

**INTERNAL CITY AUDIT COMMITTEE MEETING AGENDA  
JAY C. COLEMAN CONFERENCE ROOM, CITY HALL  
CITY OF PORTERVILLE, CALIFORNIA  
WEDNESDAY, FEBRUARY 22, 2023, 4:00 P.M.**

Pursuant to the provisions of Assembly Bill 361, signed into law by Governor Newsom on September 16, 2021, the City of Porterville is allowing for and encouraging electronic participation at Brown Act Body Meetings. Until further notice, Porterville Brown Act Body Meetings will be live streamed on YouTube at  
<https://www.youtube.com/channel/UC5KuhSrNMNL9nwHJVtnJvvA>

Alternatively, this meeting will also be available via Zoom using the following information:

**Topic: City of Porterville – Internal City Audit Committee Virtual Meeting**

Please use the following link below to join the webinar:

<https://us06web.zoom.us/j/83687211178?pwd=UEQ5STNDMWhjby8yVVE5eVpqeDJuQT09>

Or via Telephone: **1-669-900-6833** Webinar ID: **836 8721 1178** Passcode: **499410**

Please direct any questions to the Office of City Clerk at 559-782-7464.

Call to Order

Roll Call

Committee Members: Martha A. Flores, Chair  
Kellie Carrillo, Member  
Maria Bemis, Member  
John Lollis, Member  
Julia Lew, Member  
Rob Taylor, Member

**ORAL COMMUNICATIONS**

This is the opportunity to address the Audit Committee on any scheduled matter. Unless additional time is authorized by the Committee, all commentary shall be limited to three minutes per individual and no more than fifteen minutes total.

**SCHEDULED MATTERS**

1. Approval of Draft Minutes of January 25, 2023.  
Re: Consideration of draft Minutes of January 25, 2023.
2. Review and Update of the Porterville Kiwanis Club Agreement  
Re: Review and Update of the License Agreement between the City of Porterville and the Porterville Kiwanis Club for use of real property located at 450 N. Newcomb St, Porterville, CA 93257
3. Review of the Tulare County Junior Livestock Show and Community Fair License and Development Agreement –Fairgrounds Property  
Re: Review of the License and Development Agreement between the City of

Porterville and the Tulare County Junior Livestock Show and Community Fair.

4. Review of City Property Use and Concession Agreements  
Re: Reviewing City agreements and considering work plan for a comprehensive review of the agreements.

## **OTHER MATTERS**

## **ADJOURNMENT**

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the Office of City Clerk at (559) 782-7464. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet.

Materials related to an item on this Agenda submitted to the Audit Committee after distribution of the Agenda packet are available for public inspection during normal business hours at the Office of City Clerk, 291 N. Main Street, Porterville, CA 93257, and on the City's website at [www.ci.porterville.ca.us](http://www.ci.porterville.ca.us).

**ITEM 1**

**INTERNAL CITY AUDIT COMMITTEE MINUTES  
JAY C. COLEMAN CONFERENCE ROOM, CITY HALL  
CITY OF PORTERVILLE, CALIFORNIA  
WEDNESDAY, JANUARY 25, 2023, 4:00 P.M.**

Call to Order at 4:00 p.m.

Roll Call: Chair Martha A. Flores,  
Member Kellie Carrillo  
Member Maria Bemis,  
Member John Lollis,  
Member Julia Lew (present via teleconference),  
Member Rob Taylor

**ORAL COMMUNICATIONS**

None

**SCHEDULED MATTERS**

1. Approval of Draft Minutes of November 30, 2022.

ACTION: MOVED by Member Kellie Carrillo, SECONDED by Member Rob Taylor, that the Committee approve the draft minutes of the Internal City Audit Committee Meeting of November 30, 2022. The motion carried unanimously.

Disposition: Approved.

2. Review of Porterville Kiwanis Club Agreement

Member Lollis stated that city Building Inspectors and Code Enforcement visited both the Kiwanis Building and old Boy Scouts to conduct an inspection of the sites for any corrections that needed to be made. Both departments provided a list of non-critical/critical recommendations or corrections that needed to be addressed for both locations.

Assistant City Manager Jason Ridenour stated that he spoke to Public Works Director Michael Knight, who informed him of a possible future potable water tank that may take place of where the Kiwanis Club building sits.

Member Lollis spoke of the Trail Project funded by CMAC that will be in the vicinity of the Kiwanis location.

Member Lew stated she did research regarding the possessory tax interest exemption and said the responsibility lies with the organizations to ask for a welfare exemption and they would get a determination from the taxing authority on whether or not it will apply.

Kiwanis Board Treasurer Bert Martinez informed members of the Committee that the Kiwanis Club pays their taxes and would forward that information to Parks and Leisure Services Director Donnie Moore.

Assistant City Manager Jason Ridenour informed the Committee of potential ADA compliance issues, and stated that once improvements go over \$15,000 it would trigger prevailing wage, which staff noted that they will reach out to Engineering Department to follow up and review the location for any potential issues.

Kiwanis Board Treasurer Bert Martinez stated that it would be hard for the club to do any improvements on the outside of the building, due to water mains that are in the ground.

Member Lew stated that we would need to update the language to the agreement and would recommend that the lease agreement be short term, and that the property should be in ADA compliance and other improvements would need to be done.

Parks and Leisure Director Donnie Moore recommended the addition of potential language to the agreement that clarifies the use of the building by the Club.

Member Lollis stated that the parking lot issues, and ADA access could potentially be part of the future Parks Improvement project that will occur in the surrounding area.

Members of the Committee recommended that the site be evaluated by Engineering to find out what permissible activities can be done at the location and what can not be done.

3. Review of the Comision Honorifica Mexicana Americana (CHMA) Inc., Agreement

A review of the of the License Agreement between the City of Porterville and the Comision Honorifica Mexicana Americana Inc., was conducted between members of the Committee.

City Staff noted that the Comision had not provided their current Certificate of Insurance Information, but that they will be sending it in the coming days.

Chair Flores asked if the Cargo Container was still on the premises, which staff indicated it was not.

Staff noted that representatives of CHMA were not able to attend the meeting due to scheduling conflict.

### **OTHER MATTERS**

Members of the Committee agreed to bring back the Kiwanis Agreement as an update, bring forward the Fair Agreement, and a list of all agreements for review.

### **ADJOURNMENT**

The Internal City Audit Committee Meeting adjourned at 5: 02 p.m. to the meeting of February 22, 2023.

---

Fernando Gabriel-Moraga, Deputy City Clerk

ATTEST:

---

Martha A. Flores, Committee Chair

**ITEM 2**

## LICENSE AGREEMENT

THIS AGREEMENT, made and entered into the 19<sup>th</sup> day of December, 2000, by and between the CITY OF PORTERVILLE, a municipal corporation, hereinafter referred to as "LICENSOR", and the PORTERVILLE KIWANIS CLUB, a non-profit corporation, hereinafter referred to as the "LICENSEE".

### RECITALS

- A. WHEREAS, the Licensor is the owner of the real property described in Exhibit A which is attached hereto and referred to by reference; and
- B. WHEREAS, the Licensee is a duly constituted corporation, and is a service club and member of Kiwanis International; and
- C. WHEREAS, the Licensee, as a service club, has as one of its primary purposes and functions, service to and betterment of the local community by providing youth activities.

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. That the Licensor, for and in consideration of the promises, covenants, agreements, and stipulations herein contained on the part and behalf of the Licensee to be paid, kept and performed, at the time and in the form and manner herein specified, with time being a license for the period of time, term, and on the conditions herein set forth, grants to Licensee the non-exclusive right and privilege to engage, use and employ the real property described in Exhibit A for the purpose of carrying on and conducting a community service for the benefit of the youth of this community, as a meeting place for Kiwanis sponsored youth organizations.

2. The Licensee agrees that in its use of said premises, for any youth activity sponsored by the Licensee, or for any other activity as may be requested by the Licensee and that is approved in writing by the Licensor, as hereinafter provided, that the occupancy limit of the building located on said premises shall be limited to not more than forty-nine (49) persons.
3. The Licensee agrees that for all youth activities conducted on said premises that not less than two adult supervisors be present on said premises at all times.
4. The Licensee agrees that it shall provide lighting in the parking area located on said premises to a standard to be approved by the Director of Parks and Leisure Services for the Licensor.
5. The Licensee agrees that it shall provide and improve that number of parking spaces required by the Licensor, and said parking places shall be maintained to a standard approved by the Director of Parks and Leisure Services for the Licensor.
6. The Licensee agrees that in its use of the premises, or in the use of said premises by any other non-profit youth organization or group permitted by the Licensee, and approved in writing by the Licensor, that noise shall be limited and shall not interfere with residents in the immediate area to the licensed premises. The Licensor shall be the sole judge as to what constitutes unreasonable noise.
7. In addition to the Licensee sponsored youth organization activities permitted on the subject property under the License Agreement, and upon request, the Licensee may permit the premises to be used by other non-profit organizations for youth activities upon

- obtaining written authorization from the Licensor, through its Director of Parks and Leisure Services. A separate authorization is required for each organization activity not directly sponsored by Licensee, and such other organizations must comply with the applicable provisions of Paragraph 20 herein.
8. The term of this license shall be for a period of five years, commencing as of the date hereof and terminating on December 31, 2005.
  9. Upon the expiration of this license or sooner termination thereof, or in the event the Licensee does not continue to utilize said premises for the use and purpose herein authorized and set forth, the Licensee agrees to vacate said premises, and to remove, solely at the Licensee's expense, any building or appurtenances placed on said real property by the Licensee, within 90 days after receiving notice by the Licensor to vacate said premises and/or to remove any building or appurtenances.
  10. The Licensee agrees, during the term of this license, to use, occupy, and employ said real property, together with the improvements thereon, solely and exclusively for activities of youth groups, and any other use, whether temporary or continuing, shall be deemed a material breach of this license.
  11. That during the entire term of this license, and any renewals or extensions thereof, the Licensee shall not allow any income from its activities to be paid to or delivered to the benefit of any member or individual, and any income, right or benefit which shall arise from the use and employment of this license by the Licensee shall be used solely to meet necessary expenses, up-keep and operation of the Licensee in its use of this license.
  12. It is agreed that the Licensee shall have the right to use the building as a youth

organization meeting place and for the uses incidental and ancillary thereto.

