

MAYOR

Vincent F. Sarmiento

MAYOR PRO TEM

David Penaloza

COUNCILMEMBERS

Thai Viet Phan

Jessie Lopez

Phil Bacerra

Johnathan Ryan Hernandez

Nelida Mendoza

**CITY OF SANTA ANA**

20 Civic Center Plaza • P.O. Box 1988 M-21

Santa Ana, California 92702

www.santa-ana.org**CITY MANAGER**

Kristine Ridge

CITY ATTORNEY

Sonia R. Carvalho

CLERK OF THE COUNCIL

Daisy Gomez

April 7, 2021

VIA CERTIFIED MAIL

Rim Pacific Investors Portfolio, LLC
 Attn: Mr. Richard Tucker
 22982 Mill Creek Drive
 Laguna Hills, California 92653

**SUBJECT: OFFER TO ACQUIRE PROPERTY INTERESTS AT:
 1313 Memory Lane, Santa Ana, CA 92706
 APN: 002-261-29**

Dear Mr. Tucker,

The City of Santa Ana ("City") is proceeding with its plans to construct the Bristol Street and Memory Lane Intersection Widening Project. The City obtained a preliminary title report that lists Rim Pacific Investors Portfolio, LLC, a California limited liability company, as the vested owner, Attachment 1. The City seeks to acquire a portion of your property and a twelve month Temporary Construction Easement (TCE), which consists of the underlying real property as described in Attachments 2A and depicted on Attachments 2B. The areas to be acquired are referred to herein as the "Property Interests".

No final determination has been made as to the ownership of the Property Interests. This offer is contingent upon presentation of conclusive evidence of title. If more than one person has an interest in the Property Interests that the City is seeking to acquire, all parties with such interest must accept this offer.

SANTA ANA CITY COUNCIL

Vincente Sarmiento
 Mayor
VSarmiento@santa-ana.org

David Penaloza
 Mayor Pro Tem, Ward 2
dpenaloza@santa-ana.org

Thai Viet Phan
 Ward 1
TPhan@santa-ana.org

Jessie Lopez
 Ward 3
JessieLopez@santa-ana.org

Phil Bacerra
 Ward 4
pbacerra@santa-ana.org

Johnathan Ryan Hernandez
 Ward 5
JRyanHernandez@santa-ana.org

Nelida Mendoza
 Ward 6
nmendoza@santa-ana.org

1313 Memory Lane
Santa Ana, CA 92706
April 7, 2021

As you know, the City had your Property Interests appraised to determine its fair market value. The appraisal was conducted in accordance with commonly accepted appraisal standards and included consideration of the highest and best use of the land. Based on the appraisal, the City offers a **total compensation of Two Hundred Forty One Thousand Dollars (\$241,000)**.

The basis for this offer is explained more thoroughly in the attachments to this letter that are made a part of this offer by reference. This offer is conditioned upon the City Council ratifying this offer by a formal action taken at a regular public meeting authorizing the execution of a Purchase and Sale Agreement or adopting a Resolution of Necessity, or both.

If you are not satisfied with the City's offer, you are encouraged to present to us any material you believe to be relevant to the value of the Property Interests, which material will be carefully considered by the City. If, in the City's opinion, the additional information warrants a change in the offer, the City's offer will be adjusted accordingly. If a voluntary agreement cannot be reached, the City may consider formal condemnation proceedings against the Property Interests through its power of eminent domain or abandon its intention to acquire the Property Interests, giving proper notice to you in either event. The City has made no decision to exercise its power of eminent domain to acquire the Property Interests and can only do so after it holds a hearing, at which all affected Property owners have had an opportunity to appear and be heard.

The Purchase Price is the full amount established by the appraisal as the fair market value of the Property Interests and the just compensation for such acquisition. A written statement and a summary of the basis for the amount established as the Purchase Price is set forth in the attached Statement and Summary of Basis for Appraisal, identified as Attachment 3.

The California Relocation Assistance and Real Property Acquisition Guidelines provide 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 information relating to the acquisition procedures pursuant to the Government Code, Paragraph 7267.2(a). This information is provided in Attachment 4.

Please also be advised that under Code of Civil Procedure Section 1263.025, the City of Santa Ana will reimburse an owner of property, up to the amount of \$5,000 for the owner to secure an independent appraisal of property subject to a potential acquisition. Although you have the right to obtain your own appraisal and are entitled to receive up to \$5,000 for your appraisal as described above, please note that the City of Santa Ana is not obligated to accept your appraiser's value of the Property Interest. The City of Santa Ana, however, will review your appraisal and if appropriate, confer with the City's independent appraiser regarding the merits of your appraisal.

1313 Memory Lane
Santa Ana, CA 92706
April 7, 2021

Please let us know prior to May 7, 2021 if the City's offer is acceptable. A written agreement concerning the acquisition of the Property Interests will be provided to you for your review and approval.

If for any reason you should see fit 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 evidence in any eminent domain proceeding which may subsequently be instituted for acquisition of the Property Interests, or in any other action.

If you need additional information, please call the City's acquisition consultant, Phillip Bonina, from Paragon Partners Ltd. at (714) 379-3376. Ext. 109.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Gabriel".

Jason Gabriel
Principal Civil Engineer



Commonwealth Land Title Company
4100 Newport Place Dr., Suite 120
Newport Beach, CA 92660
Phone: (949) 724-3140

City of Santa Ana, Public Works Agency
20 Civic Center Plaza
Santa Ana, CA 92702

Attn: Mindy Ly

Our File No: 09205694
Title Officer: Chris Maziar
e-mail: unit10@cltic.com
Phone: (949) 724-3170
Fax: (949) 258-5740

Your Reference No: 002-261-29

Property Address: 1313 MEMORY LN, Santa Ana, California

PRELIMINARY REPORT

Dated as of November 30, 2017 at 7:30 a.m.

In response to the application for a policy of title insurance referenced herein, Commonwealth Land Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception 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. Limitation 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.

The policy(s) of title insurance to be issued hereunder will be policy(s) of **Commonwealth Land Title Insurance Company**.

Please read the exceptions shown or referred to below 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.

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.

SCHEDULE A

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

ALTA Extended Owner's Policy of Title Insurance (6-17-06)

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

A Fee as to Parcel(s) 1

Easement(s) more fully described below as to Parcel(s) 2

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

RIM PACIFIC INVESTORS PORTFOLIO, LLC, a California limited liability company

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

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

EXHIBIT "A"

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1:

THAT PORTION OF LOT 25, IN THE CITY OF SANTA ANA, COUNTY OF ORANGE, STATE OF CALIFORNIA, OF THE POTTS, BORDEN AND SIDWELL TRACT, AS SHOWN ON MAP RECORDED IN [BOOK 4, PAGE 624](#) OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 300 FEET NORTHERLY ALONG THE CENTERLINE OF BRISTOL STREET (BEING THE DIRECTION OF NORTH 0°14'50" EAST) FROM THE INTERSECTION OF THE CENTERLINES OF MEMORY LANE AND BRISTOL STREET, AS SHOWN ON A RECORD OF SURVEY FILED IN [BOOK 64, PAGE 46](#) OF RECORDS OF SURVEY; THENCE NORTH 89°53'50" WEST 50 FEET TO THE TRUE POINT OF BEGINNING OF WITHIN DESCRIBED PARCEL.

FROM SAID TRUE POINT OF BEGINNING, THENCE EASTERLY 10 FEET ALONG A LINE NORTH 89°53'50" WEST TO A POINT; THENCE SOUTHERLY 50.04 FEET ALONG A LINE NORTH 0°14'50" EAST TO A POINT; THENCE WESTERLY 10 FEET ALONG A LINE NORTH 89°53'50" WEST TO A POINT; THENCE SOUTHERLY 180.00 FEET ALONG A LINE NORTH 0°14'50" EAST TO A POINT THENCE SOUTHWESTERLY 28.34 FEET ALONG A LINE SOUTH 45°08'35" WEST TO A POINT; THENCE NORTH 87°57'50" WEST 70.12 FEET TO A POINT; THENCE WESTERLY ALONG A RADIAL LINE 109.93 FEET (DRAWN BY AN ANGLE 1°54'48" WITH A RADIUS OF 1,950 FEET FROM A VERTEX LOCATED 209.80 FEET AND PERPENDICULAR NORTHERLY 1,950 FEET FROM THE MOST WESTERLY POINT OF SAID 65.12 FEET) TO A POINT; THENCE SOUTHERLY 10.01 FEET ALONG A LINE WEST 0°14'50" EAST TO A POINT; THENCE WESTERLY 418.01 FEET ALONG A RADIAL LINE I DRAWN BY AN ANGLE 12°13'10" FROM A VERTEX LOCATED 209.80 FEET FROM SAID POINT OF BEGINNING, THENCE PERPENDICULAR THERETO NORTHERLY A RADIUS OF 1,960 FEET TO A VERTEX OF SAID ANGLE), TO A POINT; THENCE NORTHERLY 160.00 FEET ALONG A LINE NORTH 15 °28'32" EAST TO A POINT; THENCE EASTERLY ALONG A RADIAL LINE 425.56 FEET (DRAWN BY A ANGLE 12°4'38" FROM A VERTEX LOCATED 190.41 FEET EASTERLY TO THE POINT OF BEGINNING; THENCE NORTHERLY 99.23 FEET ALONG A LINE NORTH 0°14'50" EAST TO A POINT; THENCE 150 FEET ALONG A LINE NORTH 89°53'50" WEST TO A POINT OF BEGINNING OF THIS PARCEL.

EXCEPTING THEREFROM THAT PORTION INCLUDED WITHIN THE EASTERLY 185 FEET OF THE SOUTHERLY 185 FEET OF LOT 25 OF SAID TRACT.

