exists on the Property. Please be advised that the amount offered is subject to an environmental site inspection of the Property, and the cost to remediate any identified problems may affect the valuation of the Property.

This offer is to purchase all of the interest in the Property, free of all liens and other encumbrances, except as may be agreed to in writing by the City and is conditioned on the City Council's ratification of the offer by execution of a contract of acquisition or adoption of a resolution of necessity.

This offer is also contingent upon the owner's presentation of conclusive evidence of title, as no final determination has been made as to the ownership of the Property. If more than one person has an interest in the Property that the City is seeking to acquire, all such parties must accept this offer. If the owner of the Property is organized as a Limited Liability Company the appropriate member or manager must accept this offer.

Upon Paragon Partners, Ltd. receiving the signed Purchase Contract and Grant Deed, the City will execute the Purchase Contract after the City Council's approval of the purchase, and will deposit the full amount of the offer with an escrow company with instructions to proceed with the closing on the purchase of the Property with payment to be made to you or any holder of any encumbrance on your property. The City will pay all the escrow fees, including but not limited to, reimbursing you for expenses incurred for recording fees, transfer taxes, and similar expenses incidental to conveying the Property to the City, penalty costs for prepayment of any preexisting recorded mortgage entered into in good faith encumbering the Property, and the pro rata portion of real property taxes paid which are allocable to a period subsequent to the date of vesting title in the City or the effective date of possession of the Property, whichever is the earlier.

When property is sold to the City, there is the same obligation as in a private transaction for the owner to pay in escrow the amounts needed to remove liens and encumbrances, if any. In the event that there are liens and encumbrances, the escrow agent, on behalf of the owner, shall either:

- Pay to owners of liens and encumbrances, out of the approved compensation paid by the City, the amount needed to terminate leases or cancel trust deeds, mortgages, or other liens affecting the property acquired, or
- Arrange for holders of leases, trust deeds, mortgages, or other liens to quitclaim their interest, if any, to the Property being acquired. When an owner sells his/her property to the City, the owner's obligation to pay current and past due property taxes is the same as if the owner were selling to a private individual. However, you, as an owner, will not be required to pay recording fees, transfer taxes, or the *pro rata* portion of real property taxes which are allocable to any period after the passage of title or possession to the City.

If you agree to and accept the City's above described offer and conditions, please complete the following four items as soon as possible. We will contact you within ten (10) days after the receipt of this Offer to Purchase to follow up and answer any questions regarding the written offer and to discuss setting up a day and time to meet with you in person to discuss the purchase of the Property.

1. Sign the enclosed Purchase Agreement.
2. Sign the Grant Deed before a Notary Public - a Notary Public is available to witness your signature free of charge at Porterville's City Hall.
3. Please complete IRS Form W-9, "Request for Taxpayer Identification".
4. Return each of the above-mentioned documents to Paragon Partners, Ltd. in the enclosed envelope. The other materials (Appraisal Summary, Map, Title Report, etc.), are included for your information and files.

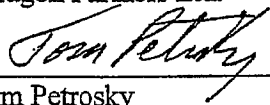
If the City and the property owner(s) are unable to come to an agreement for the purchase of the Property, it may be necessary for the City to commence an eminent domain proceeding. However, we look forward to working with you toward a friendly negotiation and timely completion of this purchase of the Property.

In addition to making this Offer to Purchase, please be advised that the City of Porterville is anxious to begin the proposed street improvement project as soon as possible. Therefore, the City, having made an offer to purchase the Property, is requesting your permission to begin working within the proposed new street area immediately by means of a Right of Entry. You will find copies of this proposed Right of Entry form for your consideration. If this is acceptable to you, please sign duplicate (2) originals of the Right of Entry and return both to this office as soon as possible. A fully executed original will be returned to you.

If you for any reason elect not to accept the City's offer, please be advised that this letter, the offer made herein, the enclosed summary statements, and all matters stated herein are made under the provisions of California Evidence Code §§ 1152 and 1154, and shall not be admissible in any eminent domain proceeding, or any other action, for any purpose prohibited under these sections.

If you have any questions regarding this Street Improvement Project, the Offer to Purchase, the Purchase Contract, the Right of Entry or any of the steps in the acquisition process, please feel free to contact Robyn Quinlan in our office at 714-379-3376, ext. 272 or by e-mail at: rquinlan@paragon-partners.com.

Sincerely,
Paragon Partners Ltd.



Tom Petrosky
Agent for the City of Porterville

Enclosures: Appraisal Summary Statement
Copy of Title Report
Eminent Domain Information Pamphlet
Purchase Contract
Grant Deed with Exhibit "A" Legal Description and Exhibit "B" Plat
IRS Form W-9
Acknowledgment of Receipt
Right of Entry (2)

BASIC PROPERTY DATA

Assessor's Parcel No.:	259-050-025
Property Location:	Southwest corner of Newcomb St. and Olive Ave. City of Porterville, Tulare County, California
Property Owner:	Corridor Group LLC
Total Larger Parcel Size:	86.43 acres
Applicable Zoning:	AE-20 exclusive agricultural zone by the County of Tulare
Current Use:	Farming of field crops and roadside produce stand
Highest and Best Use:	The highest and best use of the land as though vacant is to farm the land with field crops until such time as market conditions improve significantly and opportunities for urban development are better. The highest and best use of the property as improved is to maintain the existing irrigation system and produce stand improvements to generate some interim income to the property.
Property to be Acquired in Fee:	1.051 acres
Entire Property:	Yes: <input type="checkbox"/> Portion: <input checked="" type="checkbox"/>
Including Access Rights:	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>
Date of Value:	August 2, 2013
Acquiring Agency:	City of Porterville
Total Just Compensation:	\$30,500

STATUTORY BASIS OF VALUATION

The market value for the property to be acquired is based upon an appraisal prepared in accordance with accepted appraisal principles and procedures.

California Code of Civil Procedure Section 1263.320 defines Fair Market Value as follows:

- a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- b) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

VALUATION SUMMARY – Fee Acquisition

Value of Larger Parcel:		
Land Value (\$11,000 per acre)	\$950,730	
Improvement Value	<u>+ \$0</u>	
Total Value		\$950,730

Value of Property to be Acquired:		
Land Value (\$11,000 per acre)	\$11,561	
Improvement Value	<u>+ \$0</u>	
Total Value		\$11,561

Value of Remainder as Part of the Whole Before Acquisition:		
Land Value	\$939,169	
Improvement Value	<u>+ \$0</u>	
Total Value		\$939,169

Value of Remainder as a Separate Parcel Without Benefits:		
Property Value	\$939,169	
Incurable Damages	- \$0	
Cost to Cure Damages	<u>- \$18,665</u>	
Total Value		\$920,504

Damages Described: Replace irrigation pipeline, valves, and weirs.

Value of Remainder as a Separate Parcel With Benefits:		
Property Value Before	\$920,504	
Benefits	<u>+ \$0</u>	
Total Value		\$920,504

Benefits Described: None.

Net Damages:		
Total Severance Damages	\$18,665	
Total Benefits	<u>- \$0</u>	
Net Damages		\$18,655

Just Compensation:		
Value of Property to be Acquired	\$11,561	
Net Damages	<u>+ \$18,655</u>	
Total Compensation for Fee Acquisition		\$30,226
	Rounded to	<u>\$30,500</u>

LIST OF PRINCIPAL TRANSACTIONS

Land Sales:

Location: North side of Henderson Ave., west of Friant-Kern Canal,
Porterville
APN: 240-050-003
Sale Date: May 24, 2012
Parcel Size: 45.58 acres
Sale Price: \$649,000
Price per Acre: \$14,239

Location: North side of Scranton Ave., west of Newcomb St., Porterville
APN: 302-080-065 and -066
Sale Date: July 20, 2012
Parcel Size: 73.61 acres
Sale Price: \$1,729,130
Price per Acre: \$23,490


Location: Northeast corner of Reid Ave. and Jaye St., Porterville
APN: 255-220-019, -023, -025 and 255-230-009
Sale Date: August 28, 2012
Parcel Size: 36.55 acres
Sale Price: \$295,000
Price per Acre: \$8,071

Location: Northwest corner of Teapot Dome Ave. and Indiana St.,
Porterville
APN: 268-130-011 and -012
Sale Date: November 19, 2012
Parcel Size: 28.58 acres
Sale Price: \$390,000
Price per Acre: \$13,646

Location: South side of Poplar Ave., east of Road 208, Porterville
APN: 302-060-030
Sale Date: July 8, 2013
Parcel Size: 34.98 acres
Sale Price: \$465,000
Price per Acre: \$13,293

The above is a summary of my appraisal prepared at the request of and to be used by the City of Porterville to comply with California Code of Civil Procedures Section 1255.010. My appraisal, that is the basis for this summary, was made in accordance with accepted appraisal principles, consistent with California Valuation Law.