13. The Licensee stipulates and agrees that in the occupancy of said real property and any improvements thereon that the Licensee shall not allow any waste to be committed nor shall the Licensee allow any mechanic's license or other liens to be filed upon the real property or any of the improvements thereon. The Licensee further agrees that it shall keep said property and improvements thereon in a neat, orderly, clean, and sanitary condition at all times, and in this respect the determination and opinion of Licensor concerning the condition and cleanliness of said real property and improvements thereon shall be conclusive.
14. In the event the Licensor notifies the Licensee that said premises are not being maintained in the condition required by this license the Licensee shall immediately place the property in the condition required by the Licensor.
15. The Licensor shall at all times have the right, by its authorized agents or representatives, to enter upon the property and into the improvements thereon for any purpose deemed reasonable by the Licensor.
16. That any and all signs erected or maintained by the Licensee upon the property or any of its improvements shall fully comply and conform to all ordinances of the Licensor which are now in force or which may hereafter be in force or effect.
17. The Licensee shall, without cost, charge or expense to the Licensor, pay all electric power, water, gas, telephone and refuse collection fees and charges, and the same shall not be allowed to become a charge or lien on said real property.
18. The Licensee shall conform to all present and future laws, rules, requirements, orders,

directions, ordinances, resolutions and regulations of the Licensor. The Licensee shall, at its own cost and expense, make any and all improvements thereon or alterations thereto, structurally or otherwise, that may be required at any time hereafter by such present or future law, rule, requirement, order, direction, ordinance or regulation.

19. This license shall not be assigned or transferred, nor shall the buildings or improvements or facilities used by the Licensee to this license be sublet or leased, without the prior written consent of the Licensor; and, for each such assignment or subletting, it being further stipulated that the consent by the Licensor to any one assignment shall not be construed as a consent to any further or additional assigning or subletting.

20. Licensee, as a material part of the consideration to be rendered to Licensor for the execution of this Agreement, and for the granting of the license contained herein, covenants and agrees during the term of this Agreement to:

- (a) accept responsibility for loss or damage to any person or entity, and to defend, indemnify, hold harmless and release the Licensor, its officers, employees, agents and assigns from any actions, claims, damages, disabilities or the cost of litigation, including Attorneys' fees, that are asserted by any person or entity to the extent arising out of the negligent acts or omissions or willful misconduct in the performance by the Licensee hereunder, whether or not there is passive concurrent negligence on the part of the Licensor, but excluding liability due to the active negligence or willful misconduct of the Licensor. This indemnification obligation is not limited in any way by any limitation

on the amount or type of damage or compensation payable to or by Licensee, or its agents or employees, under workers' compensation acts, disability benefits acts or other employees' benefits acts.

b) procure the following insurance which shall be full coverage insurance, not subject to self-insurance provisions, and shall not of its own initiative cause such insurance to be cancelled or materially changed during the course of this Agreement:

(1) COMPREHENSIVE GENERAL LIABILITY INSURANCE.

Including contractual liability, and personal injury liability and property damage with at least one million dollars (\$1,000,000) liability limit per occurrence, and having a deductible of not more than \$2,000. Prior to commencement of the term of this Agreement, Licensee shall provide Licensor with an original Certificate of Insurance, together with a signed endorsement naming the Licensor as Additional Insured and acknowledging that thirty (30) days written notice of cancellation or material change shall be given Licensor. Coverage shall be primary as to any other insurance with respect to performance of this Agreement, be with a company having an A.M. Best Rating of not less than A:VII, and be an admitted insurer in the State of California.

(2) COMMERCIAL PROPERTY INSURANCE. Providing basic coverages for fire, lightning, explosion, smoke, windstorm, vandalism, etc., in the name of the Licensor, and in a sum equal to the full replacement cost of all buildings on the property, regardless of whether said buildings or structures are improvements by Licensee or Licensor, and to make payment for all premiums thereon. Licensor agrees that in the event of any loss to buildings or structures constructed by Licensee and covered by the insurance policy, the entire sum payable by reason of such loss shall be

payable directly to Licensee.

(3) WORKERS' COMPENSATION INSURANCE. To statutory limits, when applicable to employees of the Licensee, in accordance with State Law.

(c) require any other authorized users of all or any part of the premises, to provide evidence satisfactory to the Licensee and Licensor of General Liability Insurance, in amounts and with terms not less restrictive than set forth in paragraph 20, (b) (1) above, naming the Licensee and the Licensor as Additional Insured.


(d) comply with changes which are expected to occur from time to time in the terms and/or limits of insurance coverages required by Licensor. When applicable, Licensee will be notified in writing of such changes by Licensor's Risk Manager not less than ninety (90) days prior to the expiration/renewal date of the policy or policies affected.

21. If the Licensee fails to perform any of the terms, stipulations, promises, covenants, conditions, or agreements hereof on its part and behalf to be paid, kept and performed, the Licensor may, at its option, but it shall not be obligated to do so, pay or cause the same to be paid, done or performed, and the amount of money expended by the Licensor in so doing, or incurred by the Licensor in so doing, shall become a debt immediately due from the Licensee to the Licensor; and, the Licensee waives the statute of limitations on all things herein covenanted by it to be paid, done, or performed, and stipulates and agrees that the bar of the statute of limitations shall not be raised as a defense to any action by

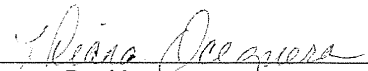
the Licensor or its assigns in the enforcement of any of the terms or provisions hereof

22. Failure on the behalf of the Licensor to insist on strict performance of the covenants, terms, stipulations, agreements, and conditions of this license shall not be construed as a waiver by the Licensor of any of its rights hereunder, or as a waiver or a relinquishment of the strict future performance of the covenants, conditions, and agreements herein contained, but all and each thereof shall be and remain in full force and effect.
23. This license may be terminated by the Licensor in its sole discretion upon ninety (90) days written notice to Licensee by Licensor.
24. "No qualified disabled person shall, on the basis of handicap, be excluded from participation in, or be denied the benefits of, or otherwise be subjected to discrimination under any program or activity" conducted on the premises.

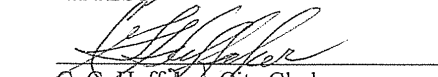
CITY OF PORTERVILLE

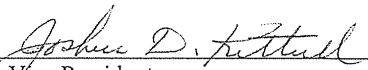
By:   
Gordon T. Woods, Mayor Pro Tem

KIWANIS CLUB OF PORTERVILLE

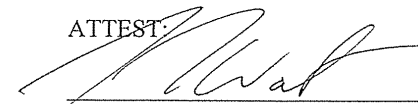
By:   
President

ATTEST:

  
C. G. Huffaker, City Clerk

By:   
Vice President

ATTEST:

  
Thomas I. Watson, City Attorney

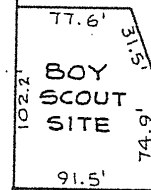
WEST LINE OF SECTION 27

N  
E  
W  
C  
O  
M  
B

80'

300.4'

80'



P  
O  
R  
T  
E  
R  
  
S  
L  
O  
U  
G  
H



MORTON

W<sup>1</sup>/<sub>4</sub> COR. SEC. 27 - 21/27

SOUTH LINE OF THE NW<sup>1</sup>/<sub>4</sub>

EXHIBIT "A-1"

LEGAL DESCRIPTION OF PROPERTY SUBJECT TO  
LICENSE AGREEMENT BETWEEN CITY OF PORTERVILLE  
AND THE PORTERVILLE KIWANIS CLUB

That portion of the northwest quarter of Section 27, Township 21 south, Range 27 east, M.D.B. & M., in the City of Porterville, County of Tulare, State of California, described as follows:

Commencing at the west quarter corner of Section 27: thence, easterly along the south line of the northwest quarter of said Section, 80 feet; thence, northerly and parallel to the west line of Section 27, 300.4 feet to the true point of beginning; thence, continuing northerly along the same line 102.2 feet; thence, easterly and perpendicular to said west line, 77.6 feet; thence, in a southeasterly direction 31.5 feet to the intersection with a line running parallel to and 171.5 feet east of the west line of Section 27; thence, southerly along a line parallel to and 171.5 feet east of the west line of Section 27, 74.9 feet, more or less, to a point 300.4 feet north of the south line of the northwest quarter of said Section; thence, westerly 91.5 feet, more or less, to the point of beginning.

**CITY COUNCIL MINUTES  
PORTERVILLE, CALIFORNIA  
AUGUST 18, 2009, 6:00 P.M.**

Called to Order at 6:00 p.m.

Roll Call: Council Member Hamilton (arrived late), Council Member Pedro Martinez, Council Member Felipe Martinez, Vice Mayor Ward, Mayor McCracken

The Council adjourned to a Joint Meeting of the Porterville City Council and Porterville Redevelopment Agency.

**JOINT CITY/PORTERVILLE REDEVELOPMENT AGENCY MINUTES**

Roll Call: Agency Member Hamilton (arrived late), Agency Member Pedro Martinez, Agency Member Felipe Martinez, Vice-Chairman Ward, Chairman McCracken

**JOINT ORAL COMMUNICATIONS**

None

**REDEVELOPMENT AGENCY CLOSED SESSION:**

- A. Closed Session Pursuant to:
- 1- Government Code Section 54956.8 – Conference with Real Property Negotiators/Property: APNs 261-122-007, 261-122-008, and 252-193-004. Agency Negotiator: Brad Dunlap. Negotiating Parties: Porterville Redevelopment Agency/City of Porterville and Porterville Hotel Investors. Under Negotiation: Terms and Price.

The City Council and Redevelopment Agency adjourned to a meeting of the Porterville City Council.

**CLOSED SESSION:**

- B. Closed Session Pursuant to:
- 1- Government Code Section 54956.8 – Conference with Real Property Negotiators/Property: APNs 261-130-001, 302-110-054, 253-160-03, and a portion of APN 302-110-075. Agency Negotiator: John Lollis and Brad Dunlap. Negotiating Parties: City of Porterville and Porterville Fair Board. Under Negotiation: Terms and Price.
  - 2- Government Code Section 54956.8 – Conference with Real Property Negotiators/Property: APNs 261-130-001 and 253-160-032. Agency Negotiator: John Lollis and Brad Dunlap. Negotiating Parties: City of Porterville and State of California. Under Negotiation: Terms and Price.
  - 3- Government Code Section 54956.8 – Conference with Real Property Negotiators/Property: Portion of APN 251-001-001. Agency Negotiator: Jim Perrine Negotiating Parties: City of Porterville and Kiwanis Club of Porterville. Under Negotiation: Terms and Price.
  - 4- Government Code Section 54957 – Public Employee Performance Evaluation – Title: Golf Course Manager

**ITEM 3**

ADDENDUM NO. 4 TO LICENSE AND DEVELOPMENT AGREEMENT  
BETWEEN THE CITY OF PORTERVILLE AND  
TULARE COUNTY JUNIOR LIVESTOCK SHOW AND COMMUNITY FAIR

This Addendum to the License and Development Agreement between the City of Porterville ("City") and the Tulare County Junior Livestock Show and Community Fair ("Fair"), is made and entered into as of July 6, 2021 and is hereby made a part of the Agreement entered into by the parties on December 10, 2009, Addendum No. 1 to License and Development Agreement approved by the City Council on August 19, 2014, and executed by the parties on November 6, 2014, and Addendum No. 2 to the License and Development Agreement between the parties entered into as of January 19, 2021, and addendum No. 3 to the License and Development Agreement between the parties entered into as of April 20, 2021.