PARCEL 2:

AN EASEMENT FOR DRIVEWAY PURPOSES AND FOR PLACING, INSTALLING AND MAINTAINING FOR THE USE AND BENEFIT OF THE REAL PROPERTY DESCRIBED AS PARCEL 1, ABOVE, UTILITIES, ASPHALTIC SURFACES, BLOCK WALLS, FOOTINGS, LANDSCAPING AND IRRIGATION FACILITIES OVER THE PROPERTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF THE EASTERLY 185 FEET OF THE SOUTHERLY 185 FEET OF LOT 25 OF THE POTTS, BORDEN AND SIDWELL TRACT, AS SHOWN ON A MAP. RECORDED IN [BOOK 4, PAGE 624](#) OF MISCELLANEOUS RECORDS, LOS ANGELES COUNTY, CALIFORNIA (HEREINAFTER "PARCEL 1"); THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID PARCEL 1, 30.00 FEET, TO A POINT ON A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE SOUTHWESTERLY 47.23 FEET ALONG THE ARC OF SAID 30.00 FEET RADIUS CURVE THROUGH A CENTRAL OF 90°12'20" TO THE WESTERLY LINE OF SAID PARCEL 1; THENCE NORTHERLY ALONG THE WESTERLY LINE, 30.00 FEET, TO THE POINT OF BEGINNING AS GRANTED IN THAT CERTAIN GRANT DEED RECORDED JUNE 1, 1999 AS [INSTRUMENT NO. 19990402021](#), OF OFFICIAL RECORDS OF SAID COUNTY.

[APN: 002-261-29](#)

SCHEDULE B – Section A

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may 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 of material not shown by the Public Records.

SCHEDULE B – Section B

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

- A. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.:	002-261-29
Fiscal Year:	2017-2018
1st Installment:	\$37,481.05, OPEN (Delinquent after December 10, 2017)
Penalty:	\$3,748.10
2nd Installment:	\$37,481.05, OPEN (Delinquent after April 10, 2018)
Penalty and Cost:	\$3,771.10
Homeowners Exemption:	\$
Code Area:	11-001

- B. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

1. Water rights, claims or title to water, whether or not disclosed by the public records.
2. Waiver of any claims for damages to said property by reason of location, construction, landscaping or maintenance contained in deed to the State of California for road, dated August 24, 1936, from C.S. Minster and Eleanor M. Minster recorded September 11, 1936 in [Book 843 Page 304 as Instrument No. 24522 of Official Records](#).
3. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose:	pipes for water transportation, with the right of ingress and egress
Recording Date:	June 12, 1940
Recording No:	13408 in Book 1049 Page 171 of Official Records
Affects:	a portion of said land

Reference is hereby made to said document for full particulars.

4. Any boundary discrepancies, rights or claims which may exist or arise as disclosed by a Record of Survey, as per map on file in [Book 64 Page 46](#), in [Book 235 Pages 37](#) through 40 and in [Book 245 Pages 9](#) through 15 of Records of Survey, in the Office of the County Recorder of Orange County, California.

5. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose:	public street
Recording Date:	October 7, 1985
Recording No:	85-382990 of Official Records
Affects:	a portion of said land

Reference is hereby made to said document for full particulars.

Order No: 09205694-920-CMM-CM8

6. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: underground communication facilities
Recording Date: June 23, 1986
Recording No: [86-263983](#) of Official Records
Affects: a portion of said land

Limitations on the use, by the owners of said Land, of the easement area as set forth in the easement document shown hereinabove.

Reference is hereby made to said document for full particulars.

7. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: underground electrical supply systems and communication system
Recording Date: July 1, 1986
Recording No: [86-280609](#) of Official Records
Affects: a portion of said land

Limitations on the use, by the owners of said Land, of the easement area as set forth in the easement document shown hereinabove.

Reference is hereby made to said document for full particulars.

8. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: ingress, egress and road
Recording Date: July 15, 1986
Recording No: 96-302898 of Official Records
Affects: a portion of said land

Reference is hereby made to said document for full particulars.

9. Matters contained in that certain document

Entitled: Common Fence Easement Agreement
Recording Date: August 19, 1986
Recording No: [86-371096](#) of Official Records

Reference is hereby made to said document for full particulars.

10. A lease with certain terms, covenants, conditions and provisions set forth therein.

Lessor: Memory Lane Associates
Lessee: Consolidated Lauco Systems
Recording Date: October 5, 1992
Recording No: [92-671032](#) 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.

11. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: driveway purposes and for placing, installing and maintaining service station facilities
Recording Date: February 25, 1999
Recording No: [19990135543](#) of Official Records
Affects: a portion of said land

Order No: 09205694-920-CMM-CM8

Reference is hereby made to said document for full particulars.

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

Entitled: Memorandum of Lease
 Lessor: Rim Pacific Investors Portofino, LLC, a California limited liability company and Silver Harmony Inc., a Florida corporation
 Lessee: Web Service Company, Inc.
 Recording Date: January 12, 2005
 Recording No: [200500028674](#) 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.

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

Entitled: Memorandum of Lease
 Lessor: Rim Pacific Investors Portofino, LLC, a California limited liability company
 Lessee: Web Service Company, LLC
 Recording Date: March 16, 2010
 Recording No: [2010000124275](#) 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.

14. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$5,410,000.00
 Dated: June 19, 2015
 Trustor/Grantor: Rim Pacific Investors Portofino, LLC, a California limited liability company
 Trustee: JPMorgan Chase Bank, N.A.
 Beneficiary: JPMorgan Chase Bank, N.A.
 Loan No.: 100522326
 Recording Date: June 30, 2015
 Recording No: [2015000339580](#) of Official Records

15. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

16. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

END OF SCHEDULE B EXCEPTIONS

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

Order No: 09205694-920-CMM-CM8

ATTACHMENT 1

REQUIREMENTS SECTION:

1. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: RIM PACIFIC INVESTORS PORTFOLIO, LLC, a California limited liability company

- a) A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member
- b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps
- 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) A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created
- e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

2. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit/Declaration.

INFORMATIONAL NOTES SECTION

1. The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.
2. For wiring Instructions please contact your Title Officer or Title Company Escrow officer.
3. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
4. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
5. Note: None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.
6. Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land multiple family residence, known as 1313 MEMORY LN, SANTA ANA, CA, to an Extended Coverage Loan Policy.
7. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
8. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

Typist: ry0

Date Typed: December 14, 2017

Order No: 09205694-920-CMM-CM8

ATTACHMENT ONE**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990****EXCLUSIONS FROM COVERAGE**

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

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

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, 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.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)**ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE****EXCLUSIONS**

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

1. Governmental police power, and the existence or violation of 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.

This Exclusion does not limit the coverage described in Covered Risk 8 a., 14, 15, 16, 18, 19, 20, 23 or 27.
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

Order No: 09205694-920-CMM-CM8

- 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.
 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

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:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% % of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% % of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

2006 ALTA LOAN POLICY (06-17-06)**EXCLUSIONS FROM COVERAGE**

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

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

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

EXCEPTIONS FROM COVERAGE

(Except as provided in Schedule B - Part II, (t) or (T) 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:

(PART I

(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:

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.

Order No: 09205694-920-CMM-CM8

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.

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:)

2006 ALTA OWNER'S POLICY (06-17-06)**EXCLUSIONS FROM COVERAGE**

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

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

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

EXCEPTIONS FROM COVERAGE

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

(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:

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 in 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 that 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.
7. (Variable exceptions such as taxes, easements, CC&R's, etc. shown here.)

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)**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.

Order No: 09205694-920-CMM-CM8

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.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

Order No: 09205694-920-CMM-CM8

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
LTC – Lawyers Title Company

FNF Underwriter
CLTIC – Commonwealth Land Title Insurance Co.

Available Discounts

DISASTER LOANS (CLTIC)

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.

EMPLOYEE RATE (LTC and CLTIC)

No charge shall be made to employees (including employees on approved retirement) of the Company or its underwritten, subsidiary or affiliated title companies for policies or escrow services in connection with financing, refinancing, sale or purchase of the employees' bona fide home property. Waiver of such charges is authorized only in connection with those costs which the employee would be obligated to pay, by established custom, as a party to the transaction.

Notice of Available Discounts

Mod. 10/21/2011

FIDELITY NATIONAL FINANCIAL

PRIVACY NOTICE

At Fidelity National Financial, Inc., we respect and believe it is important to protect the privacy of consumers and our customers. This Privacy Notice explains how we collect, use, and protect any information that we collect from you, when and to whom we disclose such information, and the choices you have about the use of that information. A summary of the Privacy Notice is below, and we encourage you to review the entirety of the Privacy Notice following this summary. You can opt-out of certain disclosures by following our opt-out procedure set forth at the end of this Privacy Notice.

<p>Types of Information Collected. You may provide us with certain personal information about you, like your contact information, address demographic information, social security number (SSN), driver's license, passport, other government ID numbers and/or financial information. We may also receive browsing information from your Internet browser, computer and/or mobile device if you visit or use our websites or applications.</p>	<p>How Information is Collected. We may collect personal information from you via applications, forms, and correspondence we receive from you and others related to our transactions with you. When you visit our websites from your computer or mobile device, we automatically collect and store certain information available to us through your Internet browser or computer equipment to optimize your website experience.</p>
<p>Use of Collected Information. We request and use your personal information to provide products and services to you, to improve our products and services, and to communicate with you about these products and services. We may also share your contact information with our affiliates for marketing purposes.</p>	<p>When Information Is Disclosed. We may disclose your information to our affiliates and/or nonaffiliated parties providing services for you or us, to law enforcement agencies or governmental authorities, as required by law, and to parties whose interest in title must be determined.</p>
<p>Choices With Your Information. Your decision to submit information to us is entirely up to you. You can opt-out of certain disclosure or use of your information or choose to not provide any personal information to us.</p>	<p>Information From Children. We do not knowingly collect information from children who are under the age of 13, and our website is not intended to attract children.</p>
<p>Privacy Outside the Website. We are not responsible for the privacy practices of third parties, even if our website links to those parties' websites.</p>	<p>International Users. By providing us with your information, you consent to its transfer, processing and storage outside of your country of residence, as well as the fact that we will handle such information consistent with this Privacy Notice.</p>
<p>The California Online Privacy Protection Act. Some FNF companies provide services to mortgage loan servicers and, in some cases, their websites collect information on behalf of mortgage loan servicers. The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through those websites.</p>	
<p>Your Consent To This Privacy Notice. By submitting information to us or by using our website, you are accepting and agreeing to the terms of this Privacy Notice.</p>	<p>Access and Correction; Contact Us. If you desire to contact us regarding this notice or your information, please contact us at privacy@fnf.com or as directed at the end of this Privacy Notice.</p>

FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing title insurance, real estate- and loan-related services (collectively, “FNF”, “our” or “we”) respect and are committed to protecting your privacy. We will take reasonable steps to ensure that your Personal Information and Browsing Information will only be used in compliance with this Privacy Notice and applicable laws. This Privacy Notice is only in effect for Personal Information and Browsing Information collected and/or owned by or on behalf of FNF, including Personal Information and Browsing Information collected through any FNF website, online service or application (collectively, the “Website”).

