

MAYOR  
Vicente Sarmiento  
MAYOR PRO TEM  
David Penaloza  
COUNCILMEMBERS  
Phil Bacerra  
Johnathan Ryan Hernandez  
Jessie Lopez  
Nelida Mendoza  
Thai Viet Phan



CITY MANAGER  
Kristine Ridge  
CITY ATTORNEY  
Sonia R. Carvalho  
CLERK OF THE COUNCIL  
Daisy Gomez

## CITY OF SANTA ANA

### PUBLIC WORKS AGENCY

20 Civic Center Plaza, M-36 • P.O. Box 1988  
Santa Ana, California 92702  
[www.santa-ana.org](http://www.santa-ana.org)

December 20, 2021

Via FedEx and email

Metro Star, LLC, A California limited liability company  
Attn: Mr. Cyress Jamalzadeh  
6802 Wish Avenue  
Van Nuys, CA 91406-4440

**SUBJECT: OFFER TO ACQUIRE PROPERTY INTERSTS AT:  
2702 North Bristol, Santa Ana, CA 92706  
APN: 002-261-06**

Dear Mr. Jamalzadeh,

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 Metro Star, LLC, a California Limited Liability Company, as the vested owner, Attachment 1. The City seeks to acquire a portion of your property and a six 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.

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 One Hundred Thirty-Five Thousand Dollars (\$135,000)**.

#### SANTA ANA CITY COUNCIL

Vicente Sarmiento  
Mayor  
[vsarmiento@santa-ana.org](mailto:vsarmiento@santa-ana.org)

David Penaloza  
Mayor Pro Tem, Ward 2  
[dpenaloza@santa-ana.org](mailto:dpenaloza@santa-ana.org)

Thai Viet Phan  
Ward 1  
[tphan@santa-ana.org](mailto:tphan@santa-ana.org)

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Ward 3  
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Nelida Mendoza  
Ward 6  
[nmendoza@santa-ana.org](mailto:nmendoza@santa-ana.org)

2702 North Bristol St  
Santa Ana, CA 92705  
December 20, 2021

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.

Please let us know prior to January 21, 2022 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.

2702 North Bristol St  
Santa Ana, CA 92705  
December 20, 2021

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 Mr. Kenny Nguyen at (714) 647-5632 or email at [KNguyen@Santa-Ana.Org](mailto:KNguyen@Santa-Ana.Org).

Sincerely,

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

Jason Gabriel, P.E.  
Principal Civil Engineer

Attachments: 1, 2A, 2B, 3, 4, 5, and 6

Cc: Mark S. Rosen – Lawson Office of Mark S. Rosen (27281 Las Ramblas, Suite 200, Mission Viejo, CA 92691-8303)



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: 09205693  
Title Officer: Chris Maziar  
e-mail: unit10@cltic.com  
Phone: (949) 724-3170  
Fax: (949) 258-5740

Your Reference No: 002-261-06

Property Address: 2702 N BRISTOL ST, City Of Santa Ana, California

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## PRELIMINARY REPORT

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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.

Order No: 09205693-920-CMM-CM8

## SCHEDULE A

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

**ALTA Standard 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:

**Metro Star, 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:

THE EASTERLY 185 FEET OF THE SOUTHERLY 185 FEET OF LOT 25 IN THE POTTS, BORDEN AND SIDEWELL TRACT, IN THE CITY OF SANTA ANA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN [BOOK 4, PAGE 624](#) OF MISCELLANEOUS RECORDS, LOS ANGELES COUNTY.

EXCEPTING THEREFROM THE SOUTHERLY 20 FEET AS DESCRIBED IN THE DEED TO THE COUNTY OF ORANGE FOR ROAD PURPOSES, RECORDED MARCH 21, 1917 IN [BOOK 300, PAGE 264](#) OF DEEDS; ALSO EXCEPTING THEREFROM THAT PORTION ON THE SOUTH, INCLUDED WITHIN AN 80 FOOT STRIP, AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 11, 1936 IN [BOOK 843, PAGE 304](#) OF OFFICIAL RECORDS; ALSO EXCEPTING THEREFROM THAT PORTION ALONG THE EASTERLY LINE, INCLUDED WITHIN THE LAND DESCRIBED IN THE DEED TO THE COUNTY OF ORANGE, RECORDED JUNE 24, 1954 IN [BOOK 2756, PAGE 396](#) OF OFFICIAL RECORDS.