By:



Keith J. Hopper, MAI, R/W-AC
CA #AG002559 (expires 10/4/2012)

August 7, 2013

Date

SUMMARY STATEMENT RELATED TO PURCHASE OF REAL PROPERTY INTEREST

The City of Porterville (City) is currently undertaking the *Newcomb Street Shoulder Stabilization Project*, which is designed to provide shoulder stabilization along the west side of Newcomb Street between Olive Avenue and Roby Avenue where the road is not yet fully developed and dirt shoulders exist. Your property located at the southwest corner of Newcomb Street and Olive Avenue, in Porterville, California is within the project area, and is also identified by the Tulare County assessor as Assessor's Parcel No. 259-050-025.

Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the California Relocation Assistance and Real Property Acquisition Guidelines require that each owner from whom the City purchases real property or an interest therein or each tenant owning improvements on said property be provided with a summary of the appraisal of the real property or interest therein, as well as the following information:

1. You are entitled to receive full payment prior to vacating the real property being purchased unless you have heretofore waived such entitlement. You are not required to pay recording fees, transfer taxes, or the pro rata portion of real property taxes which are allocable to any period subsequent to the passage of title or possession.
2. The City will offer to purchase any remnant(s) considered by the City to be an uneconomic unit(s) which is/are owned by you or, if applicable, occupied by you as a tenant and which is/are contiguous to the land being conveyed.
3. All buildings, structures and other improvements affixed to the land described in the referenced document(s) covering this transaction and owned by the grantor(s) herein or, if applicable, owned by you as a tenant, are being conveyed unless other disposition of these improvements has been made. The interest acquired is in fee title and comprises 1.051 acres.
4. The market value of the property being purchased is based upon a market value appraisal which is summarized on the attached Appraisal Summary Statement and such amount:
 - a. Represents the full amount of the appraisal of just compensation for the property to be purchased;
 - b. Is not less than the approved appraisal of the fair market value of the property as improved;
 - c. Disregards any decrease or increase in the fair market value of the real property to be acquired prior to the date of valuation caused by the public improvement for which the property is to be acquired or by the likelihood that the property would be acquired for such public improvement, other than that due to physical deterioration within the reasonable control of the owner or occupant; and
 - d. Does not reflect any consideration of or allowance for any relocation assistance and payments or other benefits which the owner is entitled to receive under an agreement with the City.
5. Pursuant to Civil Code of Procedure Section 1263.025 should you elect to obtain an independent appraisal, the City will pay for the actual reasonable costs up to \$5,000 subject to the following conditions:
 - a. You, not the City, must order the appraisal. Should you enter into a contract with the selected appraiser, the City will not be a party to the contract;
 - b. The selected appraiser must be licensed with the California Office of Real Estate Appraisers (OREA); and
 - c. Appraisal cost reimbursement requests must be made in writing and submitted to Jenni Byers, City of Porterville, 291 N. Main St., Porterville, CA 93257, within 90 days of the earliest of the following dates: (1) the date the selected appraiser requests payment from you for the appraisal; or, (2) the date upon which you, or someone on your behalf, remitted full payment to the selected appraiser for the appraisal.

Copies of the contract (if a contract was made), appraisal report, and invoice for completed work by the appraiser must be provided to the City concurrent with submission of the appraisal cost reimbursement request. The costs must be reasonable and justifiable.

6. The owner of a business conducted on a property to be acquired, or conducted on the remaining property which will be affected by the purchase of the required property, may be entitled to compensation for the loss of goodwill. Entitlement is contingent upon the ability to prove such loss in accordance with the provisions of Sections 1263.510 and 1263.520 of the Code of Civil Procedure.
7. If you ultimately elect to reject the City's offer for your property, you are entitled to have the amount of compensation determined by a court of law in accordance with the laws of the State of California.
8. You are entitled to receive all benefits that are available through donation to the City of all or part of your interest in the real property sought to be acquired by the City as set out in Streets and Highways Code Sections 104.2 and 104.12.



CHICAGO TITLE COMPANY

PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Chicago 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 herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

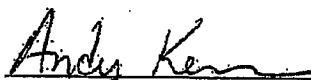
The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable 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 Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

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.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company, a Nebraska corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One 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.

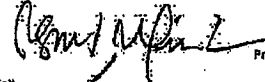
It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.


Countersigned



Chicago Title Company

BY



President

ATTEST



Secretary



Chicago Title Company

ISSUING OFFICE: 2540 W. Shaw Lane, Suite 112 • Fresno, CA 93711
559 492-4251 • FAX 559 448-8526

PRELIMINARY REPORT

Amended

Title Officer: Laura Marquez

Title No.: 12-42313176-A-LM

Locate No.: CACTI7754-7754-4423-0042313176

TO: City of Porterville
291 N. Main Street
Porterville, CA 93257

ATTN: Susan Duke

PROPERTY ADDRESS: 259-050-025, Porterville, California

EFFECTIVE DATE: November 28, 2012, 07:30 A.M.

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

CLTA Standard Coverage Policy - 1990

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Corridor Group LLC

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

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

SP\CT 11/18/2012

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA, COUNTY OF TULARE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

The Northeast Quarter of Section 33, Township 21 South, Range 27 East, Mount Diablo Base and Meridian, in the County of Tulare, State of California, according to the Official Plat thereof.

EXCEPTING THEREFROM, the West 69 1/3 acres thereof.

ALSO EXCEPTING THEREFROM, that portion described in the Judgment of Condemnation recorded May 13, 1977, Instrument No. 24828, in Book 34:16, Page 722, Official Records.

ALSO EXCEPTING THEREFROM, the East 42 feet of the South half of the Northeast quarter of said Section 33, conveyed in fee for Public Street and Underground Utilities Purposes to the City of Porterville, a municipal corporation, in the Deed and Resolution recorded 01/12/2012, as Document No. 2012-0001734, described as follows:

APN: 259-050-025-000

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. **Property taxes**, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2012-2013, Assessor's Parcel Number 259-050-025-000.

Code Area Number: 061-000
1st Installment: \$776.11 Open
2nd Installment: \$776.11 Open
Land: \$95,055.00
Improvements: \$0.00
Exemption: \$0.00
Personal Property: \$0.00

2. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.

3. **Rights of the public** as to any portion of the land lying within the area commonly known as Avenue 152 and Road 232.

4. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Ewill A. Gilliam
Purpose: Ditch purposes
Recorded: Book 236, Page 248, of Deeds
Affects: As set forth in said document

5. **An easement** for road and highway purposes over the North 30 feet of the Northeast quarter of said Section 33, excepting the West 69 1/3 acres, as condemned by Final Decree of Condemnation in the Tulare County Superior Court, Case No. 36330, a certified copy of which was recorded January 15, 1948, in Book 1278, Page 427, Official Records.

6. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Southern California Edison Company, a corporation
Purpose: Poles and pole lines
Recorded: November 18, 1953, Book 1709, Page 186, of Official Records
Affects: As set forth in said document

Reference is made to said document for full particulars.

7. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Southern California Edison Company, a corporation
 Purpose: Poles and pole lines
 Recorded: May 9, 1956, Book 1921, Page 413, of Official Records
 Affects: As set forth in said document

8. **Covenants and restrictions** imposed by a Land Conservation Contract executed pursuant to Section 51200 et seq. California Government Code.

Dated: None Shown
 Executed by: Dorothy Jue Moe and the County of Tulare
 Recorded: February 11, 1976, Instrument No. 5974, Book 3298, Page 570, of Official Records
 Affects: Said land with other property

Matters contained in that certain document entitled "Notice of Implementation Under Williamson Act" dated December 1, 2011, executed by County of Tulare recorded December 5, 2011, Instrument No. 2011-0075369, of Official Records, which document, among other things, contains or provides for: Implementation of AB 1265 (Formerly SB 863) for Calendar Year 2011.

Reference is hereby made to said document for full particulars.

9. **An unrecorded lease** with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Judgment in Condemnation
 Lessor: Not shown
 Lessee: John DePaoli and Josephine Depaoli, husband and wife
 Recorded: May 13, 1977, Instrument No. 24828, Book 3416, Page 722, of Official Records

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

10. **As of this report date**, we find no open deeds of trust of record. Please verify with escrow personnel and/or agents whether or not we have overlooked something and advise the title department accordingly prior to close of escrow.

- 11. Before issuing its policy of title insurance, this Company will require for review, the following documents from the Limited Liability Company named below.**

Limited Liability Company: Corridor Group, LLC

- (a) A copy of its operating agreement and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- (b) Confirmation that its Articles of Organization (LLC-1), and Certificate of Amendment (LLC-2), any restated Articles of Organization (LLC-10) and/or Certificate of Correction (LLC-11) have been filed with the Secretary of State.
- (c) If the Limited Liability Company is member-managed a full and complete current list of members certified by the appropriate manager or member.
- (d) If the Limited Liability Company was formed in a foreign jurisdiction, evidence satisfactory to the Company, that it was validly formed, is in good standing and authorized to do business in the state of origin.
- (e) If the Limited Liability Company was formed in a foreign jurisdiction, evidence satisfactory to the Company, that it has complied with California "doing business" laws, if applicable.

After review of the requested documents, the Company reserves the right to add additional items or make additional requirements prior to the issuance of any policy of title insurance.

END OF ITEMS

Note 1. The current owner does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs for the herein described property.

Note 2. Note: This property does not meet the criteria for an Alta Homeowners Policy to be issued.

The prospective buyer must sign an escrow instruction acknowledging that a CLTA Owners Policy will be issued in lieu of the ALTA Homeowners Policy.

Note 3. **This Company will require** the following documents for review prior to the issuance of any title assurance predicated upon a conveyance or encumbrance by the corporation named below.

- Corporation: City of Porterville, a Municipal Corporation,
- (a) A copy of the corporation By-Laws and Articles of Incorporation.
- (b) An original or certified copy of the Resolution authorizing the transaction contemplated herein.
- (c) If the Articles and/or By-Laws require approval by a "parent" organization, a copy of the Articles and By-Laws of the parent.

The right is reserved to add requirements or additional items after completion of such review.

Note 4. The only deeds affecting said land, which recorded within twenty-four (24) months of the date of this report, as are follows:

Grantor: Corridor Group LLC, a California Limited Liability Company
Grantee: City of Porterville, a Municipal Corporation
Recorded: January 12, 2012, Instrument No. 2012-0001734, of Official Records

Note 5. ***IMPORTANT RECORDING NOTE***

For Kings County, please send all original documents for recording to the following office:

Chicago Title Company
1460 W. 7th Street, Ste 102
Hanford, CA 93230
Attn: Recording Desk
Phone: (559) 584-3381

For Tulare County, please send all original documents for recording to the following office:

Chicago Title Company
1750 W. Walnut Ave, Ste A
Visalia, CA 93277
Attn: Recording Desk
Phone: (559) 636-4300

Please direct all other title communication and copies of documents, including recording release instructions, policy write-up instructions, lenders instructions and settlement statements, to the Title Only Department of the issuing office.

Note 6. Escrow information note: Arb No. 259-5-X-25

- Note 7.** If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
- Note 8.** Please contact Escrow Office for Wire Instructions.
- Note 9.** Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

END OF NOTES

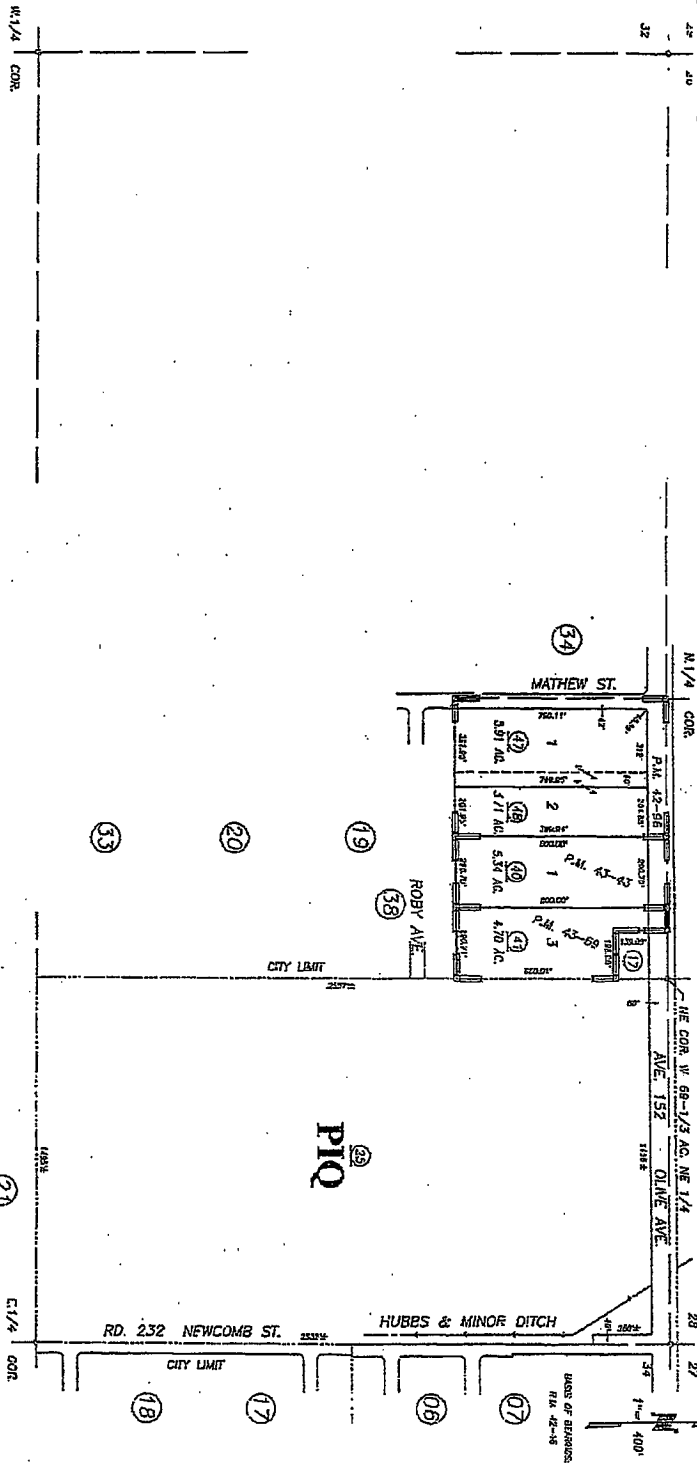
This Map is being furnished as a convenience to locate the herein described land in relation to adjoining streets and other lands. The Company does not guarantee dimensions, distances, bearings, or acreage stated thereon, nor is it intended to illustrate legal building sites or supersede City or County ordinances, i.e. zoning and building codes, etc. Official information concerning the use of any parcel should be obtained from local government agencies.

N1/2 SEC. 33, T.21S., R.27E., M.D.B.&M.