Types of Information Collected

We may collect two types of information from you: Personal Information and Browsing Information.

Personal Information. FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- social security number (SSN), driver’s license, passport, and other government ID numbers;
- financial account information; and
- other personal information needed from you to provide title insurance, real estate- and loan-related services to you.

Browsing Information. FNF may collect the following categories of Browsing Information:

- Internet Protocol (or IP) address or device ID/UDID, protocol and sequence information;
- browser language and type;
- domain name system requests;
- browsing history, such as time spent at a domain, time and date of your visit and number of clicks;
- http headers, application client and server banners; and
- operating system and fingerprinting data.

How Information is Collected

In the course of our business, we may collect *Personal Information* about you from the following sources:

- applications or other forms we receive from you or your authorized representative;
- the correspondence you and others send to us;
- information we receive through the Website;
- information about your transactions with, or services performed by, us, our affiliates or nonaffiliated third parties; and
- information from consumer or other reporting agencies and public records maintained by governmental entities that we obtain directly from those entities, our affiliates or others.

If you visit or use our Website, we may collect *Browsing Information* from you as follows:

- Browser Log Files. Our servers automatically log each visitor to the Website and collect and record certain browsing information about each visitor. The Browsing Information includes generic information and reveals nothing personal about the user.
- Cookies. When you visit our Website, a “cookie” may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer’s hard drive. When you visit a website again, the cookie allows the website to recognize your computer. Cookies may store user preferences and other information. You can choose whether or not to accept cookies by changing your Internet browser settings, which may impair or limit some functionality of the Website.

Use of Collected Information

Information collected by FNF is used for three main purposes:

- To provide products and services to you or any affiliate or third party who is obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you and to inform you about our, our affiliates’ and third parties’ products and services, jointly or independently.

When Information Is Disclosed

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) and Browsing Information to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Please see the section “Choices With Your Personal Information” to learn how to limit the discretionary disclosure of your Personal Information and Browsing Information.

Disclosures of your Personal Information may be made to the following categories of affiliates and nonaffiliated third parties:

- to third parties to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to our affiliate financial service providers for their use to market their products or services to you;
- to nonaffiliated third party service providers who provide or perform services on our behalf and use the disclosed information only in connection with such services;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to market financial products or services to you;
- to law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoena or court order;

- to lenders, lien holders, judgment creditors, or other parties claiming an interest in title whose claim or interest must be determined, settled, paid, or released prior to closing; and
- other third parties for whom you have given us written authorization to disclose your Personal Information.

We may disclose Personal Information and/or Browsing Information when required by law or in the good-faith belief that such disclosure is necessary to:

- comply with a legal process or applicable laws;
- enforce this Privacy Notice;
- investigate or respond to claims that any material, document, image, graphic, logo, design, audio, video or any other information provided by you violates the rights of a third party; or
- protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep your Personal Information secure. When we provide Personal Information to our affiliates or third party service providers as discussed in this Privacy Notice, we expect that these parties process such information in compliance with our Privacy Notice or in a manner that is in compliance with applicable privacy laws. The use of your information by a business partner may be subject to that party's own Privacy Notice. Unless permitted by law, we do not disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors. You expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings. We cannot and will not be responsible for any breach of security by a third party or for any actions of any third party that receives any of the information that is disclosed to us.

Choices With Your Information

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you. The uses of your Personal Information and/or Browsing Information that, by law, you cannot limit, include:

- for our everyday business purposes – to process your transactions, maintain your account(s), to respond to law
- enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court
- orders, or report to credit bureaus;
- for our own marketing purposes;
- for joint marketing with financial companies; and
- for our affiliates' everyday business purposes – information about your transactions and experiences.

You may choose to prevent FNF from disclosing or using your Personal Information and/or Browsing Information under the following circumstances ("opt-out"):

- for our affiliates' everyday business purposes – information about your creditworthiness; and
- for our affiliates to market to you.

To the extent permitted above, you may opt-out of disclosure or use of your Personal Information and Browsing Information by notifying us by one of the methods at the end of this Privacy Notice. We do not share your personal information with non-affiliates for their direct marketing purposes.

For California Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties, except as permitted by California law. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties, except as permitted by Vermont law, such as to process your transactions or to maintain your account. In addition, we will not share information about your creditworthiness with our affiliates except with your authorization. For joint marketing in Vermont, we will only disclose your name, contact information and information about your transactions.

Information From Children

The Website is meant for adults and is not intended or designed to attract children under the age of thirteen (13). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian. By using the Website, you affirm that you are over the age of 13 and will abide by the terms of this Privacy Notice.

Privacy Outside the Website

The Website may contain links to other websites. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States or are a citizen of the European Union, please note that we may transfer your Personal Information and/or Browsing Information outside of your country of residence or the European Union for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection and transfer of such information in accordance with this Privacy Notice.

The California Online Privacy Protection Act

For some FNF websites, such as the Customer CareNet ("CCN"), FNF is acting as a third party service provider to a mortgage loan servicer. In those instances, we may collect certain information on behalf of that mortgage loan servicer via the website. The information which we may collect on behalf of the mortgage loan servicer is as follows:

- first and last name;
- property address;
- user name and password;
- loan number;
- social security number - masked upon entry;
- email address;
- three security questions and answers; and
- IP address.

The information you submit through the website is then transferred to your mortgage loan servicer by way of CCN. **The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through this website. For example, if you believe that your payment or user information is incorrect, you must contact your mortgage loan servicer.**

CCN does not share consumer information with third parties, other than (1) those with which the mortgage loan servicer has contracted to interface with the CCN application, or (2) law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders. All sections of this Privacy Notice apply to your interaction with CCN, except for the sections titled "Choices with Your Information" and "Access and Correction." If you have questions regarding the choices you have with regard to your personal information or how to access or correct your personal information, you should contact your mortgage loan servicer.

Your Consent To This Privacy Notice

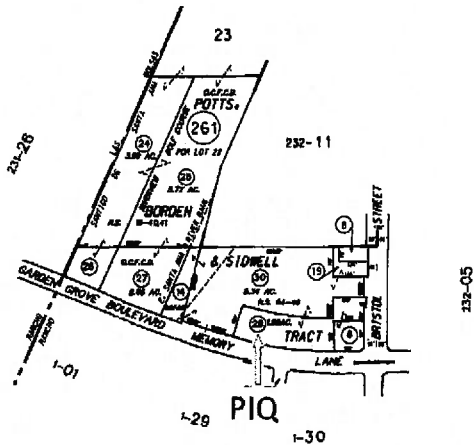
By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information by us in compliance with this Privacy Notice. Amendments to the Privacy Notice will be posted on the Website. Each time you provide information to us, or we receive information about you, following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

Accessing and Correcting Information; Contact Us

If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing with our affiliates for their marketing purposes, please send your requests to privacy@fnf.com or by mail or phone to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer
(888) 934-3354

THIS MAP WAS PREPARED FOR ORANGE
COUNTY ASSESSOR'S OFFICE, PURPOSES ONLY.
THE ASSESSOR MAKES NO WARRANTY AS TO
THE ACCURACY NOR ASSUMES ANY LIABILITY
FOR ANY LOSS OR INJURY TO BE INCURRED
BY ANYONE USING THIS MAP.
© COPYRIGHT ORANGE COUNTY ASSESSOR 1988



002-26

1" = 300'

MARCH 1961

POTTS, BORDEN & SIDWELL TRACT L.A. 1-83

NOTE - ASSESSOR'S BLOCK &
PARCEL NUMBERS
SHOWN IN CIRCLES

ASSESSOR'S MAP
BOOK 002 PAGE 26
COUNTY OF ORANGE

* PRIVATE STREET



This map is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of life insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

ATTACHMENT 1

This declaration is made with the intention that Commonwealth Land Title Company and Commonwealth Land Title Insurance Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on ____ at _____.

Signature: _____

Signature: _____

R307513.03
04-06-18
Revised
04-12-18

EXHIBIT "A"
LEGAL DESCRIPTION
RIGHT-OF-WAY ACQUISITION
A.P. NO. 002-261-29

That portion of Lot 25 of the Potts Borden and Sidwell Tract, in the City of Santa Ana, County of Orange, State of California, as shown on a map filed in Book 4, Page 624 of Miscellaneous Records, in the office of the County Recorder of the County of Los Angeles, California, and more particularly shown on Record of Survey filed in Book 64, Page 46 of Records of Survey, in the office of the County Recorder of said Orange County, described as follows:

Commencing at the Easterly terminus of that certain course in the Northerly Right-of-Way line of Memory Lane, shown as having a bearing and distance of "N 89°57'30" W 70.12' " on said Record of Survey; thence along said Northerly Right-of-Way line North 89°03'28" West 17.74 feet; thence leaving said Northerly Right-of-Way line North 45°57'17" East 37.96 feet to a line parallel with and 61.00 feet Westerly of the centerline of Bristol Street as shown on said Record of Survey; thence along said parallel line North 01°09'50" East 108.17 feet to a point on a line being parallel with and 185.00 feet Northerly of the centerline of Memory Lane as shown on said Record of survey, said point being the TRUE POINT OF BEGINNING; thence leaving said parallel line North 01°09'50" East 115.06 feet to a point on that certain course shown as having a bearing and distance of "N 89°53'50" W 160.00' " on said Record of Survey; thence along said line South 88°58'50" East 11.00 feet to the Westerly Right-of-Way line of Bristol Street as described as Parcel 2 in that certain Grant Deed recorded October 7, 1985, as Instrument No. 85-382990, of Official Records in said office of the County Recorder; thence along said Westerly Right of Way line and continuing along the Westerly Right of Way line of said Bristol Street as shown on said Record of Survey South 01°09'50" West 115.05 feet to last said parallel line; thence leaving said Westerly Right of Way line along said parallel line North 89°03'28" West 11.00 feet to the TRUE POINT OF BEGINNING.