PARCEL 2:

AN EASEMENT FOR DRIVEWAY PURPOSES AND FOR PLACING INSTALLING AND MAINTAINING THEREON SERVICE STATION FACILITIES AND INCIDENTAL PURPOSES OVER THE WESTERLY 15 FEET OF THE EASTERLY 200 FEET OF THE SOUTHERLY 200 FEET AND THE NORTHERLY 15 FEET OF THE EASTERLY 200 FEET OF THE SOUTHERLY 200 FEET OF LOT 25 OF THE POTTS, BORDEN AND SIDEWELL TRACT, AS SHOWN ON A MAP RECORDED IN [BOOK 4, PAGE 624](#) OF MISCELLANEOUS RECORDS, LOS ANGELES COUNTY, CALIFORNIA; EXCEPTING THEREFROM THE SOUTHERLY 20 FEET AS DESCRIBED IN THE DEED TO THE COUNTY OF ORANGE FOR ROAD PURPOSES, RECORDED MARCH 21, 1917 IN [BOOK 300, PAGE 264](#) OF DEEDS; ALSO EXCEPTING THEREFROM THAT PORTION ON THE SOUTH, INCLUDED WITHIN AN 80 FOOT STRIP, AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED SEPTEMBER 11, 1936 IN [BOOK 843, PAGE 304](#) OF OFFICIAL RECORDS; ALSO EXCEPTING THEREFROM THAT PORTION ALONG THE EASTERLY LINE, INCLUDED WITHIN THE LAND DESCRIBED IN THE DEED TO THE COUNTY OF ORANGE, RECORDED JUNE 24, 1954 IN [BOOK 2756, PAGE 396](#) OF OFFICIAL RECORDS.

Assessor's Parcel Number: **002-261-06**

## **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. 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. The privilege and right to extend and maintain drainage structures, wing walls, embankment and excavation slopes and incidental purposes, recorded September 11, 1936 in Book 843, Page 304 of Official Records.  
  
In favor of: State of California  
Affects: a portion of said land
  3. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:  
  
Granted to: Santa Ana Valley Irrigation Company  
Purpose: pipe lines  
Recording Date: February 15, 1937  
Recording No: in Book 879, Page 122 of Official Records  
Affects: a portion of said land more particularly described therein.
  4. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:  
  
Granted to: County of Orange  
Purpose: street and highway  
Recording Date: September 18, 1958  
Recording No: in Book 4419, Page 494 of Official Records  
Affects: a portion of said land more particularly described therein.
  5. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:  
  
Granted to: Jerry K. Arnold, et ux  
Purpose: driveway  
Recording Date: February 25, 1999  
Recording No: as Instrument No. 99-135543 of Official Records  
Affects: a portion of said land more particularly described therein.
  6. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:  
  
Granted to: Chevron U.S.A., Inc., a Pennsylvania corporation  
Purpose: maintenance, inspection, operation and removal of monitoring wells  
Recording Date: August 23, 2005  
Recording No: as Instrument No. 2005000662825 of Official Records  
Affects: said land more particularly described therein.
  7. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.
  8. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.

Order No: 09205693-920-CMM-CM8

9. 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.
10. 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**

## REQUIREMENTS SECTION:

1. 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.

2. 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: Metro Star, 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.

## 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: Property taxes, including any personal property taxes and any assessments collected with taxes, are paid. For proration purposes the amounts were:  

Tax Identification No.:	002-261-06
Fiscal Year:	2017-2018
1st Installment:	\$3,515.36
2nd Installment:	\$3,515.36
Exemption:	Not Set Out
Code Area:	11-001
6. 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.
7. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

Typist: tga

Date Typed: December 13, 2017

**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: 09205693-920-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: 09205693-920-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: 09205693-920-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.

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.

## Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

***Federal Bureau of Investigation:***

<http://www.fbi.gov>

***Internet Crime Complaint Center:***

<http://www.ic3.gov>

**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><b>Types of Information Collected.</b> 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><b>How Information is Collected.</b> 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><b>Use of Collected Information.</b> 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><b>When Information Is Disclosed.</b> 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><b>Choices With Your Information.</b> 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><b>Information From Children.</b> 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><b>Privacy Outside the Website.</b> We are not responsible for the privacy practices of third parties, even if our website links to those parties' websites.</p>	<p><b>International Users.</b> 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><b>The California Online Privacy Protection Act.</b> 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><b>Your Consent To This Privacy Notice.</b> By submitting information to us or by using our website, you are accepting and agreeing to the terms of this Privacy Notice.</p>	<p><b>Access and Correction; Contact Us.</b> If you desire to contact us regarding this notice or your information, please contact us at <a href="mailto:privacy@fnf.com">privacy@fnf.com</a> 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**

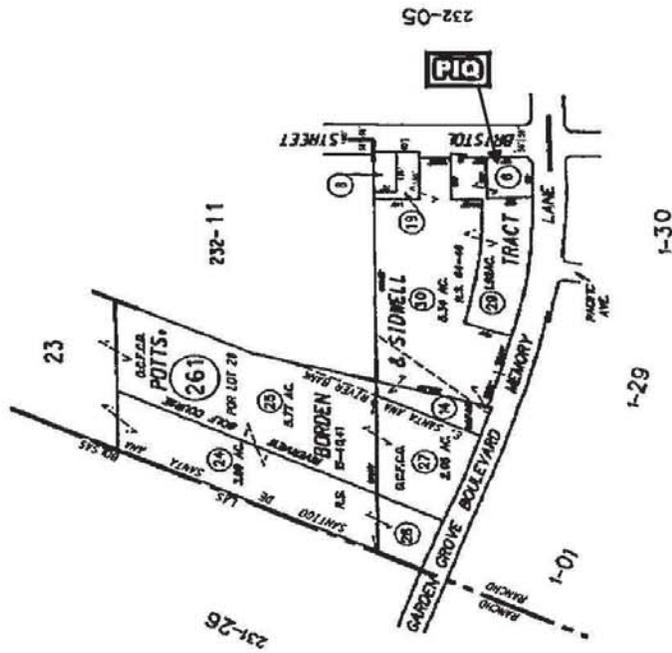
If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing with our affiliates for their marketing purposes, please send your requests to [privacy@fnf.com](mailto:privacy@fnf.com) or by mail or phone to:

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

002-26



1" = 300'



THIS MAP WAS PREPARED FOR ORANGE COUNTY ASSESSOR DEPT. PARCELS ONLY. THE ASSESSOR MAKES NO GUARANTEE AS TO THE ACCURACY OF THE INFORMATION FOR OTHER USES. ALL RIGHTS RESERVED. © COPYRIGHT ORANGE COUNTY ASSESSOR 1999

PRIVATE STREET



ASSESSOR'S MAP BOOK 002 PAGE 26 COUNTY OF ORANGE

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

POTTIS, BORDEN & SIDWELL TRACT L.A. 1-63

MARCH 1961

This map/plat 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 title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

**OWNER'S DECLARATION**

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)
  - a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at \_\_\_\_\_, further described as follows: See Preliminary Report/Commitment No. **09205693-920-CMM-CM8** for full legal description (the "Land").
  - b. Declarant is the \_\_\_\_\_ of \_\_\_\_\_ ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at \_\_\_\_\_, further described as follows: See Preliminary Report/Commitment No. **09205693-920-CMM-CM8** for full legal description (the "Land").
  
2. (Fill in the applicable paragraph and strike the other)
  - a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.
  - b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with \_\_\_\_\_ upon the Land in the approximate total sum of \$\_\_\_\_\_, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows:\_\_\_\_\_. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless **Commonwealth Land Title Company** against any and all claims arising therefrom.
  
3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.
4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, regular assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records.
5. The Land is currently in use as \_\_\_\_\_; \_\_\_\_\_ occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:  
\_\_\_\_\_
6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.
7. There are no outstanding options to purchase or rights of first refusal affecting the Land.
8. There are no material violations of any current, enforceable covenant affecting the Property and the Undersigned has received no written notice from any third party claiming that there is a present violation of any current, enforceable covenant affecting the Property.