1. Section 3.1.1. of Addendum No. 3 is amended to extend the effective date of the Temporary Use through January 2, 2022. All requirements, terms and conditions of this Section as stated in Addendum No. 2 and Addendum No. 3 remain in effect.
2. This Agreement shall be effective as of the execution date set forth below. All other terms as set forth in the above-referenced License and Development Agreement, Addendum No. 1, Addendum No. 2, and Addendum No. 3 to License and Development Agreement, and not inconsistent with said Agreement and Addendum, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

CITY OF PORTERVILLE

BY: \_\_\_\_\_

Adrian Monte Reyes, Mayor

ATTEST: \_\_\_\_\_

John Lollis, City Clerk

Approved as to Form: \_\_\_\_\_

Julia Lew, City Attorney

TULARE COUNTY JUNIOR LIVESTOCK  
SHOW AND COMMUNITY FAIR

BY: \_\_\_\_\_

Mitch Brown, President

BY: \_\_\_\_\_

John Arnold, First Vice President

**ADDENDUM NO. 3 TO LICENSE AND DEVELOPMENT AGREEMENT**  
**BETWEEN THE CITY OF PORTERVILLE AND**  
**TULARE COUNTY JUNIOR LIVESTOCK SHOW AND COMMUNITY FAIR**

This Addendum to the License and Development Agreement between the City of Porterville ("City") and the Tulare County Junior Livestock Show and Community Fair ("Fair"), is made and entered into as of April 20, 2021 and is hereby made a part of the Agreement entered into by the parties on December 10, 2009, Addendum No. 1 to License and Development Agreement approved by the City Council on August 19, 2014, and executed by the parties on November 6, 2014, and Addendum No. 2 to the License and Development Agreement between the parties entered into as of January 19, 2021.

1. **Section 3.1.1.** of Addendum No. 2 is amended to extend the effective date of the Temporary Use through June 15, 2021. All requirements, terms and conditions of this Section as stated in Addendum No. 2 remain in effect.
2. This Agreement shall be effective as of the execution date set forth below. All other terms as set forth in the above-referenced License and Development Agreement, Addendum No. 1, and Addendum No. 2 to License and Development Agreement, and not inconsistent with said Agreement and Addendum, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

CITY OF PORTERVILLE

BY: \_\_\_\_\_  
Adrian Monte Reyes, Mayor

ATTEST:

\_\_\_\_\_  
John Lollis, City Clerk

Approved as to Form:

\_\_\_\_\_  
Julia Lew, City Attorney

TULARE COUNTY JUNIOR LIVESTOCK  
SHOW AND COMMUNITY FAIR

BY: \_\_\_\_\_  
Mitch Brown, President

BY: \_\_\_\_\_  
John Arnold, First Vice President

**ADDENDUM NO. 2 TO LICENSE AND DEVELOPMENT AGREEMENT**  
**BETWEEN THE CITY OF PORTERVILLE AND**  
**TULARE COUNTY JUNIOR LIVESTOCK SHOW AND COMMUNITY FAIR**

This Addendum to the License and Development Agreement between the City of Porterville ("City") and the Tulare County Junior Livestock Show and Community Fair ("Fair"), is made and entered into as of January 19, 2021 and is hereby made a part of the Agreement entered into by the parties on December 10, 2009, and Addendum No. 1 to License and Development Agreement approved by the City Council on August 19, 2014, and executed by the parties on November 6, 2014.

1. **Section 3.1.1.** is hereby added to the Agreement, as follows:

**3.1.1 Additional Allowed Temporary Use**

(a) The Fair shall be allowed to permit the Porterville College Foundation to operate its weekly swap meet on the licensed premises from the effective date of this Addendum through April 30, 2021. After review of the swap meet operations at that location, the City Council may grant additional extensions of this use. The allowed use is intended by the City to provide a temporary alternative site in light of Porterville College's refusal to allow the use on its premises due to the Covid-19 crisis, and is not currently permitted to become the permanent or regular site for the activity. The swap meet shall be operated in compliance and accord with all applicable laws and City regulations, and previously approved City requirements for said event(s). Furthermore, this addendum shall not be construed to permit the operation of swap meets by any other entities to occur on the premises.

(b) This use is only allowed to the extent permitted by California law and any and all applicable California public health orders and guidelines, including but not limited to the Covid-19 related orders and guidelines. The swap meet shall be conducted in accord with these laws, State and local guidelines and restrictions.

(c) If the City determines that any laws, public health guidelines, and/or restrictions were violated, the City may immediately revoke this Addendum or take other appropriate action.

2. **PART VIA** is hereby added to the Agreement, as follows:

**INDEMNIFICATION**

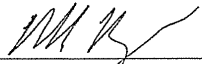
**6A.1.** Fair shall indemnify, defend, and hold harmless the City, its officers, employees, agents and volunteers ("City Indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable legal counsels' fees and costs of litigation ("claims"), arising out of the Fair's performance of its obligations under this Agreement or out of the operations conducted by the Fair, including the City's active or passive negligence except for such loss or damage arising from the sole

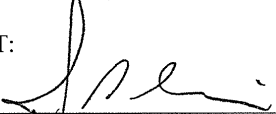
negligence or willful misconduct of the City. In the event the City indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from Fair's performance of this Agreement, the Fair shall provide a defense to the City indemnitees, or at the City's option, reimburse the City indemnitees their costs of defense, including reasonable legal counsels' fees, incurred in defense of such claims.

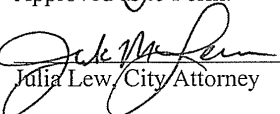
3. **PART VII AND AMENDED EXHIBIT B** are hereby amended to adjust/require public liability insurance minimum coverage to at least \$2,000,000 per occurrence for any personal injury and property damage/loss, and to adjust the Liquor Liability Coverage minimum to at least \$2,000,000 per occurrence. The City reserves the right to require additional insurance coverage concerning higher minimum coverage limits of up to \$5,000,000 for certain specified higher risk activities (e.g. the operation on the premises of amusement park rides), or activities where higher limits are prescribed by law. All other requirements of these sections shall continue to apply.
4. This Agreement shall be effective as of the execution date set forth below. All other terms as outlined in the above-referenced License and Development Agreement and Addendum No. 1 to License and Development Agreement, and not inconsistent with said Agreement and Addendum, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.


CITY OF PORTERVILLE

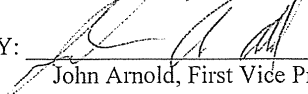
BY:   
Monte Reyes, Mayor

ATTEST:   
John Lollis, City Clerk

Approved as to Form:  
  
Julia Lew, City Attorney

TULARE COUNTY JUNIOR LIVESTOCK  
SHOW AND COMMUNITY FAIR

BY:   
Mitch Brown, President

BY:   
John Arnold, First Vice President

LICENSE AND  
DEVELOPMENT AGREEMENT  
(Porterville, California)

THIS PROPERTY LICENSE AND DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of this 10<sup>TH</sup> day of December 2009, by and between the CITY OF PORTERVILLE (the "City"), a municipal corporation, and TULARE COUNTY JUNIOR LIVESTOCK SHOW AND COMMUNITY FAIR ("Fair"), with respect to the following:

---

WHEREAS, the City is the owner of an approximate 37± acres of land, located in the City of Porterville, County of Tulare, State of California, more particularly described on Exhibits A-1 and A-2 attached hereto and depicted as the "Property." The Property is currently a part of the Porterville Municipal Airport.

WHEREAS, the Fair desires an exclusive License for the approximate 15 acres of land depicted on Exhibit A-1, and referenced as Parcel 1, to develop as a Fairplex (community fair); and

WHEREAS, the Fair desires to utilize the approximate 10 acres of land depicted on Exhibit A-2, and referenced as Parcel 2, to be used for parking, staging, and a carnival midway during the period of May 1 through June 1 annually, and used throughout the year by the Fair for general uses until such time as the City begins construction, development, or usage of the property whereas the terms of use by the Fair will be modified, but not be unduly limited or eliminated. Such development will be mutually complementary; and

WHEREAS, the City is willing to enter into a License with the Fair under the terms and conditions set forth below.

ACCORDINGLY IT IS AGREED:

**PART 1**  
**LICENSE, TERM, OPTION TO EXTEND, HOLDOVER, ASSIGNMENT,**  
**SUBLICENSING**

**1.1 License.**

The Fair will obtain a License of the Premises located in the City of Porterville, County of Tulare, California, depicted on Exhibit A-1, from the City on the terms and conditions set forth below.

**1.2 Licensee's Usage Date and Terms**

The Fair will be entitled to exclusive use of Parcel 1 of the Premises on the date to be mutually agreed upon by the Fair and the City. If the Fair commences utilization of the Premises on other than the first day of a calendar month, the initial term will consist of the unexpired portion of the calendar month in which the Fair holds the license of the

Premises plus fifty (50) full years from the first day of the calendar month immediately following. The anniversary date will be the first day of the first full month of the term.

### **1.3 Licensee's Option to Extend Term**

Provided Fair is not then in default of this License at maturity of the initial term, the Fair is granted the option to extend this License for a period of two (2) fifty (50) year extensions. In the event the property is not released from FAA obligations at the end of the initial term, said extensions may be subject to Federal approval.

---

### **~~1.4 Assignment and Sublicensing~~**

The Fair may not assign this Agreement to any organization, nor shall the Fair grant any sublicenses inconsistent with the uses allowed in Section 3.1, without the prior written consent of the City, which consent will not be unreasonably withheld.

## **PART II LICENSE FEE**

### **2.1 Amount**

The Fair will pay the following License Fee to the City for the exclusive use and occupancy of the Property.

#### **2.1.1 Annual License Fee**

##### **2.1.1.1 Tier 1**

The Fair acknowledges that the property is under the purview of the Federal Aviation Administration (FAA) and, as such, commands an annual license fee equal to fair market value for the property. Therefore, until such time as the land is released from FAA obligations, the annual license fee shall be the sum of \$13,500. In the event the Fair takes use of the Property on a day other than the first day of the month, the annual license fee shall include payment of \$37.00 per day for any unexpired portion of the calendar month in which the Fair has possession of the Property. License Fees shall be paid in annual installments on the anniversary date.

The City agrees to provide annual license fee assistance in an amount not to exceed \$13,500 during the license period of the Fair. The assistance is provided from the Porterville Municipal Airport fund as a credit against the debt owed from the Airport to the City. Said assistance shall be available to the Fair for a period not to exceed ten (10) years or until such time as the Fair either (a) purchases the property from the City or (b) is no longer operating at the site.

##### **2.1.1.2 Tier 2**

Upon release of the property from FAA purview, the annual license fee shall be reduced to \$1.00 per year for the remainder of the term of this License and any extensions thereof. Said reduction shall be effective upon the first

anniversary date following the release from the FAA. There shall be no proration nor shall there be any refund of license fees.

#### 2.1.2 Place of Payment

The Fair will pay all license fees at the City of Porterville Finance Department, located at 291 North Main Street, Porterville, California 93257

### PART III USE OF PREMISES

---

#### 3.1 Allowed Uses

The Fair and the Fair's sublicensees will use the Premises to:

- Provide a venue for junior exhibitors of livestock, agricultural products, handicrafts, and other artistic works; and
- Provide a source of community entertainment, as well as a showplace for local businesses, civic groups, and youth groups; and
- Provide a venue for local community groups to participate in community service.