Containing an area of 1,266 square feet, more or less.

Subject to covenants, conditions, reservations, restrictions, rights-of-way and easements, if any, of record.

EXHIBIT "A"
LEGAL DESCRIPTION-CONTINUED
RIGHT-OF-WAY ACQUISITION
A.P. NO. 002-261-29
PAGE 2

R307513.03
04-06-18
Revised
04-12-18

All as shown on Exhibit "B" attached hereto and by this reference made a part hereof.



JEFFREY J. LENHERR, PLS 9305





POTTS BORDEN AND SIDWELL TRACT

R.S.B. 64 / 46

LOT 25
M.R.L.A. 4 / 624

A.P.N. 002-261-29

(XXX) INDICATES RECORD DATA PER R.S.B. 64/46



REVISED: 4/12/18

HUITT-ZOLLARSHuitt-Zollars, Inc. Irvine
2603 Main Street, Suite 400, Irvine, CA 92614
Phone (949) 988-5815 Fax (949) 988-5820

APPROVED BY

4/13/18

SKETCH TO ACCOMPANY
A LEGAL DESCRIPTION**EXHIBIT 'B'**
RIGHT OF WAY
ACQUISITION
A.P.N. 002-261-29

SCALE 1"=50'

DRAWN BY DWM

CHECKED BY J.J.L.

DATE 4/6/2018

JOB NO. R307513.03

R307513.03

04-06-18

Revised

04-12-18

EXHIBIT "A"
LEGAL DESCRIPTION
TEMPORARY CONSTRUCTION EASEMENT
A.P. NO. 002-261-29

That portion of Lot 25 of the Potts Borden and Sidwell Tract, in the City of Santa Ana, County of Orange, State of California, as shown on a map filed in Book 4, Page 624 of Miscellaneous Records, in the office of the County Recorder of the County of Los Angeles, California, and more particularly shown on Record of Survey filed in Book 64, Page 46 of Records of Survey, in the office of the County Recorder of said Orange County, being a strip of land, 5.00 feet in width, the Southeasterly and Easterly lines of said strip described as follows:

Commencing at the Easterly terminus of that certain course in the Northerly Right-of-Way line of Memory Lane, shown as having a bearing and distance of "N 89°57'30" W 70.12' " on said Record of Survey; thence along said Northerly Right-of-Way line North 89°03'28" West 17.74 feet; thence leaving said Northerly Right-of-Way line North 45°57'17" East 37.96 feet to a line parallel with and 61.00 feet Westerly of the centerline of Bristol Street as shown on said Record of Survey; thence along said parallel line North 01°09'50" East 108.17 feet to a point on a line being parallel with and 185.00 feet Northerly of the centerline of Memory Lane as shown on said Record of survey, said point also being the TRUE POINT OF BEGINNING; thence leaving said parallel line North 01°09'50" East 65.17 feet to a point hereinafter referred to as Point "A"; thence continuing North 01°09'50" East 29.22 feet to a point hereinafter referred to as Point "B"; thence continuing North 01°09'50" East 20.67 feet to a point on that certain course shown as having a bearing and distance of "N 89°53'50" W 160.00' " on said Record of Survey, said point being the Point of Terminus.

Said strip of land is 5.00 feet wide from the TRUE POINT OF BEGINNING to said Point "A"; 17.77 feet wide from said Point "A" to said Point "B"; and 5.00 feet wide from said Point "B" to said Point of Terminus.

The Westerly line of said strip of land to be lengthened or shortened so as to originate in said line being parallel with and 185.00 feet Northerly of said centerline of Memory Lane and to terminate in said line having a bearing and distance of "N 89°53'50" W 160.00' ".

Containing an area of 948 square feet, more or less.

Subject to covenants, conditions, reservations, restrictions, rights-of-way and easements, if any, of record.

EXHIBIT "A"
LEGAL DESCRIPTION-CONTINUED
TEMPORARY CONSTRUCTION EASEMENT
A.P. NO. 002-261-29
PAGE 2

R307513.03
04-06-18
Revised
04-12-18

All as shown on Exhibit "B" attached hereto and by this reference made a part hereof.



JEFFREY J. LENHERR, PLS 9305





POTTS BORDEN AND SIDWELL TRACT

R.S.B. 64 / 46

A.P.N.
002-261-29

LOT 25

N89°03'28"W

M.R.L.A. 4 / 624

185'

N'LY RIGHT OF WAY
LINE MEMORY LANE(N89°57'30"W
70.12')

N89°03'28"W

☪ MEMORY LANE

P.O.T.

50'

N88°58'50"W 160.00'
(N89°53'50"W 160.00')

17.77'

29.22'

20.67'

POINT 'B'

POINT 'A'

948
SQ. FT.

65.17'

223.23'

T.P.O.B.

108.17'

5'

11'

50'

61'

W'LY RIGHT OF WAY
LINE BRISTOL STREET

N01°09'50"E

☪ BRISTOL STREET

N45°57'17"E
37.96'

P.O.C.

N89°03'28"W
17.74'(XXX) INDICATES RECORD
DATA PER R.S.B. 64/46

REVISED 4/12/18

HUITT-ZOLLARSHuitt-Zollars, Inc. Irvine
2603 Main Street, Suite 400, Irvine, CA 92614
Phone (949) 988-5815 Fax (949) 988-5820

APPROVED BY

4/13/18

SKETCH TO ACCOMPANY
A LEGAL DESCRIPTION**EXHIBIT 'B'**
TEMPORARY
CONSTRUCTION EASEMENT
A.P.N. 002-261-29

SCALE 1"=50'

DRAWN BY DWM

CHECKED BY J.J.L.

DATE 4/6/2018

JOB NO. R307513.03

STATEMENT OF VALUE AND SUMMARY OF THE BASIS FOR APPRAISAL
Code of Civil Procedures § 1255.010(b)

THE AMOUNT ESTABLISHED AS JUST COMPENSATION
Government Code § 7267.2(a)

OWNERSHIP

Rim Pacific Investors Portofino, LLC

The following is a Statement of Value and Summary of the Basis for Appraisal and the Amount that the client established as Just Compensation ("Summary") required by the California Eminent Domain Law. The appraisal on which this summary is based was made in connection with establishing the amount of compensation as required by Code of Civil Procedure section 1255.010(b). The appraisal on which this summary is based was made in accordance with accepted appraisal principles, consistent with California Valuation Law. A statement and summary described the basis for the appraisal from which the client established compensation. There follows the Statement of Value and Summary of the Basis for Appraisal and the Amount Established as Just Compensation ("Summary"):

BASIS OF VALUATION

The fair market value is based upon an appraisal prepared in accordance with accepted appraisal principles and methodologies.

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.

Section 1263.330 provides that the fair market value shall not include an increase or decrease in the value attributable to the project for which the property is to be acquired.

The appraisal will be used in negotiations with the property owner for the possible partial acquisition of the larger parcel as part of the Bristol Street and Memory Lane Intersection Improvements Project.

DESCRIPTION OF THE LARGER PARCEL

Ownership:	Rim Pacific Investors Portofino, LLC
Location:	2702 N. Bristol Street, Santa Ana, California 92709
Assessor's Parcel No.:	002-261-29
Date of Value:	March 1, 2021
Property Rights Appraised:	Fee simple
Site Area:	Approximately 81,893 square feet, or 1.88 acres, according to the Assessor's Map.
Zoning:	The parcel is zoned SD-27 a Specific Development designation allowing for a development as described by the document approved by City Council in 1985. The development allows for 84 residential units and sets forth details as to the required unit breakdown, landscaping, and building height and setbacks.
Present Use:	Multi-family residential
Highest and Best Use:	The highest and best use is the existing use.
Improvements:	It is improved with a 64-unit apartment complex. It was constructed in 1986 and is in good condition for its age.
Description of Acquisition:	The project as proposed includes two acquisitions: one fee acquisition, and one temporary construction easement. According to the engineering map and legal description provided, the fee acquisition will be 1,266 square feet, and the proposed temporary construction easement will encumber 948 square feet. The temporary construction easement duration is reported to be twelve months. The acquisitions are located along the eastern border of the property along N. Bristol Street.

Sales Comparison Approach – Land Value

To develop an opinion of the subject's land value, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties.

Our sales research focused on transactions within the following parameters:

- Location: Orange County
- Size: No limitations
- Use: Multi-family Residential
- Transaction Date: January 2017 to present

For this analysis, we use price per square foot as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. Very few land sales were found that are similar to the larger parcel in terms of size and signalized corner location.

Land Value Conclusion

The preceding analysis indicates a value within an adjusted range of \$53.18 to \$90.52 per square foot. The subject larger parcel is typical for most properties in the area. A value above Land Sale No. 2, but below Land Sale No. 4 is considered appropriate for the larger parcel. Our opinion of the fair market unit value of the fee simple interest in the underlying land of the larger parcel, as of the date of this report, is **\$70.00** per square foot

Land Valuation Array		
Item No.	Overall Comparability	Cumulative Adjusted Price Per Square Foot
3	Superior	\$90.52
4	Superior	\$73.20
	LARGER PARCEL	\$70.00
2	Inferior	\$54.46
1	Inferior	\$53.18

We concluded at a land value of \$80.00 per square foot, as follows:

Land Value Conclusion		
Indicated Value per Square Foot		\$70
Subject Square Feet		81,893
Indicated Value		\$5,732,496

Sales Comparison Approach - Improvements

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply this approach are:

- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

To apply the sales comparison approach, we searched for sale transactions within the following parameters:

- Property Type: Multi-family residential
- Size: More than 25 units
- Location: Throughout Orange County
- Age/Quality: No limitations
- Transaction Date: January 2018 through the effective date

For this area of the subject, we use price per unit as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis.