# 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. 002-261-06

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:

Beginning 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; thence along said parallel line South 88°58'50" East 11.00 feet to the Westerly Right-of-Way line of Bristol Street as shown on said Record of Survey; thence along said Westerly Right-of-Way line, the following two (2) courses: South 01°09'50" West 115.00 feet and South 46°03'35" West 28.34 feet to the point of beginning.

Containing an area of 1,645 square feet, more or less.

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

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

N89°03'28"W  
11.00'

N89°03'28"W

A.P.N.  
002-261-06

1,645 SQ. FT.  
N01°09'50"E  
108.17'  
N01°09'50"E  
115.00'

W'LY RIGHT OF WAY  
LINE BRISTOL STREET

N01°09'50"E  
CL  
BRISTOL STREET

50'

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



N'LY RIGHT OF WAY  
LINE MEMORY LANE

N45°57'17"E  
37.96'

N46°03'35"E  
28.34'

(N89°57'30"W  
70.12')

P.O.B.  
N89°03'28"W  
17.74'

N89°03'28"W

CL  
MEMORY LANE

11'

50'

61'

185'

REVISED: 4/12/18

# HUITT-ZOLLARS

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

APPROVED BY

*Jeffrey J. Lener* 4/13/18

SKETCH TO ACCOMPANY  
A LEGAL DESCRIPTION

**EXHIBIT 'B'**  
**RIGHT OF WAY  
ACQUISITION**  
**A.P.N. 002-261-06**

SCALE	1"=50'
DRAWN BY	DWM
CHECKED BY	JJL
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. 002-261-06

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 to the TRUE POINT OF BEGINNING; 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 line being parallel with and 185.00 feet Northerly of the centerline of Memory Lane as shown on said Record of survey.

The Westerly line of said strip of land to be lengthened or shortened so as to originate in said Northerly Right-of-Way line of Memory Lane and to terminate in said line being parallel with and 185.00 feet Northerly of said centerline of Memory Lane.

Containing an area of 733 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. 002-261-06  
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  
4 / 624

LOT 25

A.P.N. 002-261-06

N89°03'28"W

M.R.L.A.

185'

5'

733 SQ. FT.

11'

W'LY RIGHT OF WAY LINE BRISTOL STREET

50'

N01°09'50"E

BRISTOL STREET

N01°09'50"E 108.17'

50'

61'

5'

N45°57'17"E 37.96'

P.O.C.

T.P.O.B.

(N89°57'30"W 70.12')

N89°03'28"W 17.74'

N89°03'28"W

MEMORY LANE

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



REVISED 4/12/18

# HUITT-ZOLLARS

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

APPROVED BY

*Jeffrey J. Lennher* 4/13/18

SKETCH TO ACCOMPANY  
A LEGAL DESCRIPTION

**EXHIBIT 'B'**  
**TEMPORARY**  
**CONSTRUCTION EASEMENT**  
**A.P.N. 002-261-06**

SCALE 1"=50'

DRAWN BY DWM

CHECKED BY JLL

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**

*Metro Star, 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:	Metro Star, LLC
Location:	2702 N. Bristol Street, Santa Ana, California 92709
Assessor's Parcel No.:	002-261-06
Date of Value:	October 26, 2021
Property Rights Appraised:	Fee simple
Site Area:	Approximately 19,839 square feet, or 0.46 acre, according to the Assessor's Map.
Zoning:	The parcel is zoned C1, Community Commercial, by the City of Santa Ana.
Present Use:	Vacant land
Highest and Best Use:	The highest and best use is future commercial development.
Improvements:	Vacant land
Description of Acquisition:	The project as proposed includes two acquisitions: one fee acquisition, and one temporary construction easement. 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: Up to one-half acre
- Use: Commercial
- Transaction Date: January 2020 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

Among numerous items investigated, six (6) items were selected for comparison. They range in size from 12,197 to 30,056 square feet and are considered most similar and/or proximate to the subject site. Chronologically, the sales range from August 2020 through September 2021 with sales prices ranging from \$1,200,000 to \$3,000,000. This equates to a range of \$62.88 to \$132.44 on a per square foot basis.