The Fair will use the Premises in compliance with all laws, ordinances, and other governmental regulations now in force or which may hereafter be in force relating thereto, including, but not limited to all building, safety, and public health requirements and regulations. Additionally, at no profit to the Fair, the Fair will make every effort to support the use of the fairgrounds by all community oriented and/or non-profit organizations. These organizations may include, but are not limited to, 4-H Clubs, Future Farmers of America Chapters, Comision Honorifica Mexicana-Americana, Inc., and other community service organizations.

#### 3.2 Prohibited Uses

Fair will not commit or permit the commission of any acts on the Property that:

1. Increase the City's existing rates for, or causes the cancellation of any fire, casualty, liability, or other policy of Lessor insuring the Premises or its contents; or
2. Violate or conflict with any law, statute, ordinance, or governmental rule or regulation, where now in force or hereafter enacted, applicable to the Premises; or
3. Constitute waste on the Premises, or the maintenance of a nuisance as defined by the laws of California; or
4. Adult oriented business or residual uses will not be allowed.

//  
//  
//  
//  
//

**PART IV**  
**DEVELOPMENT OBLIGATIONS**

**4.1 Development Assistance**

4.1.1 To assist with the relocation of the Fair to Parcel 1 of the City-owned property described on Exhibit A-1, the City agrees to provide financial assistance to the Fair from the proceeds of the sale of the Olive Street site upon which the Fairgrounds is currently located. Said assistance shall be the net proceeds from the property sale, exclusive of brokerage, escrow, and other related fees, and is subject to the terms and conditions set forth in this Agreement. ~~The proceeds of the assistance may be utilized by the Fair for relocation, construction of facilities, and related costs.~~ No portion of the assistance may be allocated to costs relating to the operation of the Fair.

4.1.2 It is anticipated that the Fair and the City will prepare an application for tax-exempt bonds through California Communities, or a similar organization, in an amount supportable by a capital fund raising campaign for the construction of facilities. Said amount of bonding shall not exceed Two Million Dollars (\$2,000,000.00).

**4.2 Development of Parcel 1 (Exhibit A-1)** Fair agrees to construct upon Parcel 1 those improvements that are related to fair activities. Improvements may be made in Phases as set forth below:

**Phase 1**

Site Preparation  
Installation of On-Site Infrastructure  
Construction of Multipurpose Building #1  
Construction of Livestock Barn  
Construction of Rabbit Barn/Livestock Office  
Construction of Outdoor Stage (2)  
Construction of 100' x 200' Entertainment Area  
Storage for Pens, Panels, and Livestock Parking  
Preparation of Area for "Kiddie Land"  
Restroom (1)  
Ticket Booth(s)  
Concession Stands  
Bank of the Sierra Structure  
Fire Lanes  
Site Landscaping and Irrigation  
Parking Lot along Teapot Dome Avenue

**Phase 2**

Construction of Livestock Barn  
Construction of Livestock Parking  
Pen and Panel Storage Area  
Restroom #2

**Phase 3**

**Construction of Multipurpose Building #2**

- 4.2.1 Fair will submit plans for Project Review Committee review.
- 4.2.2 Fair will submit complete plans for issuance of building permit for the initial phase within six (6) months from date of this Agreement.
- 4.2.3 City Connection Fees (Impact Fees) including Trunk Line Sewer Fees, Treatment Plant Fees, Sewer Connection Charges, Water Trunk Fees, Water Connection Fees, Street Light Fees, Storm Drainage Fees, Fire Hydrant Fees, ~~Transportation Impact Fees, Frontage Improvement~~ Valuation Threshold, and Park Impact Fees will be calculated for the project. Said fees shall be deferred while the site remains under the ownership of the City. In the event that the Fair acquires ownership of the site, fees shall become due and payable to the City. Furthermore, Fair shall have the option to enter into a Development Fee Payment Plan for the payment of said fees.
- 4.2.4 Fair will be responsible for all fees related to the issuance of a building permits, with the exception of those fees identified in Section 4.2.3 above. Fair shall have the option to enter into a Development Fee Payment Plan for the payment of said fees.
- 4.2.5 Fair will be responsible for utility connections and associated fees.
- 4.2.6 Concurrent with the Agreement, Fair will apply for an alcohol agreement, which shall not be unreasonably withheld. Fair desires to utilize an "Adult Refreshment Area" concept to keep the consumption of alcohol within contained areas and away from the general public. A copy of said agreement is included as Exhibit B.
- 4.2.7 City hereby agrees to expedite the issuance of the building permit for the Project in order that the building permit or comments will be available within fourteen (14) days of submittal of complete building plans, inclusive of electrical and plumbing plans.
- 4.2.8 City will provide water and sewer services to the property boundary.
- 4.2.9 City will make every effort to obtain approval for the release of land from the purview of the Federal Aviation Administration within twelve months from the date of this Agreement. All fees and expenses related to the FAA release will be the responsibility of the City.

**4.3 Development of Parcel 2 (Exhibit A-2)**

- 4.3.1 City anticipates developing Parcel 2 for shared use by the City, Fair, and other public/governmental use. Future use may include a training/entertainment center.
- 4.3.2 City will provide the Fair exclusive use of all or a portion of Parcel 2 for the thirty-day period surrounding the annual fair, and may be used by the Fair throughout the year for general uses until such time as the City begins construction, development, or usage of the property. Fair will provide insurance pursuant to Section 7 of this Agreement for the use of this parcel.

- 4.3.3 In conjunction with development of Phase I by the Fair, Fair may perform site improvements to Parcel 2. Site work is subject to reimbursement to the Fair upon future development of Parcel 2 by the City, or within four (4) years from the date of the completion of mutually agreed upon improvements, whichever occurs first.
- 4.3.4 City will install curb, gutter, sidewalk, and street paveout along Teapot Dome Avenue.

#### **4.4 Other Obligations**

- ~~4.4.1 City agrees to allow the Fair use of a portion of City's Sports Complex as indicated on Exhibit C located on Scranton Avenue during the thirty-day period surrounding the fair week each year for overflow parking.~~
- 4.4.2 Fair will provide insurance pursuant to Section 7 of this Agreement for times that the Fair is utilizing the Sports Complex for overflow parking.
- 4.4.3 City will prepare and record parcel maps for Parcels 1 and 2 as shown on Exhibit A-1 and A-2.
- 4.4.4 Fair agrees to grant City access to drill a water well(s) as may be deemed necessary by the City. Location(s) of water well(s) will be mutually agreed upon by City and Fair and shall be situated so as not to interfere with Fair operations.

### **PART V MAINTENANCE, REPAIR, AND UPKEEP**

#### **5.1 Licensee's Responsibilities**

Maintenance, repair, and upkeep of the grounds and buildings on Parcel 1 will be solely the responsibility of the Fair. All portions of Parcel 1 shall be kept free and clear of weeds and debris until developed.

#### **5.2 Licensor's Responsibilities**

Maintenance, repair, and upkeep of the grounds and buildings on Parcels 2 and 3 will be solely the responsibility of the City. All portions of Parcels 2 and 3 shall be kept free and clear of weeds and debris until developed.

### **PART VI UTILITIES**

#### **6.1 Licensee's Responsibilities**

Fair shall be responsible for and will pay for all utilities and services furnished to the Property identified on Exhibit A-1, including gas, electricity, telephone, water, trash collection, and all related connection charges.

#### **6.2 Licensor's Responsibilities**

City shall be responsible for and will pay for all utilities and services furnished to the Properties identified on Exhibit A-2 and A-3, including gas, electricity, telephone, water, trash collection, and all related connection charges.

## PART VII INSURANCE

### 7.1 Licensee's Insurance

The Fair, at its own expense, shall procure and maintain, throughout the term of this License, public liability insurance including bodily injury and property damage insuring the Fair and the City with minimum coverage as follows:

- 
- ~~\$1,000,000 for personal injury for each person~~
  - \$1,000,000 for personal injury or death of two or more persons in each accident or event.

The policy must contain, or be endorsed to contain, the following:

#### City of Porterville

The City of Porterville, its officers, employees, agents and subtenants must be covered as additional insured as respects liability arising out of activities performed by or on behalf of Lessee, and premises owned, occupied or used by Lessee. The coverage must contain no special limitations on the scope of protection afforded to the City, its officers, employees, or agents.

The Fair shall also procure and maintain, at its expense, throughout the term of this License, insurance against loss or damage to any structures constituting any part of the demised Premises, by fire and lightning, with extended coverage insurance.

The Fair will provide the City with a certificate or certificates of coverage showing the policy or policies are issued by insurers permitted to conduct business in the State of California.

The policy must not be suspended, voided, canceled, or reduced in coverage or in limits, except after 30 days prior written notice has been given to the City.

## PART VIII TERMINATION FOR CAUSE

### 8.1 Cause.

Either party may terminate this Agreement for cause without prejudice to any other right or remedy to which the terminating party may be entitled at law or under this Agreement. Cause for the purpose of this Agreement exists if a party:

- (a) is adjudged a bankruptcy; or
- (b) becomes insolvent or has a receiver appointed; or
- (c) makes a general assignment for the benefit of creditors; or

- (d) suffers any judgment which remains unsatisfied for 90 days, and which would substantively impair the ability of the judgment debtor to perform under this Agreement; or
- (e) materially breaches this Agreement.

## 8.2 Notice to Defaulting Party.

For any of the above occurrences except item (e), termination may be effected upon written notice by the terminating party specifying the date of the termination. Upon a material breach, the Agreement may be terminated only after the failure of the defaulting party to remedy the breach to the satisfaction of the non-defaulting party within 90 calendar days of delivery of a written notice specifying the nature of the breach. If the breach is not remedied within that 90-day period, the non-defaulting party may terminate this Agreement by delivering a further written notice specifying the date of the termination. If the nature of breach is such that it cannot be cured within the 90-day period, the defaulting party may deliver a written proposal to the non-defaulting party within that period which sets forth a specific means to resolve the default. If the non-defaulting party consents to that proposal in writing, which consent will not be unreasonably withheld, the defaulting party will immediately embark on its plan to cure. If the default is not cured within the time agreed, the non-defaulting party may terminate after delivering a written notice specifying the date of termination.

## 8.3 Delivery of Notices

Notices given under Section 8.2 will be deemed delivered as provided in Section 9 below.

## 8.4 Ownership of Improvements

Upon termination of this Agreement, City shall have the option of purchasing any structures, fixtures, signs, or other improvements made upon the site by Fair over the term of this Agreement. City agrees to reimburse Fair for those improvements being purchased by City an amount determined to be the appraised value at the termination period, less the original financial assistance provided to Fair as stated in Section 4.1 of this Agreement. Fair shall be responsible for the removal of all structures, fixtures, signs, and other improvements not acquired by City and shall restore the premises to the same condition as that existing prior to the erection or installation of improvements. Should the Fair fail or refuse to remove improvements, City may do so at Fair's sole cost and expense.