Value Indication

Before adjustment, the sales reflect a range of \$235,769 - \$311,389 per unit. After adjustment, the range is narrowed to \$238,127 - \$281,028 per unit, with an average of \$264,397 per unit. All of the comparables are considered generally similar to the subject. We arrive at a value indication as follows:

Value Indication by Sales Comparison	
Indicated Value per Unit	\$275,000
Subject Units	64
Indicated Value	<u>\$17,600,000</u>

Income Capitalization Approach

The income capitalization approach converts anticipated economic benefits of owning real property into a value estimate through capitalization. The steps taken to apply the income capitalization approach are:

- Analyze the revenue potential of the property.
- Consider appropriate allowances for vacancy, collection loss, and operating expenses.
- Calculate net operating income by deducting vacancy, collection loss, and operating expenses from potential income.
- Apply the most appropriate capitalization method, either direct capitalization or discounted cash flow analysis, or both, to convert anticipated net income to an indication of value.

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate.

In this analysis, we use only direct capitalization because investors in this property type typically rely more on this method.

Direct Capitalization Analysis			
		Annual	\$/Unit
INCOME			
Rental Income		\$1,333,500	\$20,836
Expense Reimbursements		\$60,000	\$938
Other Income		\$10,800	\$169
Potential Gross Income		\$1,404,300	\$21,942
Vacancy & Collection Loss	5.00%	-\$70,215	-\$1,097
Effective Rental Income		\$1,334,085	\$20,845
Effective Gross Income		\$1,334,085	\$20,845
EXPENSES			
Real Estate Taxes		\$208,019	\$3,250
Insurance		\$9,600	\$150
Utilities		\$64,000	\$1,000
Repairs/Maintenance		\$48,000	\$750
Painting & Decorating		\$9,600	\$150
Payroll/Benefits		\$96,000	\$1,500
Advertising & Marketing		\$6,400	\$100
General/Administrative		\$13,341	\$208
Management	3.00%	\$40,023	\$625
Replacement Reserves		\$32,000	\$500
Total Expenses		\$526,982	\$8,234
NET OPERATING INCOME		\$807,103	\$12,611
Capitalization Rate		4.50%	
Indicated Value		\$17,935,613	\$280,244
Rounded		\$17,935,000	\$280,234

Reconciliation and Conclusion of Value

The values indicated by our analyses are as follows:

Summary of Indicated Values - Before Condition	
Cost Approach	Not Used
Sales Comparison Approach	\$17,600,000
Income Capitalization Approach	\$17,935,000
Reconciled	\$17,935,000

Valuation of the Parts Acquired

The subject's larger parcel is impacted by two proposed acquisitions: a fee acquisition and a temporary construction easement.

Fee Acquisition

The area to be acquired for the proposed fee acquisition is 1,266 square feet. This area will be acquired in fee; the property owner will lose all rights to this area and the full fee value of the acquisition area is indicated.

Fee Acquisition					
Assesor's Parcel Number	Area	Land Value (\$/SF)	Land Value		Indicated Value
002-261-29	1,266	\$70	\$88,620	100%	\$88,620

Site Improvements within the Acquisition Area

The area to be acquired for the fee acquisition is improved landscaping. The site improvements will not be protected in place or replaced as part of the project. The estimate of the replacement cost new of the improvements is based on the Marshall Valuation Service guide published by Marshall & Swift.

The estimated replacement cost new for the improvements in the acquisition area is calculated as shown in the following table.

Valuation of Site Improvements				
Site Improvement	Area (Number)	Unit	Unit Value*	Replacement Cost New
Large Trees	4	Qty	\$4,364.06	\$17,456
Small Trees	2	Qty	\$514.50	\$1,029
Irrigated Landscaping	825	Qty	\$11.81	\$9,745
Concrete Curbing	11	SF	\$25.92	\$285
Concrete Block Wall	20	SF	\$17.52	\$350
Metal Fencing	280	SF	\$30.19	\$8,453
Asphalt Driveway	215	SF	\$4.16	\$895
				\$38,213
Add Indirect Costs @ 15%				\$5,732
Subtotal				\$43,945
Add Entrepreneurial Profit @ 15%				\$6,592
Total Replacement Cost New				\$50,537
Rounded				\$50,537

*Source: Marshall Valuation Service; Includes local and current multipliers

** Minor differences in calculations due to Excel rounding

Value of the Remainder as a Portion of the Whole

The valuation of the remainder parcel after the partial acquisition and the construction of the project in the manner proposed presumes a hypothetical condition. This is because, as of the effective date of value of this report, the partial acquisition has not yet been acquired or severed from the larger parcel and the project has not commenced construction. Project information received from the client has been relied on in analyzing the impact the proposed project will have on the remainder parcel in the "after" condition. The use of a hypothetical condition may have affected the assignment results.

Valuation of the remainder parcel as part of the whole is measured by subtracting the value of the part acquired from the larger parcel value, as follows:

Remainder as a Portion of the Whole	
Value of the Larger Parcel (Land Only)	\$5,732,496
Less: Permanent Acquisition (Land Only)	-\$88,260
Remainder as a Portion of the Whole	\$5,644,236

The figure above is useful for comparison purposes, with the value of the remainder in the after condition, as the method for estimating damages to the remainder.

Value of the Remainder in the After Condition Before Considering Benefits

In the after condition, the subject property will continue to function as a 64-unit apartment complex. The 81,893 square feet of land area that existed in the before condition will be reduced to 80,627 square feet in the after condition. Compensation for the permanent acquisitions was previously concluded.

One parking space will be lost due to its proximity to the new right of way. Some curative work will need to be done to re-establish the landscaping and fencing as well as the conversion of the parking stall to a landscaped set back area. As part of the project, the City will install a retaining wall along the sloping portion of the property, which is adjacent to the apartment units.

The six apartment units along Bristol Street will lose screening and be substantially closer to the public right of way in the after condition. A survey of eight apartment complexes in the area was made to determine if a rental reduction would result due to the proximity of the street. The majority of the property managers indicated no reduction in rent due to little or no vacancy in their complexes. One property manager reports that there is a \$45 per month differential in rent between interior and street-facing units. As such, a \$45 per month rent reduction will be made for the six units facing Bristol Street in the after condition.

Also, one guest parking space will be permanently lost in the after condition. Extra parking spaces at the subject may be rented for \$50 per month. A deduction to income will be made in the direct capitalization analysis due to this loss in parking.

The value of the remainder is based on the revised income and expenses data concluded in the income approach to value previously (*except for real estate taxes which adjust based on different values*). The value conclusion remains similar on a price per square foot basis in both the “before” and “after” conditions. Calculations are shown below:

Direct Capitalization Analysis - After Condition			
		Annual	\$/Unit
INCOME			
Rental Income		\$1,330,260	\$20,785
Expense Reimbursements		\$60,000	\$938
Other Income		\$10,750	\$168
Potential Gross Income		\$1,401,010	\$21,891
Vacancy & Collection Loss	5.01%	-\$70,215	-\$1,097
Effective Rental Income		\$1,330,795	\$20,794
Effective Gross Income		\$1,330,795	\$20,794
EXPENSES			
Real Estate Taxes		\$207,394	\$3,241
Insurance		\$9,600	\$150
Utilities		\$64,000	\$1,000
Repairs/Maintenance		\$48,000	\$750
Painting & Decorating		\$9,600	\$150
Payroll/Benefits		\$96,000	\$1,500
Advertising & Marketing		\$6,400	\$100
General/Administrative		\$13,341	\$208
Management	3.01%	\$40,023	\$625
Replacement Reserves		\$32,000	\$500
Total Expenses		\$526,357	\$8,224
NET OPERATING INCOME		\$804,438	\$12,569
Capitalization Rate		4.50%	
Indicated Value		\$17,876,391	\$279,319
Rounded		\$17,880,000	\$279,375

Severance Damages

California Eminent Domain Law defines Damage to the remainder as the damage, if any, caused by either or both of the following: a) The severance of the remainder from the part acquired, b) The construction and use of the project for which the property is acquired in the manner proposed by the plaintiff whether or not the damage is caused by a portion of the project located on the part acquired.

Damage considerations include issues related to air, light, and view obstruction, a change in utility due to shape, topography, access, or other physical impairment, or a reduction in site amenities enjoyed in the "before" condition.

In the after condition, the shape and utility will not change in the after condition once the curative work is completed. However, the units along Bristol Street appear to be impacted due to its closer location to the units, which may impact their market appeal. Damages are shown, as follows:

Severance Damages	
Value of the Remainder as Part of the Whole	\$17,935,613
Value of the Remainder in the After Condition	\$17,876,391
Severance Damages	\$59,222

Value of the Remainder in the After Condition After Considering Benefits

Briefly stated, benefits are defined as any value enhancement resulting from the project. As cited in Los Angeles County Metropolitan Transit Agency v. Continental Development Corporation, 97 Daily Journal D.A.R. 11021, “...all reasonably certain, non-speculative benefits resulting from the project may offset against severance damages...”

Although the community in general may benefit from the proposed project, we have found no evidence of benefits accruing to the Remainder in the “After” condition.