Tax Area Codes

259-05

004-060
004-117
061-000



PARCEL MAP 4192, R.M. 42-86
FOR PARCEL MAP 4239, P.M. 43-43
PARCEL MAP 4265, P.M. 43-69

VICINITY OF PORTERVILLE
ASSESSOR'S MAPS BK. 259, PG. 05
COUNTY OF TULARE, CALIFORNIA, U.S.A.

NOTE: Assessor's Parcel Numbers Shown in Circles (123) REVISION DATE TECH

ATTACHMENT ONE

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 knowledge of the taking

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

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.

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.

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.

4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**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 and 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 a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**SCHEDULE B, PART I
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:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, 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, 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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH A.L.T.A. 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 of 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 judgement 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 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) 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, 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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION 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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY 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 judgement 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 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) 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, 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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION 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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEBOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEBOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
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 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. 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:	1.00% of Policy Amount or \$ 2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 15:	1.00% of Policy Amount or \$ 5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 16:	1.00% of Policy Amount or \$ 5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 18:	1.00% of Policy Amount or \$ 2,500.00 (whichever is less)	\$ 5,000.00

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
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 those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.
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 limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded 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.e., 25, 26, 27 or 28.
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 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

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

- For Covered Risk 16, 18, 19 and 21, 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 16:	<u>1.00% of Policy Amount Shown in Schedule A</u> or <u>\$ 2,500.00</u> (whichever is less)	<u>\$ 10,000.00</u>
Covered Risk 18:	<u>1.00% of Policy Amount Shown in Schedule A</u> or <u>\$ 5,000.00</u> (whichever is less)	<u>\$ 25,000.00</u>
Covered Risk 19:	<u>1.00% of Policy Amount Shown in Schedule A</u> or <u>\$ 5,000.00</u> (whichever is less)	<u>\$ 25,000.00</u>
Covered Risk 21:	<u>1.00% of Policy Amount Shown in Schedule A</u> or <u>\$ 2,500.00</u> (whichever is less)	<u>\$ 5,000.00</u>

**ATTACHMENT ONE
(CONTINUED)**

**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 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 improvements 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 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.

**ATTACHMENT ONE
(CONTINUED)**

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07/26/10)
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, 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, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
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, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); 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. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. 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 modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. 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 27(b) of this policy.

Notice

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must - prior to the close of the current transaction - inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

Effective through November 1, 2014

Fidelity National Financial, Inc.
Privacy Statement

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Effective Date: 5/1/2008

Disclosure to Affiliated Companies - We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties - We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access To Personal Information/

Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company
CTC – Chicago Title Company

FNF Underwriter
CTIC – Chicago Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 or 36 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

FEE REDUCTION SETTLEMENT PROGRAM (CTC and CTIC)

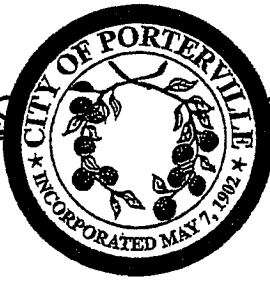
Eligible customers shall receive a \$20.00 reduction in their title and/or escrow fees charged by the Company for each eligible transaction in accordance with the terms of the Final Judgments entered in *The People of the State of California et al. v. Fidelity National Title Insurance Company et al.*, Sacramento Superior Court Case No. 99AS02793, and related cases.

DISASTER LOANS (CTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% or 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 32% or 50% of the appropriate title insurance rate, depending on the type of coverage selected.



July 26, 2013

Community Development
Department

Corridor Group, LLC
c/o D. Moe
6750 Balboa Blvd.
Van Nuys, CA 91406

Re: NOTICE OF DECISION TO APPRAISE
Newcomb Shoulder Stabilization Project
APN 259-050-025

Dear Property Owner,


As part of the Newcomb Shoulder Stabilization Project, the City of Porterville ("City"), has previously identified the above referenced real property as being within the proposed project area. This letter is not an offer to purchase the property. However, it is a notice to advise you that the City intends to appraise the property to determine its current fair market value.

As the property is in a Williamson Act contract the Department of Conservation requires the City to notify you that if an agreement cannot be reached the City can proceed with eminent domain. Attached you will find an informational pamphlet regarding the eminent domain process and property owner's rights.

The City has retained Paragon Partners Ltd as a consultant to provide professional real estate related services that include the appraisal of the above-mentioned real property. Regarding the appraisal of your property, Keith Hopper of Hopper Company has been selected to conduct the appraisal and can be reached at (559) 733-1248. You or your representative are invited but are not required to accompany the appraiser during the inspection. Mr. Hopper will be contacting you to make an appointment to inspect the property.

Thank you for your cooperation in this matter. If you have any questions, please do not hesitate to contact Richard Adler of Paragon Partners Ltd. at (714) 379-3376, ext 249.

Sincerely,


Jenni Byers
Project Manager

cc: Richard Adler - Paragon Partners Ltd.
Keith Hopper - Hopper Company



EMINENT DOMAIN Information Pamphlet

CITY OF PORTERVILLE
Community Development Department
291 North Main Street
Porterville, CA 93257

EMINENT DOMAIN – Information Pamphlet

I. Introduction

Eminent domain is the power of the government to purchase private property for a "public use" so long as the property owner is paid "just compensation." Whenever possible, the City of Porterville tries to avoid use of the eminent domain power, exercising it only when it is necessary for a public project. The decision to acquire private property for a public project is made by the City only after a thorough review of the project, which often includes public hearings.

This pamphlet provides general information about the eminent domain process and the rights of the property owner in that process.¹

- **What is a "public use"?**

A "public use" is a use that confers public benefits, like the provision of public services or the promotion of public health, safety, and welfare. Public uses include a wide variety of projects such as street improvements, construction of water pipelines or storage facilities, construction of civic buildings, redevelopment of blighted areas, and levee improvements to increase flood protection. Some public uses are for private entities, such as universities, hospitals and public utilities, which serve the public.

- **What is "just compensation"?**

Just compensation is the **fair market value** of the property being acquired by the government. The state law definition of fair market value is "the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available."

II. The Eminent Domain Process and the Property Owner's Rights

The eminent domain process begins with a public use project. When selecting a project location, the goal is to render the greatest public good and the least private injury or inconvenience. If it is determined that all or a portion of your property may be necessary for a public use project, the City will begin the appraisal process to determine the property's fair market value.

¹ This pamphlet reflects the current law as of January 1, 2008. However, the information in this pamphlet is not, nor should it be construed as, legal advice. You should consult with qualified legal counsel regarding your specific situation rather than relying on this pamphlet as legal advice.

- **How is the fair market value of my property determined?**

The City will retain an independent, accredited appraiser familiar with local property values to appraise your property. The appraiser will invite you to accompany him or her during an inspection of your property. You may give the appraiser any information about improvements and any special features that you believe may affect the value of your property. It is in your best interest to provide the appraiser with all the useful information you can in order to ensure that nothing of value will be overlooked. If you are unable to meet with the appraiser, you may wish to have a person who is familiar with your property meet with the appraiser instead.

After the inspection, the appraiser will complete an appraisal that will include the appraiser's determination of your property's fair market value and the information upon which the fair market value is based. The appraiser will provide the City with the appraisal. The City will then make a written offer to purchase the property. The offer will also include a summary of the appraisal. The offer will be for no less than the amount of the appraisal.

- **What factors does the appraiser consider in determining fair market value?**

Each parcel of real property is different and, therefore, no single formula can be used to appraise all properties. Among the factors an appraiser typically considers in estimating fair market value are:

- The location of the property;
- The age and condition of improvements on the property;
- How the property has been used;
- Whether there are any lease agreements relating to the property;
- Whether there are any environmental issues, such as contaminated soil;
- Applicable current and potential future zoning and land use requirements;
- How the property compares with similar properties in the area that have been sold recently;
- How much it would cost to reproduce the buildings and other structures, less any depreciation; and
- How much rental income the property produces, or could produce if put to its highest and best use.