## 8.5 Obligations Surviving Termination

Termination of this Agreement will not terminate any obligations to indemnify, to maintain and make available any records pertaining to the Agreement, to cooperate with any audit, to be subject to offset, or to make any reports of pre-termination contract activities.

//  
//  
//  
//

**PART IX  
NOTIFICATIONS**

9.1 All notices or other communications required or permitted hereunder shall be in writing, and may be personally delivered or sent by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

To City: City of Porterville  
291 N. Main Street  
Porterville, CA-93257  
Attn: City Clerk

To Fair: Tulare County Junior Livestock Show and  
Community Fair  
P.O. Box 369  
Porterville, CA 93258  
Attn: President

subject to the right of a party to designate a different address for itself by notice similarly given. Any notice so given by United States mail shall be deemed to have been given on the second business day after the same is deposited in the United States mail as above provided. Any notice not so given by registered or certified mail shall be deemed given upon receipt of the same by the party to whom the same is given.

**PART X  
AIRPORT DISCLOSURE STATEMENT**

10.1 **Notice of Airport in Vicinity:** The subject property is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from person to person. Fair may wish to consider what airport annoyances, if any, are associated with the property before completing this transaction and determine whether they are acceptable.

10.2 **Notice of Intent to Record Restrictive Covenant:** It is the intent of the City of Porterville to record a Restrictive Covenant upon all City-owned property within the Airport Development Area concurrent with this Agreement. A draft of said Covenant is shown as Exhibit D.

**PART XI  
MISCELLANEOUS PROVISIONS**

11.1 **Quiet Enjoyment**

Upon payment of the license fees and the performance of all the terms, covenants, and conditions by the Fair to be performed as herein provided, the Fair will be allowed to

peaceably and quietly hold and enjoy the premises during the term of this license, or any extended term thereof.

#### **11.2 Surrender**

The Fair will peaceably surrender use of the Premises upon the expiration or other termination of this License, and will return the Premises to the City in as good a condition as when received, reasonable wear and tear and damage from the elements excepted, except for so much of said Premises as may be injured or destroyed by fire earthquake or other casualty not the fault of the Fair.

---

#### **11.3 Addenda**

This Agreement may be modified, amended, or terminated at any time by mutual consent in writing of the parties hereto in the form of an Addendum to the Agreement.

#### **11.4 Entire Agreement Represented**

This Agreement represents the entire understanding between the City and the Fair as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified, waived, or repealed without the written consent of both parties.

#### **11.5 Headings**

Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning, or intent of the provisions under the headings.

#### **11.6 Interpretation**

This Agreement reflects the contributions of both parties and accordingly the provisions of Civil Code Section 1654 shall not apply to address and interpret any uncertainty.

#### **11.7 No Third Party Beneficiaries**

Unless specifically set forth, the parties to this Agreement do not intend to provide any third party with any benefit or enforceable legal or equitable right or remedy.

#### **11.8 Governing Law**

This Agreement will be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. Any litigation arising out of this Agreement will be brought in Tulare County California. The City waives the removal provisions of California Code of Civil Procedure Section 394.

#### **11.9 Waivers**

The failure of either party to insist on strict compliance with any provision of this Agreement will not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party of either performance or payment will not be considered to be a waiver of any preceding breach of the Agreement by the other party.

#### **11.10 Exhibits and Recitals**

All Exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

#### **11.11 Conflict with Laws or Regulations; Severability**

This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties, to be in conflict with any code or regulations governing its subject, the conflicting provision will be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases, the remainder of the Agreement will continue in full force and effect. If either party, exercising its sole discretion, elects to defend this Agreement against a third party suit alleging any invalidity in this Agreement, they must do so at their own expense.

**11.11.1 Legal Fees** In the event that an action shall be instituted by either party hereto for the enforcement of any of its rights or remedies in or under this Agreement, the party in whose favor judgment shall be rendered therein shall be entitled to recover from the other party all costs and expenses incurred by said prevailing party in said action, including reasonable attorney's fees as fixed by the court therein.

#### **11.12 Further Assurances**

Each party will execute any additional documents and will perform any further acts which may be reasonably required to affect the purposes of this Agreement. The Fair will, on request by the City, execute appropriate estoppels certificates and attornments in favor of any trust deed holders or encumbrances.

#### **11.13 Assurances of Non-discrimination**

The Fair will not discriminate in employment or the performance of the Work or in the provision of services called for under this Agreement on the basis of any characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.

The Fair herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this License is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein licensed nor shall the lessee himself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein licensed.

**11.14 Licensor's Right to Enter to Inspect and Post**

The Fair will permit the City and its agents to enter upon the Premises at all reasonable times for the purpose of posting notices of non-responsibility for alterations or additions made by the Fair, or for the purpose of inspecting the Premises.

**11.15 Brokers**

All negotiations relative to this Agreement have been carried out directly by representatives of the City and the Fair without the participation of brokers, and each party represents to the other that there are no unpaid broker's fees in connection with this Agreement.

---

**11.16 Successors and Assigns**

This Agreement is binding on and will inure to benefit the successors and assigns of the parties, but nothing in this section shall be construed as consent by the City to any sublicense or assignment by the Fair if such consent is otherwise required by the terms of this Agreement.

**11.17 Representations of Authority**

Each party executing this Agreement represents and warrants to the other parties that the party has full power and authority to execute and deliver this Agreement in the manner contemplated hereby and that this Agreement is binding upon the party in accordance with its terms.

**11.18 Venue**

If either party initiates an action to enforce the terms hereof or declare rights hereunder, the parties agree that the venue thereof shall be the County of Tulare, State of California. Fair hereby waives any rights it might have to remove any such action pursuant to California Code of Civil Procedure Section 394.

**11.19 Counsel**

The parties represent and warrant that this Agreement has been freely negotiated and has been reviewed by each party's respective legal counsel.

**11.20 Duplicate Originals**

This Agreement will be executed in duplicate originals.

**11.21 Time is of the Essence**

Time is of the essence for this Agreement.

**PART XII  
REPRESENTATIONS AND WARRANTIES OF CITY**

City hereby makes the following representations and warranties to and agreements with Fair, which are true as of the date hereof, which shall be true as of the date of the License, which are not intended to replace or limit in any manner any express or implied warranty provided under the applicable law and which, except to the extent they relate to events or

circumstances occurring or arising after the License, shall survive the License. Fair shall be entitled to rely upon said representations and warranties notwithstanding Fair's inspections and investigations:

12.1 As of the date of License, City has complied or will comply with all applicable federal, state or local laws, regulations, ordinances or orders and has completed all proceedings or other actions necessary to complete the License and all of the transactions contemplated by this Agreement and the Annual License Fee reflects the fair market License value of the Property as of the date of this Agreement. There are no unrecorded liens or encumbrances affecting the Property and no person or entity has any right, title or interest in or to the Property other than City.

12.2 City has not received notice of, nor does City have any knowledge of, any pending or threatened action of governmental proceeding in eminent domain, zoning change or other proposed change, nor does City know of any fact which might give rise to any such proceeding, nor does City know of any other type of existing or intended use of any adjacent or nearby real property which might adversely affect the use of the Property for Fair purposes.

12.3 There are not presently pending any assessments by any governmental entity or public utility (other than for annual ad valorem real property taxes) of any nature with respect to the Property or any part of the Property. No property tax with respect to the Property is delinquent, and all requirements of all insurance policies with respect to the Property have been, and are being, fully complied with.

12.4 As of the date of the License, there shall be no easements, licenses, leases or tenancies of any type on the Property or any portion of the Property except those approved by Fair in accordance with this Agreement.

12.5 There are no encroachments upon the Property or any portion of the Property or any easement, appurtenance or other interest in the Property except those existing utilities above and below ground surface that are to remain in service. No improvements located on the Property encroach upon any property adjacent to the Property or upon any easement, building setback line, appurtenance or other interest in real property except as shown on the Preliminary Title Report, dated July 7, 2009, and shown as Exhibit E.

12.6 There are no liens or encumbrances against the Property for work performed or commenced or material supplied with respect to the Property, nor can there be claimed against the Property any such lien.

12.7 There is no suit or arbitration, bond issuance or proposal for bond issuance, proposals for public improvement assessment, pay-back agreement, paving agreement, road expansion or improvement agreement, utility moratorium, use moratorium, improvement moratorium, license fee increase moratorium, or legal, administrative or other proceeding or governmental investigation or requirement, formal or informal, existing or pending or threatened which affects the Property or which adversely affects

Fair's ability to develop the Property for Fair purposes, or which imposes any other charge or expense upon, or relating to, the Property which has not been disclosed to Fair in writing prior to the date of this Agreement, or, in the case of any such requirement, fully complied with.

12.8 City has no knowledge, nor has City received notice of any environmental rule, order or regulation which would adversely affect the commercial development on the Property .

---

~~12.9 This Agreement is a valid obligation of City and is binding upon City in accordance with its terms.~~

12.10 This Agreement, when executed by City, shall have been duly and properly executed and neither the execution of this Agreement nor the consummation of the transactions contemplated by this Agreement will constitute:

(i) a default or an event which with notice or the passage of time or both would constitute a default under, or a violation or breach of, any indenture, license, lease, franchise, mortgage, deed of trust or other instrument or agreement to which City is a party or by which City, or City's property, including without limitation, the Property, may be bound, or

(ii) an event which would permit any party to any agreement or instrument affecting the Property or affecting City's ability to perform its obligations under this Agreement to terminate it, or permit the holder of any indebtedness to accelerate its maturity, or

(iii) a violation of any statute, order, rule or regulation applicable to City or any portion of the Property.

12.11 After the date of this Agreement, City shall not undertake any work on the Property which may result in the creation of a mechanic's lien on the Property or any portion of this Property.

12.12 City has no knowledge of any adverse geological or soil condition affecting the Property.

12.13 No portion of the Property lies within a flood plain designated by the federal, state or local government.

### **PART XIII FIRST RIGHT OF REFUSAL**

13.1 In the event the City obtains the release of land from purview of the Federal Aviation Administration and desires to sell the released land, Fair shall have the First Right of Refusal for Parcel 1 and Parcel 2.

### 13.2 Purchase Price

The purchase price shall be established by the fair market value of the land at the time of the transaction as set forth in an appraisal obtained by the City from a licensed appraiser.

### 13.3 Lapse of Option

If at the time of offer of land for sale, the Fair is no longer operating upon Parcel 1, this First Right of Refusal shall automatically terminate.