The construction of the project in the manner proposed may bring benefits to the area in the form of traffic allowance and safety, and, hence, value enhancement; however, at this time, such benefits are not quantifiable. The value of the remainder in the after condition after considering benefits is not changed from the value of the remainder in the after condition before considering benefits; thus, no benefits are shown, as follows:

Benefits	
Remainder in the After Condition After Considering Benefits	\$17,876,391
Remainder in the After Condition Before Considering Benefits	\$17,876,391
Benefits	\$0

Fair Market Value of Temporary Construction Easement

A temporary construction easement is proposed to allow for the construction of the project as proposed. A review of the proposed agreement to assess the degree of encumbrance on the property was completed to ascertain which rights the fee owner retains. The impact on value may be a function of the loss of utility, access and use rights to be transferred and the obligations of the parties during the construction period.

The TCE is intended to allow the contractor onto the site to complete construction-related activities. The presence of the proposed TCE appears to restrict the normal use of the area by the owner and a ground rent equivalent to 100% of the market ground rental rate is indicated.

A temporary construction easement (TCE) reflects a transaction equivalent to a rental of the land for the period of construction. It can be evaluated based on negotiated land rental transactions, or (in the absence of directly relevant market transactions) a rate of return may be applied to the value of the underlying land. In this appraisal, we have relied on the latter.

The value of the subject land encumbered by the TCE is expressed as the value per square foot based on the unit value of the larger parcel. As previously discussed, it is our opinion that the fee value of the subject land is at a unit rate of \$70.00 per square foot.

An application of the appropriate value per square foot is applied to the concluded rate of return for the land area affected by the temporary construction easement. For the area affected by the TCE, the indicated fee value of the land rental component is calculated in the following table.

Temporary Construction Easement (Land Rental Component)							
Assessor's Parcel Number	Area	Land Value (\$/SF)	TCE Land Value	Annual Rate of Return	Annual TCE Value	Duration (Years)	Indicated Value
002-261-29	948	\$70	\$66,360	10%	\$6,636	1	\$6,636

Site Improvements within the TCE area

The compensation for site improvements located within the acquisition areas will be protected in place or replaced as part of the project.

Temporary Impacts

A temporary construction easement is required for the reconstruction and widening of the existing right of way. The site will be graded and compacted to restore it to a condition that is as functionally equivalent as is practicable to its condition before commencement of the construction activities. The acquisitions do not adversely affect the utility, desirability, marketability, or highest and best use after construction is completed. However, an analysis of possible adverse impacts during the construction period is made.

The temporary construction easement will encumber the property for a 12-month. According to the client, access to the temporary construction easement area will be from the public right-of-way. Reasonable pedestrian and vehicular access to the property shall be maintained at all times.

The six units facing Bristol Street and two guest parking spaces will be impacted during construction. During this time, a 20% rent reduction for the two-bedroom units (\$375 per unit per month) and parking spaces (\$50 per space per month) impacted by the construction is estimated based on the market rental rate concluded previously in the Income Approach. Calculations are as follows:

Valuation of Temporary Impacts			
Units	Duration (Months)	Rent Loss / Month	Rent Loss
6	12	\$375.00	\$27,000
2	12	\$50.00	\$1,200
Total			\$28,200

The total value of the TCE is calculated as follows:

Temporary Construction Easement - Total Value	
Item	Indicated Value
Land Rental Component	\$6,636
Temporary Impacts	\$28,200
Fair Market Value of TCE	\$34,836

Reconciliation and Conclusion of Value

On the preceding pages we have developed opinions concerning the larger parcel and the components of it which are relevant to the parts acquired and temporary impacts. The following valuation summary presents our conclusions of the total fair market value of all property rights proposed for acquisition from the larger parcel.

Valuation Summary

Date of Value: March 01, 2021

	Valuation Opinions	Value of Property Rights to be Acquired
Permanent Property Rights		
Value of Larger Parcel (Land Only)	\$5,732,496	
Value of the Fee Acquisition	\$88,260	
Value of the Site Improvements	\$50,537	
Permanent Parts Acquired	\$139,157	\$139,157
Value of the Remainder as Portion of the Whole (Land Only)	\$5,644,236	
Value of the Remainder in the After Condition (Land Only)	\$5,644,236	
Severance Damages	\$59,722	
Benefits	\$0	
Net Severance Damages	\$59,722	\$59,722
Fair Market Value of Permanent Property Rights Acquired		\$198,879
Temporary Property Rights		
Value of Temporary Construction Easement (TCE) - Land Only	\$6,636	
Value of Site Improvements within Acquisition Area (P-I-P)	\$0	
Temporary Impacts	\$34,836	
Total Value of Temporary Construction Easement	\$41,472	\$41,472
Total Fair Market Value of Proposed Acquisition		\$240,351
Rounded		\$241,000

The above is a summary of my appraisal prepared at the request of, and to be used by, the client to comply with Code of Civil Procedure Section 1255.010(b). My appraisal is the basis for this summary and was made in accordance with accepted appraisal principles, consistent with California Valuation Law. Stephanie L. Kavanaugh, Certified General Real Estate Appraiser, Certificate No. AG030565, provided assistance in this assignment.

BY:

A handwritten signature in blue ink, reading "J. Richard Donahue". The signature is cursive and fluid, with a long horizontal stroke at the end.

J. Richard Donahue, MAI, FRICS
Certified General Real Estate Appraiser
Certificate No. AG008427
Expiration Date: April 12, 2021

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	\$/SF Land
1	9861 11th Street Garden Grove Orange County CA	Jan-20 Closed	\$4,075,000	76,630 1.76	R3- Multi- family Residential	\$53.18
<p><i>Comments: This is the sale of a 1.76-acre or 76,630-square foot parcel located at 9861 11th Street in the city of Garden Grove. The site is rectangular, characterized by level topography and is served by electric, water, gas, sewer and telephone utilities. The parcel is zoned R3, Multifamily Residential, by the City of Garden Grove. The property was not listed for sale at the time the seller contacted the buyer, which owned a convalescent home on the property. The buyer obtained entitlements for multifamily development and demolished the convalescent home, at their cost, prior to the close of escrow. The seller indicated the sale price had been set at \$4,000,000 based on capitalizing the net operating income of the existing convalescent home tenant at a 7.5% OAR, with the provision that the sale price would be reduced by \$50,000 for each unit of the buyer's proposed site plan not approved for development. The recorded sale price was \$3,550,000. The buyer indicated that they were also required to pay a \$525,000 fee, to a party that had contracted to purchase the property, for assignment rights to purchase the property. The buyer's effective acquisition price was \$4,075,000, which is equivalent to \$53.18 per square foot or \$131,452 per proposed unit.</i></p>						
2	2025 E Orangewood Ave 2050 E. Orangewood Avenue Anaheim Orange County CA	Aug-19 Closed	\$32,000,000	599,386 13.76	I, Industrial; PTMU Platinum Triangle Mixed Use	\$53.39
<p><i>Comments: The redevelopment site, which includes a vacant 106,000-square-foot industrial building on 5.03 acres and an additional 9.04 acres, sold for \$32 million. Unfortunately we were unable to reach the buyer for comment. The seller, a Hong Kong based developer, had reported earlier that they would be redeveloping the land just south of the Angel Stadium. It's been reported that the buyer plans on a mixed-use development with a hotel, grocery and residential component and are still talking with the city.</i></p>						
3	15162-15182 Jackson St 15162 -15182 Jackson St Midway City Orange County CA	Jun-19 Closed	\$4,230,000	48,600 1.12	C2 - Gen. Commercial	\$87.04
<p><i>Comments: The broker involved confirmed a sale price of \$4,230,000. This was an investment. The buyer plans on building apartment units on site. Escrow took about 90 days. The property was previous improved, and required demolition prior to redevelopment of the site. No sale conditions were reported.</i></p>						
4	Central Park Villa 340-420 W. Central Ave. Brea Orange County CA	Apr-19 Closed	\$14,000,000	200,812 4.61	R3- Multi- family Residential	\$69.72
<p><i>Comments: This is the sale of a 4.61-acre or 200,812-square foot parcel located at 420 West Central Avenue in the city of Brea. Land uses within proximity include a business park of office/warehouse buildings, an office building, Memory Garden Memorial Park, a shopping center, and the Crestmont Estates mobile home park. The parcel is irregular in shape, characterized by level topography and is served by electric, water, gas, sewer and telephone utilities. The parcel, which is a part of the Central Park Village Master Plan, was entitled by the seller with a tract map for the development of 81 residential units, representing development density 17.6 units per acre.</i></p> <p><i>The property was sold in April 2019 at a sale price of \$14,000,000, which is equivalent to \$69.72 per square foot or \$172,840 per potential dwelling unit.</i></p>						
Subject				81,893	SD-27	
Rim Pacific Investors Portofino, LLC				1.88		
Santa Ana, CA						