- **Will I receive a copy of the appraisal?**

The City is required to provide you with its purchase offer, a summary of the appraiser's opinion, and the basis for the City's offer. Among other things, this summary must include:

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However, the City is only required to show you a copy of the full appraisal if your property is an owner-occupied residential property with four or fewer residential units. Otherwise, the

City may, but is not required, to disclose its full appraisal during negotiations (though different disclosure requirements apply during the litigation process if the issue of fair market value goes to court).

- **Can I have my own appraisal done?**

Yes. You may decide to obtain your own appraisal of the property in negotiating the fair market value with the City. At the time of making its initial offer to you, the City must offer to reimburse you the reasonable costs, not to exceed \$5,000, of an independent appraisal of your property. To be eligible for reimbursement, the independent appraisal must be conducted by an appraiser licensed by the State Office of Real Estate Appraisers.

- **What advantages are there in selling my property to the City?**

A real estate transaction with the City is typically handled in the same way as the sale of private property. However, there may be a financial advantage to selling to the City.

- You will not be required to pay for real estate commissions, title costs, preparation of documents, title policy or recording fees required in closing the sale. The City will pay all these costs.
- Although the City cannot give you tax advice or direction, you might also be eligible for certain property and income tax advantages. You should check with the Internal Revenue Service (IRS) for details or consult your personal tax advisor.

- **If only a portion of my property is taken, will I be paid for the loss to my remaining property?**

In general, when only a part of your property is needed, every reasonable effort is made to ensure you do not suffer a financial loss to the "remainder" property. The City will pay you the fair market value of the property being taken as well as compensation for any loss in value to your remaining property that is not offset by the benefits conferred by the project. The compensation for the loss in value to your remaining property is often referred to as "severance damages."

Also, if any remaining part is of such a size, shape, or condition as to be of little market value, the City will offer to acquire that remaining part (or remnant) from you, if you so desire.

- **Will I be compensated for loss of goodwill to my business?**

If you are the owner of a business that is conducted on the property being acquired, you may have a right to compensation for lost business goodwill if the loss is caused by the acquisition of the property. "Goodwill" consists of the benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality, and any other circumstances resulting in probable retention of old or acquisition of new patronage.

- **What will happen to the loan on my property?**

Where the City is acquiring the entire property, generally the compensation payable to the owner is first used to satisfy outstanding loans or liens as in a typical real estate transaction. Where less than the entire property is being acquired, whether outstanding loans or liens are paid from the compensation will depend on the particular facts and circumstances.

- **Do I have to sell at the price offered?**

No. If you and the City are unable to reach an agreement on a mutually satisfactory price, you are not obligated to sign an offer to sell or enter into a purchase agreement.

- **If I agree to accept the City's offer, how soon will I be paid?**

If you reach a voluntary agreement to sell your property or an interest in the property to the City, payment will be made at a mutually acceptable time. Generally, this should be possible within 30 to 60 days after a purchase/sale contract is signed by all parties.

- **What happens if we are unable to reach an agreement on the property's fair market value?**

The City, to the greatest extent practicable, will make every reasonable effort to acquire your property by negotiated purchase. If, however, the negotiations are unsuccessful, the City may either file an eminent domain action in a court located within the same county where your property is located or it may decide to abandon its intention to acquire the property. If the City abandons its intention to acquire, it will promptly notify you.

If the City proceeds with eminent domain, the first step is for the City staff to request authority from the City Council to file a condemnation action. The approval from the City Council is called a "Resolution of Necessity." In considering whether condemnation is necessary, the City Council must determine whether the public interest and necessity require the project, whether the project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury, and whether your property is necessary for the project. You will be given notice and an opportunity to appear before the City Council when it considers whether to adopt the Resolution of Necessity. You may want to call an attorney or contact an attorney referral service right away. You or your representatives can raise any objections to the Resolution of Necessity and the condemnation either orally before the City Council or in writing to the City Council.

If the City Council adopts the Resolution of Necessity, the City can file a complaint in court to acquire title to the property upon payment of the property's fair market value. The City is the plaintiff. Anyone with a legal interest in the property, generally determined from a title report on the property (including tenants or mortgage holders), are named as defendants. Often, the City will also deposit the amount the City believes is the "probable amount of compensation" with the State Treasurer where the complaint is filed. A deposit must be made if the City is seeking to acquire possession of the property before agreement is reached on the fair market value.

- **Can the City acquire possession of my property before the property's fair market value is determined in the eminent domain lawsuit?**

In some cases, the City may decide it needs possession of the property before the property's fair market value is finally determined. In such a case, the City must apply to the court for an "order for possession" to allow it to take possession and control of the property prior to resolution of the property's fair market value. The City is required to schedule a hearing with the court on the proposed order for possession and to give you notice of the hearing. Notice must generally be sent at least 90 days before the hearing date if the property is occupied and 60 days before the hearing date if the property is unoccupied. A judge will decide whether the order for possession should be granted. As noted above, the City must deposit with the State Treasurer the probable amount of just compensation in order to obtain possession of the property.

- **Can I oppose the motion for an order for possession?**

Yes. You may oppose the motion in writing by serving the City and the court with your written opposition within the period of time set forth in the notice from the City.

- **Can I rent the property from the City?**

If the City agrees to allow you or your tenants to remain on the property after the City acquires possession, you or the tenants will be required to pay a fair rent to the City. Generally, such rent will not be more than that charged as rent for the use of a property similar to yours in a similar area.

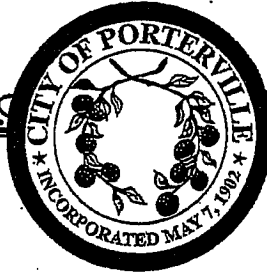
- **Can I withdraw the amount deposited with the State Treasurer before the eminent domain action is completed, even if I don't agree that the amount reflects the fair market value of my property?**

Yes. Subject to the rights of any other persons having a property interest (such as a lender, tenant, or co-owner), you may withdraw the amount deposited with the State Treasurer before the eminent domain action is completed. If you withdraw the amount on deposit, you may still seek a higher fair market value during the eminent domain proceedings, but you may not contest the right of the City to acquire the property, meaning you cannot contest that the acquisition of your property is for a public purpose or is otherwise improper.

You also have the right to ask the court to require the City to increase the amount deposited with the State Treasurer if you believe the amount the City has deposited less than the "probable amount of compensation."

- **Can I contest the condemning agency's acquisition of the property?**

Yes. Provided you have not withdrawn the amount deposited, you can challenge in court the City's right to acquire or condemn the property.



July 26, 2013

Community Development
Department

Corridor Group, LLC
c/o Lisa Moe
P.O. Box 5233
Sherman Oaks, CA 91413

Re: NOTICE OF DECISION TO APPRAISE
Newcomb Shoulder Stabilization Project
APN 259-050-025

Dear Property Owner,

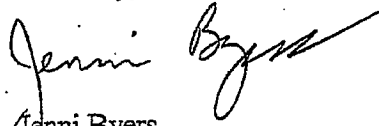
As part of the Newcomb Shoulder Stabilization Project, the City of Porterville ("City"), has previously identified the above referenced real property as being within the proposed project area. This letter is not an offer to purchase the property. However, it is a notice to advise you that the City intends to appraise the property to determine its current fair market value.

As the property is in a Williamson Act contract the Department of Conservation requires the City to notify you that if an agreement cannot be reached the City can proceed with eminent domain. Attached you will find an informational pamphlet regarding the eminent domain process and property owner's rights.

The City has retained Paragon Partners Ltd as a consultant to provide professional real estate related services that include the appraisal of the above-mentioned real property. Regarding the appraisal of your property, Keith Hopper of Hopper Company has been selected to conduct the appraisal and can be reached at (559) 733-1248. You or your representative are invited but are not required to accompany the appraiser during the inspection. Mr. Hopper will be contacting you to make an appointment to inspect the property.

Thank you for your cooperation in this matter. If you have any questions, please do not hesitate to contact Richard Adler of Paragon Partners Ltd. at (714) 379-3376, ext 249.