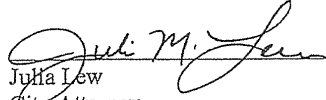
### ~~13.4~~ Purchase and Sale

In the event the City makes an offer to sell the property, and the Fair accepts said offer, then the parties shall open an escrow (the "Option Escrow") with the Escrow Holder. The Escrow shall close fifteen days after the date of the exercise of the Option (the "Option Closing Date"). Prior to the Option Closing Date, City shall deposit a fully executed and acknowledged Grant Deed conveying the Property to the Fair. If the Option Escrow is in a position to close on the Option Closing Date (or as soon thereafter as is possible but in no event later than 30 days following the option Closing Date), Escrow Holder shall deliver to Fair the Grant Deed by depositing the same with the County Recorder of the County of Tulare, California, with instructions to record the same and thereafter to mail the same to Fair and shall deliver to City funds in the amount as agreed upon as the fair market value of the property. City shall bear the fee for recordation of the Grant Deed, one-half of the Escrow Holder's fee and any additional charges customarily charged to sellers in Tulare County. Fair shall bear the documentary transfer tax required, one-half of Escrow Holder's fee and any additional costs and charges customarily charged to buyers in Tulare County.

[illegible]


IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

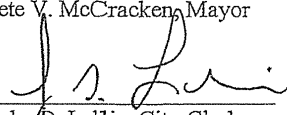
APPROVED AS TO FORM:

  
Julia Lew  
City Attorney

CITY:

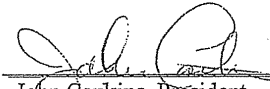
CITY OF PORTERVILLE  
a Municipal Corporation

BY:   
Pete V. McCracken, Mayor

BY:   
John D. Lollis, City Clerk

FAIR:

Tulare County Junior Livestock  
Show and Community Fair

BY:   
John Gorkins, President

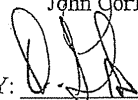
BY:   
Dennis Sexton,  
First Vice President

EXHIBIT A-1

Parcel 1

That portion of the Southeast quarter of Section 8, Township 22 South, Range 27 East, Mount Diablo Base and Meridian, in the City of Porterville, County of Tulare, State of California, according to the Official Plat thereof, more particularly described as follows:

COMMENCING AT the Southwest corner of the Southeast quarter of said Southeast quarter of Section 8;

THENCE, North 00°35'50" East, along the west line of the Southeast quarter of said Southeast quarter, 25.00 feet, to a point in the north right of way line of Tea Pot Dome Avenue, said point also being the POINT OF BEGINNING;

THENCE, continuing North 00°35'50" East, 1,293.54 feet to the Northwest corner of the Southeast quarter of said Southeast quarter of Section 8;

THENCE, South 89°40'00" West, along the north line of the Southwest quarter of said Southeast quarter of Section 8, 1,282.90 feet, to a point in the east right of way line of West Street (60 feet wide);

THENCE, North 00°34'21" East, along said east right of way line, 30.00 feet, to the Southwest corner of Parcel 1 of Parcel Map No. 4834 as shown on map filed in Book 49 of Parcel Maps, at page 39 in the office of the County Recorder of said County;

THENCE, North 89°40'00" East, along the south line of Parcel 1 and Parcel 2 of said Parcel Map No. 4834, a distance of 720.93 feet;

THENCE, North 00°20'00" West, a distance of 50.00 feet;

THENCE, North 89°40'00" East, a distance of 100.00 feet;

THENCE, South 00°20'00" East, a distance of 50.00 feet;

THENCE, North 89°40'00" East, a distance of 982.02 feet;

THENCE, departing the south line of said Parcel Map No. 4834, South 00°35'50" West, 1,323.72 feet, to a point in the north right of way line of Tea Pot Dome Avenue;

THENCE, South 89°41'13" West, 520.03 feet, to the POINT OF BEGINNING.

EXCEPTING THEREFROM, the South 17 feet thereof for streets and public purposes.

RESERVING THEREFROM, the Grantor's fee title interests in and to that portion more particularly described as follows:

---

COMMENCING AT the Southwest corner of the Southeast quarter of said Southeast quarter of Section 8;

THENCE, North 00°35'50" East, along the west line of the Southeast quarter of said Southeast quarter, a distance of 1,273.53 feet to the POINT OF BEGINNING;

THENCE, continuing North 00°35'50" East, 20.00 feet, to the Northwest corner of the Southeast quarter of said Southeast quarter of Section 8;

THENCE, South 89°40'00" West, along the north line of the Southwest quarter of said Southeast quarter of Section 8, 1,282.90 feet, to a point in the east right of way line of West Street (60 feet wide);

THENCE, North 00°34'21" East, along said east right of way line, 30.00 feet, to the Southwest corner of Parcel 1 of Parcel Map No. 4834 as shown on map filed in Book 49 of Parcel Maps, at page 39 in the office of the County Recorder of said County;

THENCE, North 89°40'00" East, along the south line of Parcel 1 and Parcel 2 of said Parcel Map No. 4834, a distance of 720.93 feet;

THENCE, North 00°20'00" West, a distance of 50.00 feet;

THENCE, North 89°40'00" East, a distance of 100.00 feet;

THENCE, South 00°20'00" East, a distance of 50.00 feet;

THENCE, North 89°40'00" East, a distance of 982.02 feet;

THENCE, departing the south line of said Parcel Map No. 4834, South 00°35'50" West, a distance of 50.01 feet;

THENCE, South 89°40'00" West, 520.03 feet to the POINT OF BEGINNING.

CONTAINING: 653,400 sq. ft., (15 acres)

BASIS OF BEARING for the parcel described herein is the south line of the Southeast quarter of said Section 8, taken as: North 89°41'13" East per Record of Survey recorded in Book 21 of Licensed Surveys, at page 68, Tulare County Records.

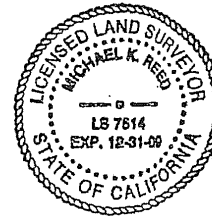
END OF DESCRIPTION

---

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

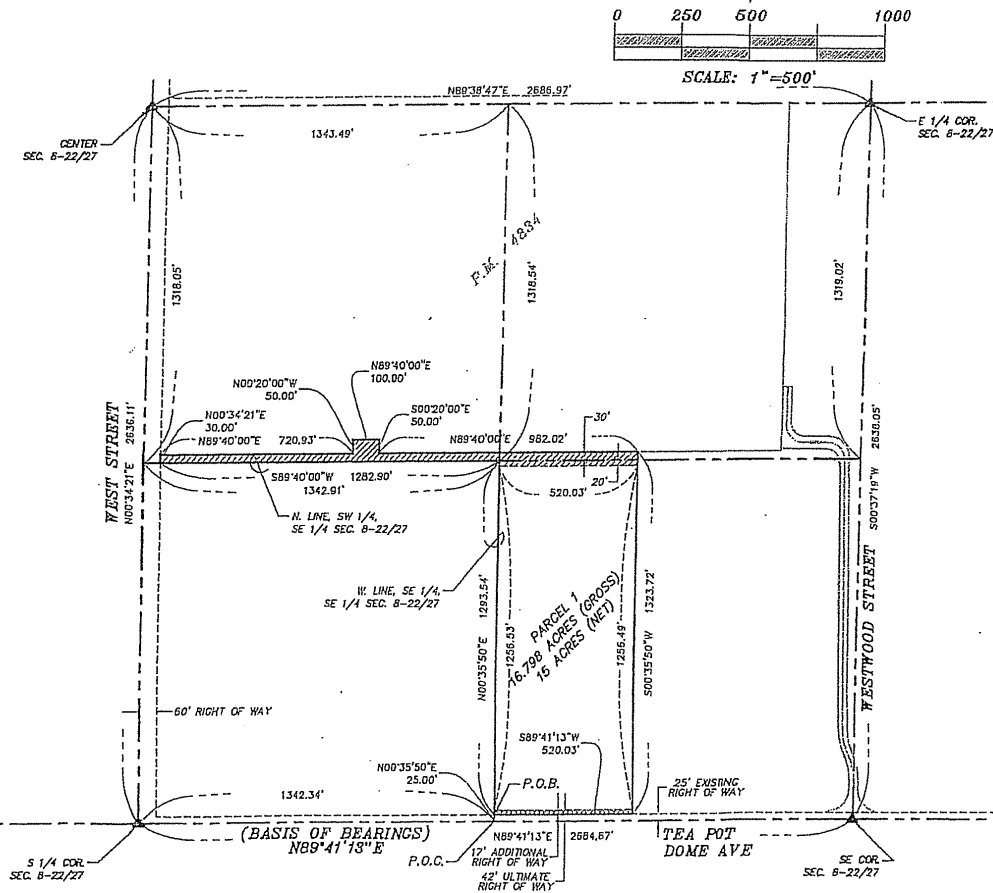
Signature: Michael K. Reed  
Michael K. Reed, Licensed Land Surveyor

Date: 9/25/2009



 RESERVATION AREA

 RIGHT OF WAY AREA



**CITY OF PORTERVILLE**  
*ENGINEERING DIVISION*  
201 N. MAIN ST. PORTERVILLE, CALIFORNIA 93257 550 782-7402

PORTION OF THE SOUTHEAST QUARTER OF  
THE SOUTHEAST QUARTER SECTION 8,  
TOWNSHIP 22 SOUTH, RANGE 27 EAST,  
MOUNT DIABLO BASE AND MERIDIAN, IN  
THE CITY OF PORTERVILLE, COUNTY OF  
TULARE, STATE OF CALIFORNIA

OWNER: CITY OF  
PORTERVILLE  
APN: POR. 302-110-075  
AREA: 653,400 S.F.  
ACRES: 15 (NET)  
DRAWN BY: JB  
CHK'D BY: DB

EXHIBIT A-2

Parcel 2

That portion of the Southeast quarter of Section 8, Township 22 South, Range 27 East, Mount Diablo Base and Meridian, in the City of Porterville, County of Tulare, State of California, according to the Official Plat thereof, more particularly described as follows:

COMMENCING AT the Southwest corner of the Southeast quarter of said Southeast quarter of Section 8;

THENCE, North 00°35'50" East, along the west line of the Southeast quarter of said Southeast quarter, 25.00 feet, to a point in the north right of way line of Tea Pot Dome Avenue;

THENCE, North 89°41'13" East, along said north right of way, a distance of 520.03 feet to the POINT OF BEGINNING;

THENCE, North 00°35'50" East, 1,323.72 feet to a point in the south line of Parcel 2 of Parcel Map No. 4834, recorded in Book 49 of Parcel Maps, at page 39 in the office of the County Recorder of said County;

THENCE, North 89°40'00" East, along the south line of Parcel 2 and Parcel 3 of said Parcel Map No. 4834, a distance of 346.65 feet;

THENCE, departing the south line of said Parcel Map No. 4834, South 00°35'50" West, 1,323.85 feet, to a point in the north right of way line of Tea Pot Dome Avenue;

THENCE, South 89°41'13" West, 346.64 feet, to the POINT OF BEGINNING.

EXCEPTING THEREFROM, the South 17 feet thereof for streets and public purposes.

RESERVING THEREFROM, the Grantor's fee title interests in and to the North 50 feet thereof.

CONTAINING: 435,600 sq. ft., (10 acres)

BASIS OF BEARING for the parcel described herein is the south line of the Southeast quarter of said Section 8, taken as: North 89°41'13" East per Record of Survey recorded in Book 21 of Licensed Surveys at page 68, Tulare County Records.