Summary of Comparable Improved Sales

No.	Name/Address	Sale Date; Status	Yr. Blt.; # Stories; % Occ.	# Units; Rentable SF; Avg Unit SF	Sale Price	\$/Unit; \$/SF	NOI/Unit; NOI/SF; Exp. Ratio	Cap Rate
1	Park Downtown 1054 W. Santa Ana Blvd Santa Ana CA	Dec-20 In Contract	1985 3 98%	46 31,187 623	\$12,100,000	\$263,043 \$387.98	\$13,477 \$19.88 —	4.25%
<i>Comments: Park Downtown Luxury Apartments, is a forty six-unit multifamily property. It offers eight 2 bed / 2 bath units, thirty-seven 1 bed / 1 bath units, and one studio. The two- and three-story building is well maintained and has a beautifully landscaped front yard with grass, flowers, and plants. The complex is secured and gated with grade level parking. The property has multiple well-kept on-site laundry rooms for resident convenience. The units also have spacious private balconies. Thirty of the forty-six units have received renovations which include new granite counter tops, flooring, paint, and stainless-steel appliances.</i>								
2	Highland Apartments 1116-1120 Highland St Santa Ana CA	Oct-20 Closed	1986 3 100%	32 25,128 785	\$8,435,000	\$263,594 \$335.68	\$11,862 \$15.10 —	4.50%
<i>Comments: The 32-unit multifamily property sold for \$8,435,000 or about \$263,594 per unit. The community was fully occupied at time of sale and generating a 4.50% cap rate.</i>								
<i>The property features 22 two-bed/one-bath and 10 one-bed/one-bath. There are laundry facilities onsite and security system throughout. There were no reported sale conditions.</i>								
3	Bush Court Apartments 1407 N. Bush St Santa Ana CA	Aug-19 Closed	1987 5 92%	52 36,394 709	\$12,260,000	\$235,769 \$336.87	\$10,323 \$14.75 38%	4.38%
<i>Comments: The 52-unit Bush Court Apartments sold for \$235,769 per unit, with a mix of one and two bedroom units. The cap rate at time of sale was 4.77%. The seller had acquired the property in February 2019 for \$235.577 per unit and had to sell for personal reasons, and just wanted to break even on the sale.</i>								
4	Park Townhome Apts 510 E. Chestnut Ave Santa Ana CA	Aug-19 Closed	1987 3 100%	46 25,174 681	\$12,525,000	\$272,283 \$497.54	\$12,471 \$22.78 —	4.58%
<i>Comments: This is the sale of a 47 unit apartment complex with a mix of one bedroom and two bedroom units, that sold for \$272,283 per unit. A cap rate of 4.58% is reported based on the in place income at the time of sale. Approximately one-third of the units were renovated in 2019. Previous sale in August 2018 for \$266,489 per unit.</i>								
5	Park Midrise Luxury 518 E. Pine St Santa Ana CA	Jun-19 Closed	1986 3 100%	63 42,537 674	\$17,100,000	\$271,429 \$402.00	\$14,357 \$21.26 28%	5.29%
<i>Comments: This is the sale of a 63 unit apartment complex with a mix of studio, one bedroom and two bedroom units, that sold for \$271,429 per unit. A cap rate of 4.87% is reported based on the in place income at the time of sale. The broker reports that approximately one-third of the units had been renovated.</i>								
Subject			1986	64			\$12,525	
Rim Pacific Investors			2	49,848			\$16.08	
Santa Ana, CA			98%	779			37%	

SUMMARY STATEMENT ACCOMPANYING OFFER RELATING TO
ACQUISITION PROCEDURES FOR PURCHASE OF REAL PROPERTY OR AN
INTEREST THEREIN

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.

1. The holders of liens, deeds of trust or other security interests in your property and/or any leases or tenants of your property may be entitled to all or a portion of the consideration to be paid by the City of Santa Ana ("City") for your property in accordance with the particular contract(s) existing between you and the lien holder or lessee/tenant.

2. All buildings, structures, and other improvements affixed to the land described in the reference documents covering this transaction and owned by the grantor herein or, if applicable, owned by you as a tenant are not being conveyed unless other disposition of these improvements has been made. The interest acquired is fee title.

3. The amount determined to be just compensation was determined after consideration of an appraisal of the fair market value of the Parcel. The basis for the amount determined to be just compensation is summarized on the attached *Appraisal Summary Statement (Statement of Just Compensation)* and the amount of the Purchase Price:

- a. Is the full amount believed by the City to be just compensation for the property taken;
- 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 public improvement for which the property is to be acquired for such public improvement, other than that due to physical deterioration within the reasonable control of the owner or occupant; and
- d. Reflects the definition of "fair market value" as defined in Eminent Domain Law (California Code of Civil Procedure Section 1263.320) which 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

doing so, 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 will full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.”

- e. 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 public entity.
4. If you ultimately elect to reject the offer made by the City of Santa Ana 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.



ACQUISITION HANDBOOK

CITY OF SANTA ANA
Public Works Agency
20 Civic Center Plaza M-36
Santa Ana, CA 92702

Dear Property Owner:

Our State and Federal Constitutions recognize the need for public agencies to purchase private property for public use. The Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970 (Uniform Act), or similar State Legislation and eminent domain law of the State of California authorize purchase of private property for public use and ensure that owners of real estate (real property) to be acquired are treated fairly and consistently.

This Handbook provides a brief summary of the City's acquisition procedures and various laws it is not intended to give a complete statement of all state or federal laws and regulations pertaining to the purchase of your property for a public use, technical legal definitions or any form of legal advice. Recipients of offer letters from the City should be aware that such laws and procedures are subject to change by future legislation and/or court decisions.

In the event the City decides to proceed with the proposed acquisition, City's acquisition consultant will contact you.

TABLE OF CONTENTS

	<u>PAGE</u>
WHY IS MY PROPERTY REQUIRED?	1
WHAT RIGHT DOES THE CITY HAVE TO ACQUIRE MY PROPERTY?	1
WHO MAKES THE DECISION TO BUY MY PROPERTY?	1
HOW WILL THE CITY DETERMINE HOW MUCH TO OFFER ME FOR MY PROPERTY?	1
WHAT IS FAIR MARKET VALUE?	1
HOW DOES AN APPRAISER DETERMINE THE FAIR MARKET VALUE OF MY PROPERTY?	2
WILL I HAVE A CHANCE TO TALK TO THE APPRAISER?	2
ONCE THE CITY DETERMINES THAT MY PROPERTY IS NECESSARY FOR A PUBLIC PROJECT, HOW SOON WILL THE CITY GIVE ME A WRITTEN PURCHASE OFFER?	2
WHAT IS IN THE CITY'S STATEMENT OF THE BASIS FOR ITS DETERMINATION OF JUST COMPENSATION?	2
CAN I GET AN APPRAISAL?	3
MUST I ACCEPT THE CITY'S INITIAL OFFER?	3
MAY I HAVE SOMEONE REPRESENT ME DURING NEGOTIATIONS?	3
IF I AGREE TO ACCEPT THE CITY'S OFFER, HOW SOON WILL I BE PAID?	4
WHAT HAPPENS IF I DO NOT AGREE TO THE FINAL PURCHASE OFFER?	4
WHAT HAPPENS IF THE CITY CONDEMNNS MY PROPERTY?	4
WHAT IS AN ORDER OF POSSESSION?	4
WILL I HAVE TO PAY ANY SETTLEMENT COSTS?	5
MAY I KEEP ANY OF THE BUILDINGS OR OTHER IMPROVEMENTS ON MY PROPERTY?	5
CAN THE CITY TAKE ONLY A PART OF MY PROPERTY?	6
WILL I HAVE TO PAY RENT TO THE CITY AFTER MY PROPERTY IS ACQUIRED?	6
HOW SOON MUST I MOVE?	6
AM I ENTITLED TO RECOVER LOSS OF BUSINESS GOODWILL?	6
I AM A VETERAN, HOW ABOUT MY GI LOAN?	7
MY PROPERTY IS WORTH MORE NOW THAN WHEN I BOUGHT IT. MUST I PAY CAPITAL GAINS TAX ON THE INCREASE?	7
WHAT IF I HAVE OTHER QUESTIONS ABOUT THE PROCESS?	7

WHY IS MY PROPERTY REQUIRED?

The City of Santa Ana, Public Works Agency (the City), has determined that your property may be required for the improvements of Warner Street.

WHAT RIGHT DOES THE CITY HAVE TO ACQUIRE MY PROPERTY?

Every public agency has certain powers that are necessary for it to operate effectively. For example, States have the power to levy taxes and the power to maintain order. Another power is the power to acquire private property for public purposes. This is known as the power of the eminent domain.

The rights of each of us are protected by the Fifth and Fourteenth Amendments of the U.S. Constitution, the State Constitution and eminent domain laws which guarantee that if a public agency takes private property it must pay "just compensation" to the owner.

Further, under the California Government Code and Title 25 of the California Code of Regulations, the owner has additional protections, some of which are explained in this brochure.

WHO MAKES THE DECISION TO BUY MY PROPERTY?

The decision to acquire specific property for a public project usually involves many persons and many decisions. The final decision to proceed with a project is made by the Santa Ana City Council after a thorough review that includes public hearings to obtain the views of interested citizens.

HOW WILL THE CITY DETERMINE HOW MUCH TO OFFER ME FOR MY PROPERTY?

Before making you an offer, the City will obtain an appraisal of your property. A qualified, licensed, professional appraiser who is familiar with local property values will do the appraisal. The appraiser will inspect your property and state his or her professional opinion of its current fair market value in an appraisal report.

The City is required to offer you "just compensation" for your property. This amount cannot be less than the fair market value of your property, as determined by the City on the basis of its approved appraisal.

WHAT IS FAIR MARKET VALUE?

The fair market value of real property being taken for a public project 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.

HOW DOES AN APPRAISER DETERMINE THE FAIR MARKET VALUE OF MY PROPERTY?

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

- How it 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.
- How much rental income it could produce after expenses and how investors typically value that income.

WILL I HAVE A CHANCE TO TALK TO THE APPRAISER?

YES. You must be contacted and given the opportunity to accompany the appraiser on the inspection of your property. You may then inform the appraiser of any special features that you believe may add to 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 insure that nothing of allowable value will be overlooked. If you prefer, you may designate a representative in writing for this purpose.

ONCE THE CITY DETERMINES THAT MY PROPERTY IS NECESSARY FOR A PUBLIC PROJECT, HOW SOON WILL THE CITY GIVE ME A WRITTEN PURCHASE OFFER?

The timing of a purchase offer depends on the following factors:

- The amount of work required to appraise your property,
- The availability of funding; and
- Possible project delays caused by factors outside the control of the City.

Typically, when there are no funding issues or other project delay factors, you can expect a written purchase offer within 60 days of completion of the appraisal. The appraisal for business or industrial property can take several months to complete due to the much greater complexity involved.

The City will give you a written offer to acquire your property for the full amount determined to be just compensation, and it will do so promptly. Along with the offer you will receive a written statement explaining the basis for the determination of just compensation. The City will not initiate negotiations until the purchase offer is sent out and your receipt of the offer is acknowledged.

WHAT IS IN THE CITY'S STATEMENT OF THE BASIS FOR ITS DETERMINATION OF JUST COMPENSATION?

The City's "statement of the basis for its determination of just compensation" will be provided to you with the written purchase offer. Among other things, this statement will include:

- The recognized definition of the term "fair market value" or the equivalent term.