Sincerely,


Jenni Byers
Project Manager

cc: Richard Adler - Paragon Partners Ltd.
Keith Hopper - Hopper Company



EMINENT DOMAIN Information Pamphlet

CITY OF PORTERVILLE
Community Development Department
291 North Main Street
Porterville, CA 93257

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EMINENT DOMAIN – Information Pamphlet

I. Introduction

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II. The Eminent Domain Process and the Property Owner's Rights

The eminent domain process begins with a public use project. When selecting a project location, the goal is to render the greatest public good and the least private injury or inconvenience. If it is determined that all or a portion of your property may be necessary for a public use project, the City will begin the appraisal process to determine the property's fair market value.

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EMINENT DOMAIN Information Pamphlet

CITY OF PORTERVILLE
Community Development Department
291 North Main Street
Porterville, CA 93257

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EMINENT DOMAIN – Information Pamphlet

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- The amount considered to be just compensation for each improvement which is owned by a tenant and the basis for determining that amount.

However, the City is only required to show you a copy of the full appraisal if your property is an owner-occupied residential property with four or fewer residential units. Otherwise, the

City may, but is not required, to disclose its full appraisal during negotiations (though different disclosure requirements apply during the litigation process if the issue of fair market value goes to court).

- **Can I have my own appraisal done?**

Yes. You may decide to obtain your own appraisal of the property in negotiating the fair market value with the City. At the time of making its initial offer to you, the City must offer to reimburse you the reasonable costs, not to exceed \$5,000, of an independent appraisal of your property. To be eligible for reimbursement, the independent appraisal must be conducted by an appraiser licensed by the State Office of Real Estate Appraisers.

- **What advantages are there in selling my property to the City?**

A real estate transaction with the City is typically handled in the same way as the sale of private property. However, there may be a financial advantage to selling to the City.

- You will not be required to pay for real estate commissions, title costs, preparation of documents, title policy or recording fees required in closing the sale. The City will pay all these costs.
- Although the City cannot give you tax advice or direction, you might also be eligible for certain property and income tax advantages. You should check with the Internal Revenue Service (IRS) for details or consult your personal tax advisor.

- **If only a portion of my property is taken, will I be paid for the loss to my remaining property?**

In general, when only a part of your property is needed, every reasonable effort is made to ensure you do not suffer a financial loss to the "remainder" property. The City will pay you the fair market value of the property being taken as well as compensation for any loss in value to your remaining property that is not offset by the benefits conferred by the project. The compensation for the loss in value to your remaining property is often referred to as "severance damages."

Also, if any remaining part is of such a size, shape, or condition as to be of little market value, the City will offer to acquire that remaining part (or remnant) from you, if you so desire.

- **Will I be compensated for loss of goodwill to my business?**

If you are the owner of a business that is conducted on the property being acquired, you may have a right to compensation for lost business goodwill if the loss is caused by the acquisition of the property. "Goodwill" consists of the benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality, and any other circumstances resulting in probable retention of old or acquisition of new patronage.

- **What will happen to the loan on my property?**

Where the City is acquiring the entire property, generally the compensation payable to the owner is first used to satisfy outstanding loans or liens as in a typical real estate transaction. Where less than the entire property is being acquired, whether outstanding loans or liens are paid from the compensation will depend on the particular facts and circumstances.

- **Do I have to sell at the price offered?**

No. If you and the City are unable to reach an agreement on a mutually satisfactory price, you are not obligated to sign an offer to sell or enter into a purchase agreement.

- **If I agree to accept the City's offer, how soon will I be paid?**

If you reach a voluntary agreement to sell your property or an interest in the property to the City, payment will be made at a mutually acceptable time. Generally, this should be possible within 30 to 60 days after a purchase/sale contract is signed by all parties.

- **What happens if we are unable to reach an agreement on the property's fair market value?**

The City, to the greatest extent practicable, will make every reasonable effort to acquire your property by negotiated purchase. If, however, the negotiations are unsuccessful, the City may either file an eminent domain action in a court located within the same county where your property is located or it may decide to abandon its intention to acquire the property. If the City abandons its intention to acquire, it will promptly notify you.

If the City proceeds with eminent domain, the first step is for the City staff to request authority from the City Council to file a condemnation action. The approval from the City Council is called a "Resolution of Necessity." In considering whether condemnation is necessary, the City Council must determine whether the public interest and necessity require the project, whether the project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury, and whether your property is necessary for the project. You will be given notice and an opportunity to appear before the City Council when it considers whether to adopt the Resolution of Necessity. You may want to call an attorney or contact an attorney referral service right away. You or your representatives can raise any objections to the Resolution of Necessity and the condemnation either orally before the City Council or in writing to the City Council.

If the City Council adopts the Resolution of Necessity, the City can file a complaint in court to acquire title to the property upon payment of the property's fair market value. The City is the plaintiff. Anyone with a legal interest in the property, generally determined from a title report on the property (including tenants or mortgage holders), are named as defendants. Often, the City will also deposit the amount the City believes is the "probable amount of compensation" with the State Treasurer where the complaint is filed. A deposit must be made if the City is seeking to acquire possession of the property before agreement is reached on the fair market value.

- **Can the City acquire possession of my property before the property's fair market value is determined in the eminent domain lawsuit?**

In some cases, the City may decide it needs possession of the property before the property's fair market value is finally determined. In such a case, the City must apply to the court for an "order for possession" to allow it to take possession and control of the property prior to resolution of the property's fair market value. The City is required to schedule a hearing with the court on the proposed order for possession and to give you notice of the hearing. Notice must generally be sent at least 90 days before the hearing date if the property is occupied and 60 days before the hearing date if the property is unoccupied. A judge will decide whether the order for possession should be granted. As noted above, the City must deposit with the State Treasurer the probable amount of just compensation in order to obtain possession of the property.

- **Can I oppose the motion for an order for possession?**

Yes. You may oppose the motion in writing by serving the City and the court with your written opposition within the period of time set forth in the notice from the City.

- **Can I rent the property from the City?**

If the City agrees to allow you or your tenants to remain on the property after the City acquires possession, you or the tenants will be required to pay a fair rent to the City. Generally, such rent will not be more than that charged as rent for the use of a property similar to yours in a similar area.

- **Can I withdraw the amount deposited with the State Treasurer before the eminent domain action is completed, even if I don't agree that the amount reflects the fair market value of my property?**

Yes. Subject to the rights of any other persons having a property interest (such as a lender, tenant, or co-owner), you may withdraw the amount deposited with the State Treasurer before the eminent domain action is completed. If you withdraw the amount on deposit, you may still seek a higher fair market value during the eminent domain proceedings, but you may not contest the right of the City to acquire the property, meaning you cannot contest that the acquisition of your property is for a public purpose or is otherwise improper.

You also have the right to ask the court to require the City to increase the amount deposited with the State Treasurer if you believe the amount the City has deposited less than the "probable amount of compensation."

- **Can I contest the condemning agency's acquisition of the property?**

Yes. Provided you have not withdrawn the amount deposited, you can challenge in court the City's right to acquire or condemn the property.