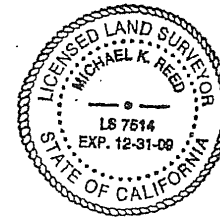
---

END OF DESCRIPTION

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

Signature: Michael K. Reed  
Michael K. Reed, Licensed Land Surveyor

Date: 9/25/2009



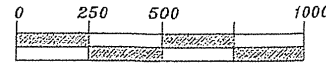
# PARCEL 2 PLAT



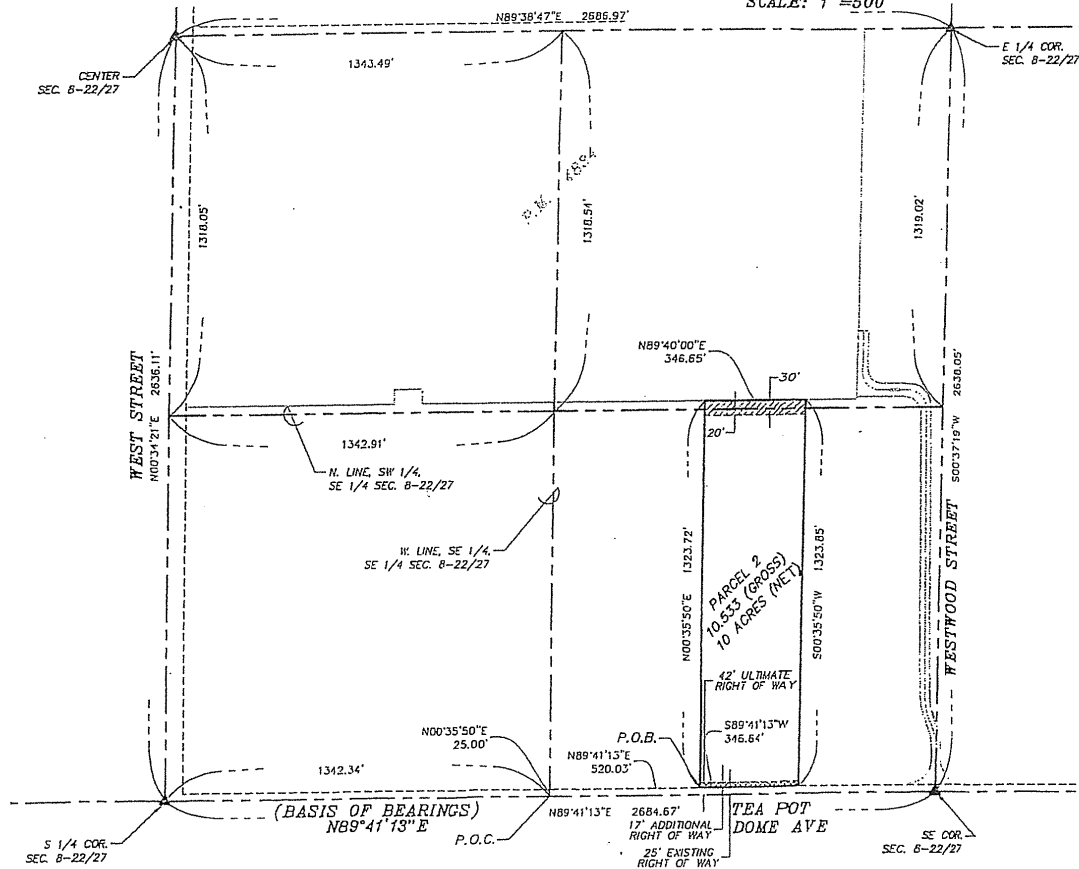
RESERVATION AREA



RIGHT OF WAY AREA



SCALE: 1"=500'



**CITY OF PORTERVILLE**  
ENGINEERING DIVISION

201 N. MAIN ST. PORTERVILLE, CALIFORNIA 93257 559 782-7452

PORTION OF THE SOUTHEAST QUARTER OF  
THE SOUTHEAST QUARTER SECTION 8,  
TOWNSHIP 22 SOUTH, RANGE 27 EAST,  
MOUNT DIABLO BASE AND MERIDIAN, IN  
THE CITY OF PORTERVILLE, COUNTY OF  
TULARE, STATE OF CALIFORNIA

OWNER: CITY OF  
PORTERVILLE  
APN: POR. 302-110-075  
AREA: 435,606 S.F.  
ACRES: 10 (NET)  
DRAWN BY: JB  
CHK'D BY: DE

**EXHIBIT B**  
**RIGHT TO SELL ALCOHOLIC BEVERAGES**

The City of Porterville, a Charter Law City and Municipal Corporation (the "City") and the Tulare county Junior Livestock and Community Fair, Inc. a California Corporation (the "Fair"), having entered into a License Agreement, dated December 10, 2009, do hereby agree to the following:

The City hereby agrees to permit the sale of alcoholic beverages in conjunction with the ~~Annual Fair and other events held at the fairgrounds during each year for the term of the~~ License Agreement by and between the City and the Fair, with the following conditions:

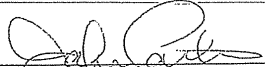
1. Alcohol sales shall be allowed only with proper permitting through the Department of Alcoholic Beverage Control (ABC). Alcohol sales shall be subject to all local, county, and state laws and regulations.
2. That the location and screening of the alcohol sales area shall be maintained at the location(s) established and utilized by the Fair.
3. That the alcohol sales area be designated as an "Adult Refreshment Area" or similar terms, without reference to alcohol. Admittance to the "Adult Refreshment Area" shall be restricted to individuals 21 years of age, or older, and no beverages will be permitted to leave the "Adult Refreshment Area" to be consumed outside the area at any time, and no alcoholic beverage containers of any sort shall be allowed to be brought into the "Adult Refreshment Area".
4. Fair shall utilize security personnel, whether by private contractor or by City Police personnel under separate agreement, at its own cost and expense, with the decision of whether to hire private security personnel or city Police personnel to be at the sole discretion of the Board of Trustees for Fair, and it being further understood that City will not be responsible for the payment of said services.
5. Any agreements or contracts between Fair and carnival operators shall include a provision prohibiting carnival workers or personnel from using the "Adult Refreshment Area" during the course of their work.
6. Notwithstanding annual insurance requirements set forth in the License Agreement, the Board of Trustees for Fair shall procure or cause to be procured, Liquor Liability insurance coverage of not less than One Million Dollars (\$1,000,000) per occurrence, naming the City of Porterville, its officers, employees, agents, and volunteers as "Additional Insured" against all claims arising out of, or in connection with, the sale of alcoholic beverages in conjunction with the Annual Fair. Evidence of coverage shall be presented in


the form of an original Certificate of Insurance to the City's Risk Manager  
each year, prior to the commencement of the Annual Fair.

Dated: December 10, 2009

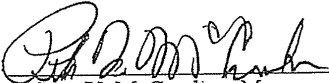
BOARD OF TRUSTEES OF TULARE COUNTY  
JUNIOR LIVESTOCK SHOW AND COMMUNITY FAIR, INC.

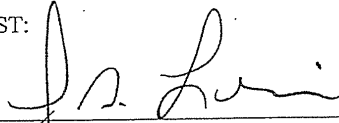
---

BY:   
John Corkins, President

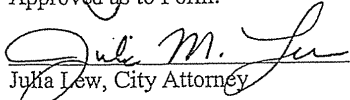
BY:   
Dennis Sexton, First Vice President

CITY OF PORTERVILLE

BY:   
Pete V. McCracken, Mayor

ATTEST:   
John Lollis, City Clerk

Approved as to Form:

  
Julia Lew, City Attorney

## EXHIBIT C



**EXHIBIT D**  
**RESTRICTIVE COVENANT**  
**AGREEMENT**

~~WHEREAS, the City of Porterville owns that certain lot or parcel of real property located and situated in Tulare County, California, which said property is more particularly described in Exhibit A attached hereto and incorporated herein by reference and which property is located within the area of the Airport Development Zone and Airport Safety Zone and is exposed to noise and hazards associated with aircraft overflight; and~~

WHEREAS, the City of Porterville desires to develop the property described in Exhibit A for commercial, industrial or economic development uses; and

WHEREAS, the City of Porterville does hereby grant a perpetual right and covenant for the free and unobstructed flight of aircraft (being defined as any contrivance now or hereafter used for flight in the air) in and through the airspace over and in the vicinity of the property described in Exhibit A attached hereto, including jet-powered air carrier aircraft in landing and take-off operations and other flight activities associated wherewith, together with the right to cause such noise, vibrations, odors, vapors, particulates, smoke, dust or other effects may be inherent in the operation of aircraft of all types.

This covenant shall be appurtenant to and shall run with the real property now owned and used for airport, commercial, industrial, or economic development purposes. This covenant and the burden thereof, together with all incidents and effects of or resulting from use and enjoyment thereof shall constitute a permanent burden and tenement upon the subject property which shall be binding upon and enforceable by the Porterville Municipal Airport.

NOW THEREFORE, if the real property is hereafter conveyed to an entity/individual not associated with the City of Porterville, an Avigation Easement shall be executed more particularly described in Exhibit B attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the City of Porterville have hereunto set their hands and seals as of the date and year first above written.

---

John Lollis, City Manager  
Porterville, California

ACKNOWLEDGMENT

State of California  
County of Tulare

On \_\_\_\_\_ before me, \_\_\_\_\_  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

Exhibit "A"

Airport Parcel

That portion of the Southeast quarter of Section 8, Township 22 South, Range 27 East, Mount Diablo Base and Meridian, in the City of Porterville, County of Tulare, State of California, according to the Official Plat thereof, more particularly described as follows:

COMMENCING AT the Southwest corner of the Southeast quarter of said Southeast quarter of Section 8;

THENCE, North 00°35'50" East, along the west line of the Southeast quarter of said Southeast quarter, 25.00 feet, to a point in the north right of way line of Tea Pot Dome Avenue, said point also being the POINT OF BEGINNING;

THENCE, continuing North 00°35'50" East, 1,293.54 feet to the Northwest corner of the Southeast quarter of said Southeast quarter of Section 8;

THENCE, North 89°40'00" East, along the north line of the Southeast quarter of said Southeast quarter, a distance of 866.68 feet;

THENCE, departing the north line of the Southeast quarter of said Southeast quarter, South 00°35'50" West, 1,293.84 feet, to a point in the north right of way line of Tea Pot Dome Avenue;

THENCE, South 89°41'13" West, 866.67 feet, to the POINT OF BEGINNING.

CONTAINING: 1,121,067 sq. ft., (25.74 acres)

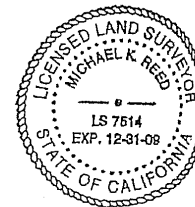
BASIS OF BEARING for the parcel described herein is the south line of the Southeast quarter of said Section 8, taken as: North 89°41'13" East per Record of Survey recorded in Book 21 of Licensed Surveys at page 68, Tulare County Records.