- The date of valuation, highest and best use, and applicable zoning of property.
- An accurate description of the property to be acquired.
- A list of the improvements covered by the offer.
- The principal transactions, reproduction or replacement cost analysis, or capitalization analysis, supporting the determination of value.
- The amount of the offer.
- Where appropriate, the just compensation for the real property acquired and for damages to remaining real property shall be separately stated and shall include the calculations and narrative explanation supporting the compensation, including any offsetting benefits.
- An indication that the offer does not reflect any relocation payments or other relocation assistance that you may receive under other regulations.

CAN I GET MY OWN APPRAISAL?

YES. Pursuant to the California Code of Civil 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;

- You may order your own independent appraisal. Should you enter into a contract with the selected appraiser, the City will not be a party to the contract.
- The selected appraiser you select must be licensed with the California State Office of Real Estate Appraisers (OREA).
- At the time the City makes its offer to you, it will offer to pay you the reasonable cost, not to exceed \$5,000 of the cost of your independent appraisal.
- Appraisal cost reimbursement requests must be made in writing and submitted to the *City of Santa Ana, Public Works Agency, 20 Civic Center Plaza M-36, Santa Ana, CA 92702*, within ninety 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 appraisal 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. All appraisal costs must be reasonable and justifiable.

MUST I ACCEPT THE CITY'S INITIAL OFFER?

NO. You are entitled to present your evidence as to the amount you believe is the value of your property and to make suggestions for changing the terms and conditions of the offer. The City will make reasonable efforts to consider and respond to your evidence and suggestions (including an appraisal). When fully justified by the available evidence of value, the City may make a revised offer.

MAY I HAVE SOMEONE REPRESENT ME DURING NEGOTIATIONS?

YES. You may have an attorney or anyone else represent you during your negotiations with the City. If you choose to have representation during the negotiations, please so inform the City in writing. You will be responsible to pay the costs of any such representation.

IF I AGREE TO ACCEPT THE CITY'S OFFER, HOW SOON WILL I BE PAID?

If you and the City reach an agreement for the purchase of your property by the City and your ownership (title) is clear, payment to you will be made at a mutually acceptable time. Generally, you can expect to be paid in about ninety (90) days after the City signs the Purchase Agreement. If the title evidence obtained by the City indicates that further action is necessary to show that your ownership is clear, you may be able to hasten the payment by helping the City to obtain the necessary proof. (Title evidence is a legal record of ownership of the property. It identifies the owners of record and lists the restrictive deed covenants and recorded mortgages, liens and other instruments affecting your ownership of the property.)

WHAT HAPPENS IF I DO NOT AGREE TO THE FINAL PURCHASE OFFER BY THE CITY?

If you and the City are unable to reach an agreement through negotiations, the City will then either institute formal eminent domain (condemnation) proceedings to acquire the property or abandon its intention to acquire the property. In the latter case, the City will give you notice of its decision as provided by law.

WHAT HAPPENS IF THE CITY CONDEMNS MY PROPERTY?

The power of eminent domain may only be exercised if: 1) the public interest and necessity require the project; 2) 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 3) the property sought to be acquired is necessary for the project. Eminent domain proceedings are often referred to as condemnation actions. The City may only file a condemnation action after the adoption of a Resolution of Necessity by its Board of Directors. Such resolution must be adopted at a public hearing, of which the owner(s) of the property will receive written notice at least 15 days in advance of the hearing. After the hearing, assuming need and necessity has been substantiated and determined, the City can file a condemnation suit.

During the condemnation action, you will be provided an opportunity to introduce your evidence as to the value of your property. The City will have the same right. After hearing the evidence of all parties, the court or a jury will determine the amount of just compensation to which you are entitled.

In the State of California, a property owner and the City have a constitutional right to have a jury determine the value of the property in question. If the owner and the City decide to waive their right to a jury trial, a judge can determine just compensation.

To help you in presenting your case in a condemnation proceeding, you may wish to consider employing an attorney and an appraiser. However, the costs of these professional services and other costs that you incur in presenting your case to the court are your responsibility unless the court orders that you are to be reimbursed for your litigation expenses.

WHAT IS AN ORDER OF POSSESSION?

An order of possession is a process within a condemnation action that allows the City to have the possession of your property prior to a negotiated settlement or an award of just compensation in

court. This procedure is used typically where the possession of your property is necessary to accomplish timely construction of the project for which your property is being acquired.

To obtain an order of possession, the City must deposit with the court an amount not less than its appraisal of the fair market value of the property. Ordinarily, the owner or lessees are then permitted to withdraw their share of this amount, **LESS** any amounts necessary to pay off any mortgage or other liens on the property and sums necessary to resolve any special ownership problems. A withdrawal of the deposit by the property owner results in a waiver by the owner of the right to challenge the City's authority to take the property, but does not waive the owners right to seek additional compensation. Early withdrawal of your share of the money will not affect your right to seek additional compensation for your property. Should the negotiated settlement or court award exceed the amount deposited by the City, you will be paid the difference plus any interest and costs as provided by law.

WILL I HAVE TO PAY ANY SETTLEMENT COSTS?

If you and the City enter into an agreement for the City's purchase of your property, you will not be responsible for the reasonable and necessary costs of:

- Escrow fees and fees for other services typical in a real estate transaction, recording fees, transfer taxes and any similar expenses that are incidental to transfer ownership to the City.
- Penalty costs and other charges necessary to permit prepayment of an earlier recorded mortgage on the property that was entered into in good faith.
- Real property taxes covering the period after the City acquires your property.

Escrow or the City will identify these items in a Preliminary Closing Statement or equivalent to be given to you at the time of settlement. Ordinarily, if you have paid any of these expenses yourself, you will be repaid at that time. If you later discover other costs for which you should be repaid, you should request repayment from the City within six months after the acquisition. City will assist you in processing your claim for these costs.

If there are loans or other liens and encumbrances against the property, you will be responsible for paying them from the purchase price being paid to you by the City.

MAY I KEEP ANY OF THE BUILDINGS OR OTHER IMPROVEMENTS ON MY PROPERTY?

Sometimes improvements may exist on a property, which are not required by the City. If you wish to keep any of the improvements, please let your Acquisition Agent know. If you do arrange to keep any improvement(s), the City will deduct its salvage value from the purchase price you would otherwise receive. (The salvage value of an item is its probable selling price if offered for sale on the condition that the buyer will remove it at his or her own expense.) If you arrange to keep any improvement pertaining to the property, you will not be entitled to receive a relocation payment for the cost of moving it to a new location.

CAN THE CITY TAKE ONLY A PART OF MY PROPERTY?

YES. But, if the purchase of only a part of your property reduces the value of the remaining part(s), you must be paid for the loss in value (offset by any special benefits accruing to the remainder resulting from the new public improvements). Also, under those circumstances, if any remaining part would have little or no utility or value to you, the City will offer to buy that remaining part if you so desire.

WILL I HAVE TO PAY RENT TO THE CITY AFTER MY PROPERTY IS ACQUIRED?

If you (or your tenant) wish to remain in the property after acquisition for a short term or for a period subject to termination by the City on short notice, you will be required to sign a rental agreement or similar document. The rent will not exceed the lesser of the fair rental value of the property to a short-term occupier or the prorated portion of the fair rental value for a typical rental period.

However, the amount of rent to be paid by your or your tenant shall be within your financial means or your tenant's financial means, as the case may be.

HOW SOON MUST I MOVE?

If you reach a voluntary agreement to sell your property, you cannot be required to move before you receive the agreed purchase price. In the case of a condemnation, you cannot be required to move before the estimated fair market value of the property has been deposited with the court so that you can withdraw your share.

Every reasonable effort will be made to give you ample time to relocate after the acquisition of your property. In most cases, a mutually satisfactory arrangement can be worked out. You cannot be required to move without at least 90 days advance written notice of the date by which your move is required. In addition, if you are being displaced from your residence, a decent, safe and sanitary replacement property must be available before you can be required to move.

AM I ENTITLED TO RECOVER LOSS OF BUSINESS GOODWILL?

The offer of compensation made by the City does not include any consideration for loss of business goodwill, which may be claimed by an owner of a business if one is being conducted on the property or on the remainder if the property being acquired is part of a larger parcel.

Code of Civil Procedure Section §1263.510 Loss of Goodwill Compensation Basis:

- (a) The owner of a business conducted on the property taken, or on the remainder if such property is part of a larger parcel, shall be compensated for the loss of goodwill if the owner proves all of the following:
 - (1) The loss is caused by the taking of the property or the injury to the remainder.
 - (2) The loss cannot reasonably be prevented by relocation of the business or by taking steps and adopting procedures that a reasonably prudent person would take and adopt in preserving the goodwill.

(3) Compensation for the loss will not be included in payments under Section 7262 of the Government Code.

(4) Compensation for the loss will not be duplicated in the compensation otherwise awarded to the owner.

(b) Within the meaning of this article, "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

I AM A VETERAN, HOW ABOUT MY GI LOAN?

After your GI home mortgage loan has been repaid, you will be permitted to obtain another GI loan to purchase another property. Check on such arrangements with your nearest VA office.

MY PROPERTY IS WORTH MORE NOW THAN WHEN I BOUGHT IT. MUST I PAY CAPITAL GAINS TAX ON THE INCREASE?

In most cases when the City acquires real property by condemnation or the threat of condemnation, the property owner may defer the payment of Federal capital gains taxes on profit from the sale under certain circumstances.

Internal Revenue Service (IRS) Publication 544, "Sales and Other Dispositions of Assets" is available from the IRS. It explains how the Federal income tax would apply to a gain or loss resulting from the condemnation of real property or its sale under the threat of condemnation for public purposes.

To fully understand the income tax consequences relating to the condemnation of your property, you should consult with your personal tax advisor.

Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	6 City, state, and ZIP code	
7 List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number									
or									
Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

**Sign
Here**

Signature of
U.S. person ▶

Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)

- Form 1099-C (canceled debt)

- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ⁴
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

***Note.** Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.