Ranking analysis of the adjusted data yields the following result for the subject parcels:

<b>Land Valuation Array</b>		
Item No.	Overall Comparability	Cumulative Adjusted Price Per Square Foot
3	Superior	\$132.44
5	Superior	\$98.38
2	Superior	\$95.03
4	Superior	\$92.82
6	Similar	\$83.22
	<b>LARGER PARCEL</b>	<b>\$80.00</b>
1	Inferior	\$62.88

These sales are ranked from “inferior” to “superior” relative to the subject parcel. This ranking summarizes the sales by an overall comparison to the subject showing the range of land value indicators. Not all land value indicators were given equal weight in the overall analysis. The heaviest consideration is given to location, and access/exposure, as these would be the most influential factors impacting value. Conversely, the size and shape were found to not have a noticeable impact on commercial land in a tight market with limited availabilities.

We placed the greatest reliance on Sale 6 as it located in Santa Ana and is considered most similar overall. Based on the above analysis, it is our opinion that the fair market land value of the larger parcel is concluded to be \$80.00 per square foot, which equates to a concluded land value as follows.

---

**Land Value Conclusion**


---

Indicated Value per Square Foot	\$80.00
Subject Square Feet	19,839
Indicated Value	\$1,587,120

---

## 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 1,645 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**


---

Assessor's Parcel Number	Area	Land Value (\$/SF)	Land Value		Indicated Value
002-261-06	1,645	\$80	\$131,600	100%	\$131,600

---

### Site Improvements within the Acquisition Area

No site improvements will be impacted by the project as proposed.

### 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	\$1,587,120
Less: Permanent Acquisitions	-\$131,600
Remainder as a Portion of the Whole - Land Only	\$1,455,520

---

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

Valuation of the remainder parcel after acquisition considers how the partial acquisition affects the remainder parcel. Methodology involves a determination as to severance damages and benefits that may accrue to the remainder parcel.

---

**Value of Remainder in the After Condition Before Considering Benefits**

Property	Land Area (SF)	\$/SF	% Property Rights	Indicated Value
Larger Parcel in After Condition	18,194	\$80.00	100%	\$1,455,520

**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 use and utility of the larger parcel will be unchanged. No damages are shown, as follows:

---

**Severance Damages**

Value of the Remainder as Part of the Whole - Land Only	\$1,455,520
Value of the Remainder in the After Condition - Land Only	\$1,455,520
Severance Damages	\$0

**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, I 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 - Land Only	\$1,455,520
Remainder in the After Condition Before Considering Benefits - Land Only	\$1,455,520
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.

The current rates of return on land leases have led us to conclude that the fair market land rental rate is 10% of the value of the land per year, inclusive of real estate taxes. The TCE is to endure for six (6) months.

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.

<b>Temporary Construction Easement (Land Rental Component)</b>							
Assessor's Parcel Number	Area	Land Value (\$/SF)	TCE Land Value	Annual Rate of Return	Annual TCE Value	Duration (Years)	Indicated Value
002-261-06	733	\$80	\$58,640	10%	\$5,864	0.5	\$2,932

## 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: October 26, 2021

	Valuation Opinions	Value of Property Rights to be Acquired
<b>Permanent Property Rights</b>		
Value of Larger Parcel	\$1,587,120	
Permanent Parts Acquired	<u>\$131,600</u>	
Value of the Remainder as Portion of the Whole	\$1,455,520	
Value of the Remainder in the After Condition	<u>\$1,455,520</u>	
Severance Damages	\$0	
Benefits	<u>\$0</u>	
Net Severance Damages	<u>\$0</u>	
Fair Market Value of Permanent Property Rights Acquired	\$131,600	<u>\$131,600</u>
<b>Temporary Property Rights</b>		
Value of Temporary Construction Easement (TCE) - Land Only	\$2,932	
Value of Site Improvements within Acquisition Area	<u>\$0</u>	
Total Value of Temporary Construction Easement	\$2,932	<u>\$2,932</u>
<b>Total Fair Market Value of Proposed Acquisition</b>		\$134,532
<b>Rounded</b>		<u>\$135,000</u>