GRANTOR(S): Corridor Group LLC
PROJECT: Newcomb Shoulder Stabilization
ADDRESS: SW corner Olive Avenue & Newcomb
Street
APN: 259-050-025
PARCEL: (See attached Exhibits A and B)
FEDERAL-AID PROJECT NO.: CML-5122
DATE: _____
ESCROW: _____

PURCHASE CONTRACT

This Purchase Contract ("Agreement") is between the City of Porterville, a municipal corporation ("City") and Corridor Group LLC ("Grantor")

It is mutually agreed as follows:

1. Grantor agrees to sell to City, and City agrees to purchase from Grantor, on the terms and conditions set forth in this Agreement, the fee interest in and to that certain portion of the real property more fully described in the legal description attached hereto as Exhibit "A" and shown on the plat/drawing attached hereto as Exhibit "B", both incorporated herein by reference, and improvements located thereon (together, the "Property"), for the purpose of widening and improving Newcomb Street. Grantor hereby states that Grantor has full title except as hereinafter mentioned and has full authority to sign this Agreement and to convey the rights described herein.
2. The parties hereto have set forth the whole of their agreement. The performance of this Agreement constitute the entire consideration for the Property and shall relieve the City of all further obligation on this account, or on account of the location, grade, or construction of the proposed public improvement.
3. Upon approval by the City Council, the City shall:
 - A. Pay the undersigned Grantor the sum of **THIRTY THOUSAND FIVE HUNDRED DOLLARS (\$30,500.00)** for the Property immediately upon title to said Property vesting in the City, free and clear of all liens, encumbrances, assessments, easements, and leases (recorded and/or unrecorded).
 - B. Pay all the escrow and recording fees incurred in this transaction and, if title insurance is desired by the City, then the City will pay the premium charged therefore. Grantor hereby authorizes the City to prepare escrow instructions for review by Grantor and filing with the escrow agent after such review and approval by Grantor.
 - C. Have the authority to deduct and pay from the amount shown in Clause 3. A above any amount necessary to pay reconveyance fees and trustee's fees for any full reconveyance of Deed(s) of Trust, and to satisfy any bond demands and/or

delinquent taxes due in any year except the year in which this escrow closes, together with penalties and interest thereon, and/or delinquent and unpaid non-delinquent assessments, which have become a lien at the close of escrow. Current taxes shall be prorated as of the date of possession or the date of conveyance is recorded, whichever occurs first. However, if an Order of Immediate Possession has been obtained, then the date of proration of taxes shall be as of the effective date of said Order.

4. Grantor grants the City, its permittees, contractors, agents or assigns, a right to enter, upon, over, across, and under Grantor's property described in Exhibit "A" and shown on Exhibit "B" both attached hereto and Grantor's property lying adjacent to the property described in Exhibit "A" and shown on Exhibit "B" during the period of construction for the purpose of constructing the public improvement and accomplishing all necessary incidents, thereto, including, but not limited to, the repair, replacement, restoration, removal, and /or disposal of existing improvements.
 - A. Any actual damage or substantial interference with the possession or use of the adjacent land caused by City, its permittees, contractors, agents or assigns shall be cured by same. In addition, the City of Porterville agrees to indemnify the Grantor and hold said Grantor harmless from any loss of, or damage to any property or injury or death of any person whomsoever arising out of or connected with their performance of any work authorized under this Agreement or the public improvements constructed pursuant to this Agreement.
 - B. It is agreed and confirmed by the parties hereto that, notwithstanding other provisions in this Agreement, the right of possession and use of the Property by the City (including, but not limited to, the right to construct and install new improvements and to replace, repair, restore, remove, and /or dispose of existing improvements) shall commence upon execution of this Agreement and shall terminate upon completion of construction of the project, and that the amount shown in Clause 3.A. herein includes, but is not limited to, full payment for such possession and use, excluding any damages or amounts that City may be liable for pursuant to Clause 4.A., which section shall not be affected by this Clause 4.B.
5. The sum set forth in Clause 3.A. above included payment for the following: fee title to 1.051 acres of land (45,791 square feet) and any and all landscaping and improvements thereon, and all rights of possession and use provided for herein.
6. This Agreement shall not and does not create any new or additional restriction on Grantor's use of its Property.
7. It is understood that City, at City's sole expense, shall be responsible for construction of new public street improvements within the Property described in Exhibit "A" and shown on Exhibit "B" both attached hereto. Grantor shall not be responsible for payment or reimbursement of such costs upon future development of Grantor's land lying adjacent to the Property.

8. It is understood that once this Agreement is executed it must be approved by the City Council to complete the transaction. Delivery of this Agreement and the accompanying Grant Deed is conditioned upon the City Council's approval of said documents.
9. NO OTHER OBLIGATION OTHER THAN THOSE SPECIFICALLY SET FORTH HEREIN WILL BE RECOGNIZED. CITY'S INDEMNITY OBLIGATION SHALL SURVIVE THE CLOSING OF THIS TRANSACTION AND/OR THE TERMINATION HEREOF.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year shown.

GRANTOR:

CORRIDOR GROUP LLC

By: _____

Date: _____

CITY OF PORTERVILLE, a municipal corporation

By: _____
For City of Porterville

Date: _____

By: _____

Witness/Received:

By: _____

Date: _____

By: _____
Acquisition Agent

Date: _____

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL THIS
DEED AND TAX STATEMENTS TO:**

City of Porterville
291 N. Main St.
Porterville, CA 93257

**NO FEE PURSUANT TO GOVERNMENT
SECTION 27383**

Space above this line for Recorder's Use

GRANT DEED

Atlas Sheet	Section	Township	Range	Street/Avenue
G 4	33	T 21 S	R 27 E	Newcomb St.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, CORRIDOR GROUP LLC, a California limited liability company, hereby Grants to the CITY OF PORTERVILLE, a Municipal Corporation, all that real property for **public street and underground utilities** in the County of Tulare, State of California, described as:

See Exhibit "A" and shown on Exhibit "B" attached hereto and made a part hereof by reference, consisting of three pages.

The grantor further understands that the present intention of the grantee is to construct and maintain a public street and underground utilities on the lands hereby conveyed in fee and the grantor, for the grantor and the grantor's successors and assigns, hereby waives any claims for any and all damages to grantor's remaining property contiguous to the property hereby conveyed by reason of the location, construction, landscaping or maintenance of said street.
(As used above, the term "grantor" shall include the plural as well as the singular number.)

Dated this _____ day of _____, 20

Corridor Group LLC, a California
limited liability company

D. Moe, Managing Member

STATE OF CALIFORNIA

County of _____

} ss

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

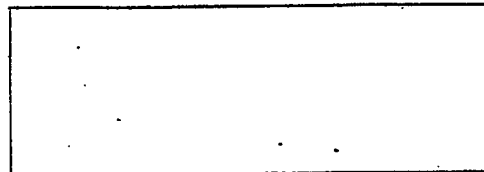
On this the _____ day of _____, 20____, before me, _____
Name, Title of Officer-E.G., "Jane Doe, Notary Public"

personally appeared _____
Name(s) of Signer(s)

who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



(for notary seal or stamp)

(Notary Public's signature in and for said County and State)

LEGAL DESCRIPTION

Exhibit "A"

That portion of the north half of the Northeast quarter of Section 33, Township 21 South, Range 27 East, Mount Diablo Base and Meridian, in the County of Tulare, State of California, according to the Official Plat thereof, more particularly described as:

COMMENCING AT the Northeast quarter of said Section 33,

THENCE, South $89^{\circ}35'05''$ West, along the north line of said Northeast quarter, a distance of 63.25 feet;

THENCE, leaving said north line, South $00^{\circ}24'55''$ East, a distance of 80.00 feet to a point on the southerly right of way line of Olive Avenue as described in a State of California Superior Court Judgment in Condemnation, recorded May 13, 1977, as Instrument No. 24828, in Book 3416, page 722, Tulare County Official Records, said point also being the **POINT OF BEGINNING**;

THENCE, South $45^{\circ}03'34''$ East, 28.46 feet to a point on the west line of the East 42 feet of said Northeast quarter;

THENCE, South $00^{\circ}17'48''$ West, along said west line, 1,223.40 feet to a point on the south line of the north half of said Northeast quarter, said point being the Northwest corner of the land conveyed to the City of Porterville by Deed recorded January 12, 2012 as Document No. 2012-0001734 of the Official Records of Tulare County;

THENCE, North $89^{\circ}47'26''$ East, along the north line of said land conveyed to the City of Porterville, 42.00 feet to a point on the east line of said Northeast quarter;

THENCE, North $00^{\circ}17'48''$ East, along the east line of said Northeast quarter, 1,031.98 feet to an angle point in the westerly right of way line of Newcomb Street situated North of the Hubbs & Minor Ditch per said State of California Superior Court Judgment in Condemnation, recorded May 13, 1977, as Instrument No. 24828, in Book 3416, page 722, Tulare County Official Records;

THENCE, North $23^{\circ}31'13''$ West, along the North side of the Hubbs & Minor Ditch, a distance of 99.06 feet to a point in the west line of the East 40 feet of said Northeast quarter;

THENCE, North $00^{\circ}17'48''$ East, along the west line of the East 40.00 feet of said Northeast quarter, 120.71 feet to a point on said southerly right of way line of Olive Avenue;

THENCE, South $89^{\circ}35'05''$ West, along said southerly right of way line, 22.25 feet to the **POINT OF BEGINNING**.