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:



J. Richard Donahue, MAI, FRICS  
 Certified General Real Estate Appraiser  
 Certificate No. AG008427  
 Expiration Date: April 12, 2023

---

**Summary of Comparable Land Sales**


---

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	\$/SF Land
1	3036 W Lincoln Ave Anaheim Orange County CA	Sep-21 Closed	\$1,890,000	30,056 0.69	MU- Mixed Use	\$62.88
	<i>Comments: This is the sale of a vacant parcel located midblock near the intersection of Beach Blvd and Lincoln Ave. It is zoned for mixed use development with a maximum density of 60 units per acre. The seller's broker reports that the buyer plans to hold for future development. Surrounding improvements include a mix of commercial and residential uses.</i>					
2	2192 SE Bristol St Newport Beach Orange County CA	Aug-21 Closed	\$1,702,500	17,916 0.41	CN, Neighborhood Commercial	\$95.03
	<i>Comments: This is the sale of a former Enterprise Rent A Car location, located midblock on Bristol Street. The buyer is Fletcher Jones Motorcars, which owns adjacent properties. The site is improvements with asphalt paving and perimeter fencing. The buyer will use the site for parking, airport shuttle and car washing. The broker reports that they received numerous offers and that the sales price was a fair market price.</i>					
3	The Corner 17025 Brookhurst St Fountain Valley Orange County CA	Jun-21 Closed	\$3,000,000	22,651 0.52	CC, Community Commercial	\$132.44
	<i>Comments: This is the sale of a 0.52 acre lot located on the corner at Brookhurst and Warner. This is one of the busiest intersections in the trade area and has potential for multiple uses. This is an outparcel to Sam's Club and is located nearby other top tier retailers such as 24 Hour Fitness, Habit Burger and Fountain Valley Bowling, etc. The broker reports that the buyer plans to develop a mixed-use, office and retail building on the site. The property sold without entitlements in place.</i>					
4	232 E Katella Ave Orange Orange County CA	Jun-21 Closed	\$2,344,000	25,252 0.58	CP, Commercial Prof.	\$92.82
	<i>Comments: This is the purchase of a previously improved commercial lot with a midblock location on Katella Avenue. The buyer acquired the land to develop a pre-school. They are currently finalizing entitlements with the City. The seller purchased the site in 2018 with the intention to develop an office/medical building but decided to sell due to the demand in the Market. Surrounding improvements include commercial properties along Katella Avenue and residential improvements on interior streets.</i>					
5	6100-6172 Beach Blvd 6172 Beach Blvd Buena Park Orange County CA	Mar-21 Closed	\$1,200,000	12,197 0.28	GMU (General Mixed Use)	\$98.38
	<i>Comments: This is the purchase of four parcels totaling .28 acres of vacant land. It is reported that permits for the site are Ready-To-Issue (RTI) for the construction of a four-unit mixed-use development totaling approximately 5,940 SF with two live/work suites with residential units totaling approximately 2,199 SF above approximately 3,741 SF of total commercial space, 18 on-site parking spaces, and related site improvements. Surrounding improvements along Beach Blvd. include older commercial uses and auto dealerships. Residential improvements are located on interior streets.</i>					
6	1904 1st St Santa Ana Orange County CA	Aug-20 Closed	\$1,450,000	17,424 0.40	General Commercial	\$83.22
	<i>Comments: This is the purchase of a site previously improved with a restaurant. The property has been vacant for 2 years and was sold for land value. The broker reports that the buyer plans to build a gas station and convenience store on the lot. There were no entitlements in place at the time of sale.</i>					
	<b>Subject</b>			19,839	C1	
	Metro Star, LLC			0.46		
	Santa Ana, CA					

---

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.

W-9  
Request for Taxpayer  
Identification Number and  
Certification



**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 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> 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](http://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](http://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](http://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 <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
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 <sup>1</sup> The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor <sup>*</sup>

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 <sup>4</sup>
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

<sup>1</sup> 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.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> 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.

<sup>4</sup> 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](mailto: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](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338).

Visit [IRS.gov](http://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.