The above described parcel contains 45,791 square feet or 1.051 acres more or less.

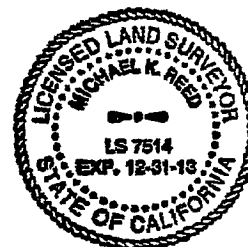
BASIS OF BEARINGS being the north line of the Northeast quarter of Section 33, Township 21 South, Range 27 East, Mount Diablo Base and Meridian, taken as North 89°35'05" East, as shown on Record of Survey filed in Book 21 of Licensed Surveys, at page 68 in the Office of the Tulare County Recorder.

END OF DESCRIPTION

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

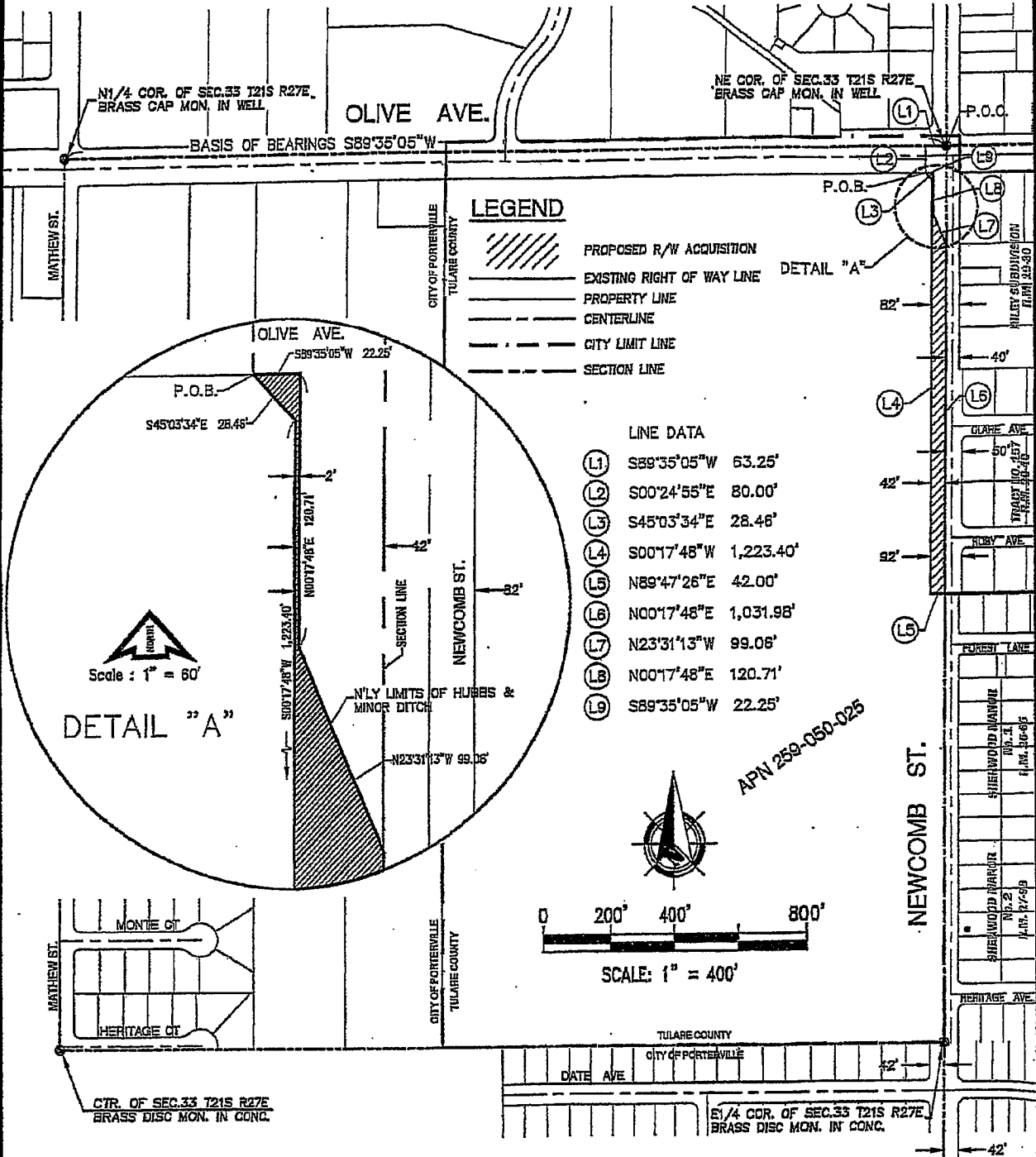
Signature: Michael K. Reed
Licensed Land Surveyor

Date: 10-19-2012



PROPERTY PLAT

EXHIBIT "B"



City of Porterville

291 N. MAIN ST.
PORTERVILLE, CA 93257
(559) 782-7462

A Portion of the North half of the Northeast quarter of Section 33, Township 21 South, Range 27 East, Mount Diablo Base and Meridian, in the County of Tulare, State of California.

OWNER:	Warren Moe / Dorothy Jue
APN:	259-050-025
AREA:	45,791 S.F.
ACRES:	1.051 AC
DRAWN BY:	DC
CHECK BY:	DB

Paragon Partners Ltd.

Acknowledgment of Receipt

Please sign and return to Paragon Partners Ltd. in the enclosed self-addressed, stamped envelope.

Acknowledgment of Receipt does not constitute acceptance.

I/We acknowledge receipt of the Offer to acquire the real property described as APN 259-050-025 and the related materials sent to me/us by Paragon Partners Ltd. on behalf of the City of Porterville.

Name of Recipient

Signature of Recipient

Date

(_____)_____
Phone

(_____)_____
Cell

E-mail (optional)

- ☐ The mailing address is correct as sent.
- ☐ Please update the mailing address as follows:

Engineering Division
City of Porterville
291 North Main Street
Porterville, CA 93257

APN: 259-050-025

ADDRESS: SW corner Olive Avenue & Newcomb Street, Porterville, CA

PROJECT: Newcomb Shoulder Stabilization Project

FEDERAL AID PROJECT No.: CML-5122

RIGHT OF ENTRY
from
Corridor Group LLC

Owner grants to the City of Porterville ("City"), its permittees, contractors, agents or assigns, a right to enter upon, over, across and under Grantor's property, shown on attached Exhibits "A" and "B", during the period of construction for the purpose of constructing public improvements and accomplishing all necessary incidents thereto, including, but not limited to, the repair, replacement, restoration, removal, and/or disposal of existing improvements.

It is understood that this permission is not a waiver in any way of the right of fair compensation for such land or of any remedy authorized by law to secure payment therefore.

This permission is granted in consideration of the location, improvement and construction of such public improvements and appurtenances which are required by the City, with the understanding that the City will hereinafter, without unnecessary delay, negotiate with the undersigned, and any other person having any right, title or interest in said property, based on an appraisal by a licensed appraiser, to agree upon terms of compensation and that, if any agreement cannot be reached the City will commence eminent domain proceedings, including deposit of funds to support an Order of Possession, to have such compensation determined.

Any actual damage or substantial interference with the possession or use of the adjacent land caused by City, its permittees, contractors, agents or assigns shall be cured by same. In addition, the City of Porterville agrees to indemnify the Owner and hold said Owner harmless from any loss of, or damage to any property or injury or death of any person whomsoever arising out of or connected with their performance of any work authorized under this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement on this _____ day of _____, 2013.

CITY OF PORTERVILLE, a
Municipal Corporation

Corridor Group LLC

By _____
Public Works Director