END OF DESCRIPTION

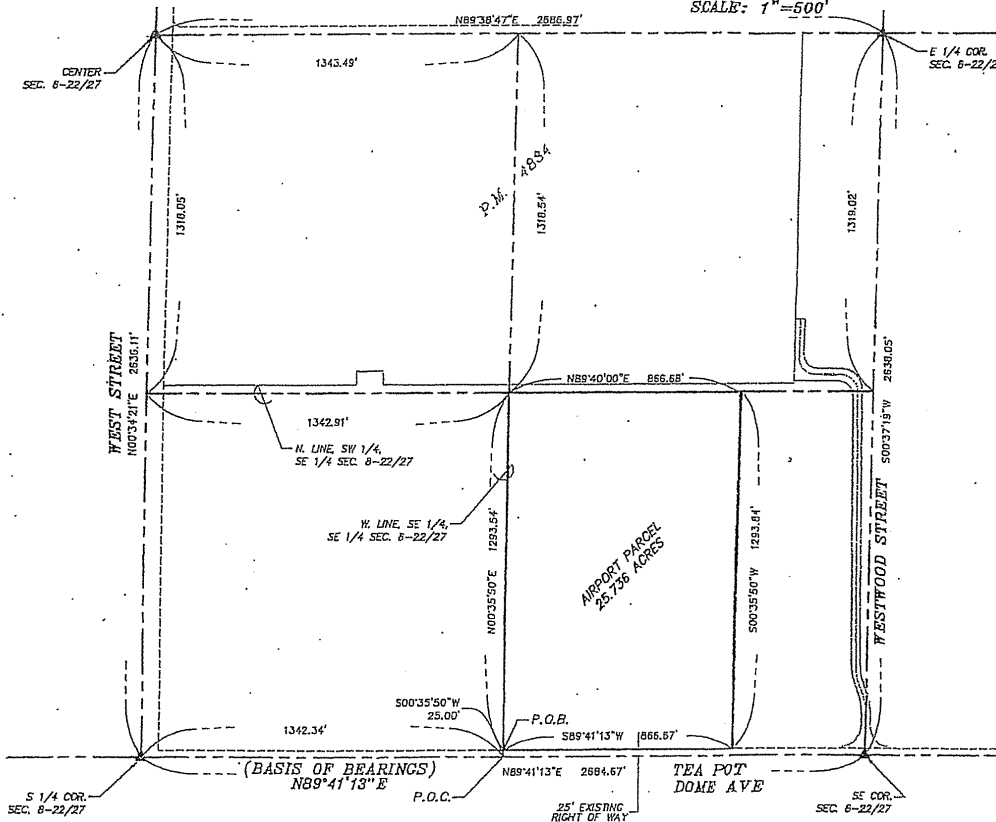
This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

Signature: Michael K. Reed  
Michael K. Reed, Licensed Land Surveyor

Date: 9/25/2009



# AIRPORT PARCEL PLAT



**CITY OF PORTERVILLE**  
ENGINEERING DIVISION  
291 N. MAIN ST. PORTERVILLE, CALIFORNIA 93257 559 782-7462

PORTION OF THE SOUTHEAST QUARTER OF  
THE SOUTHEAST QUARTER SECTION 8,  
TOWNSHIP 22 SOUTH, RANGE 27 EAST,  
MOUNT DIABLO BASE AND MERIDIAN, IN  
THE CITY OF PORTERVILLE, COUNTY OF  
TULARE, STATE OF CALIFORNIA

OWNER: CITY OF  
PORTERVILLE  
APN: POR 302-110-075  
AREA: 1,121,067 S.F.  
ACRES: 25.736 (GROSS)  
DRAWN BY: JB  
CHK'D BY: DB

*EXHIBIT "B"*

GRANT OF AVIGATION EASEMENT

RECITALS:

1.

*(provide complete legal name of all owners of record subject property)*

*(state identity of property owner — e.g., single man/woman, husband and wife, a corporation)*

("Grantor(s)", is (are) the owner(s), as

*(designate how title to property is held — e.g., joint tenants, community property)*

of the fee simple estate in and to that certain real property situated in the City of Porterville, State of California, described as

*(provide street address and zip code of subject property)*

and more particularly described as follows:

*(provide complete legal description and assessor parcel number of subject property)*

("the Subject Property")

2. It is the desire of Grantor(s) to grant to the Porterville Municipal Airport, a division of the City of Porterville ("the Authority"), a local governmental entity organized under the laws of the State of California and possessing jurisdiction extending throughout the City of Porterville, an air and avigation easement, also known as a perpetual air, flight, or noise easement, on, upon, over, across, above the Subject Property, and to all of the airspace above the Subject Property, whereby Grantor(s) relinquishes certain rights relative to the Subject Property, as described in this Avigation Easement;

3. The purpose of this Avigation Easement, and its acceptance by the Authority, includes granting the Authority, its successors and assigns, an avigation easement permitting the unencumbered and unrestricted flight of aircraft to or from Porterville Municipal Airport ("PMA"), owned and operated by the Authority, without liability to the Authority, to the aircraft operator, or to any other person lawfully operating aircraft to or from PMA in the navigable airspace of the United States (as defined at 49 U.S.C.S. §40102(a)(30), and as that section of the United States Code (and

the referenced regulations) existed on the effective date of this Avigation Easement), and in accordance with relevant regulations of the United States of America and the State of California, pursuant to the authority granted to the Authority by the people and the State of California; and

4. This Avigation Easement is intended to benefit the Grantor(s), the Subject Property, the Authority, and all users of PMA, and shall be binding on Grantor(s) and all future owners, occupants and users of the Subject Property.

---

~~NOW, THEREFORE, for valuable consideration, receipt of which is hereby~~  
acknowledged:

#### WARRANTIES AND COVENANTS

Grantor(s) warrant(s) and covenant(s) to the Authority that as of the date hereof:

1. Grantor(s) hold(s) the entire fee simple interest in the Subject Property;
2. Grantor(s) shall not convey (his/her/their/its) interest in the Subject Property, or execute, deliver, comply or permit recordation of any interest in the Subject Property, or any lien or encumbrance against the Subject Property (or any interest therein) until the earlier of the following events: (i) this Avigation Easement has been properly executed by Grantor(s), accepted by the Authority, and recorded by the Tulare County Recorder; or (ii) thirty (30) days have elapsed after Grantor(s) have delivered Avigation Easement to the Authority, properly and fully executed and notarized, a complete and accurate application form, and true and correct copies of all associated documents identified in the instructions provided to Grantor(s) with this form of Avigation Easement.
3. If the person(s) executing this Avigation Easement is other than the Grantor(s), the person(s) executing this Avigation Easement, or his or her attorney, has represented in documentation separate from this grant, to the Authority that the person(s) is duly and lawfully authorized by Grantor(s) to relinquish certain rights relative to the Subject Property, as described in this Avigation Easement.
4. Grantor(s), individually and for the heirs, administrators, executors, tenants, guests, agents, successors, assigns, and other persons using the Subject Property with the implied or express consent of Grantor(s), hereby grant(s), convey(s) and assign(s) to the Authority, its successors and assigns, a perpetual non-exclusive avigation easement for the purposes of aircraft operations, aircraft sound and noise, aircraft avigation and flight, hazard and airspace in, to, over and upon the Subject Property of noise, vibration, fumes, fuel particles, dust, discomfort or other environmental effects incident to such aircraft operations and any and all resulting annoyance, inconvenience, or other interference with the use and enjoyment of the Subject Property and any consequent reduction in market value, all due to the operation of aircraft to and/or from PMA. For purposes of this Avigation Easement, the term "aircraft" shall mean any

contrivance now known or hereafter invented, used or designed for navigation or flight in the air.

5. This Avigation Easement is for the use of such airspace by any aircraft during operations at, on, to, or from PMA, present or future, in whatever form or type, including any future change to or increase in the PMA boundaries and/or in the volume or pattern of aircraft traffic or aircraft noise, by all existing or future types of aircraft, including the imposition on the surface of the Subject Property and on any and all structures on the Subject Property of such noise, vibration, fumes, fuel particles and other particulate matter, dust, discomfort or other environmental effects incident to such aircraft operations and any and all resulting annoyance, inconvenience, or other interference with the use and enjoyment of the Subject Property and any consequent reduction in market value.

6. It is expressly intended by Grantor(s) and the Authority that this Avigation Easement shall not supersede or impair any existing prescriptive, avigation, or other easements, rights, or interests of the Authority, or its predecessor in interest, in or applicable to the Subject Property, all of which easements, rights, interests, and any remedies related thereto are expressly reserved by the Authority.

7. In furtherance of this Avigation Easement, and rights herein granted, Grantor(s), and the heirs, agents, successors, and assigns of Grantor(s), hereby covenant at all times hereafter, that it/they will not take any action, cause or allow any electronic or other transmissions or emissions, or construct or grow any obstruction on the Subject Property which would conflict or interfere with or infringe on the Authority's rights herein granted.

8. Subject to the provisions set forth above in paragraph number 5, the rights, easements, benefits, restrictions, covenants and agreements granted herein, including this Avigation Easement, shall continue notwithstanding any increase or other change in the boundaries, volume of operations, noise, or pattern of air traffic at PMA. This Avigation Easement may not be modified, amended, terminated, or abandoned except by execution and delivery of an instrument executed and acknowledged by the Authority, or its agents, successors, and assigns, and Grantor(s) agree(s) that, in the absence of such an instrument, no conduct by the Authority, or its agents, successors and assigns, or increase, diminution, or change in use of this Avigation Easement, shall constitute an overburdening of this Avigation Easements or a termination or abandonment of this Avigation Easement.

9. The parties to this Avigation Easement acknowledge and agree that the easement, and all the rights, easements, benefits, restrictions, covenants and agreements set forth herein shall run with the land of the Grantor(s) and the Airport Authority, and any grantee, heir, agent, successor or assign of the Grantor(s) who acquires any estate or interest in or right to use the Subject Property shall be bound by this Avigation Easement for the benefit of PMA and the Airport Authority, and its agents, successors and assigns,

including, without limitation, the tenants and licensees of the Airport Authority, and all users of PMA.

10. Grantor(s), and the grantees, heirs, agents, successors, and assigns of Grantor(s) hereby fully waive and forever release, and covenant not to assert or bring any right or cause of action, which it or they might now have, or which it or they may have in the future, against the Airport Authority, its agents, successors, and assigns, or against the tenants, permittees, licensees, or users of PMA, caused by or relating to the use of this Avigation Easement or the exercise of rights under this Avigation Easement.

---

11. This Avigation Easement constitutes an enforceable restriction pursuant to the provisions of California law, including, but not limited to, Section 21652 of the California Public Utilities Code, and shall bind Grantor(s), and the heirs, agents, successors and assigns of Grantor(s), and each and all of them, and shall be appurtenant to, and for the benefit of the real property commonly known as PMA, which is more particularly described in Exhibit "A," attached hereto.

12. In the event that any one or more covenant, condition, right or other provision contained in this Avigation Easement is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Avigation Easement and shall in no way affect, impair, or invalidate any other covenant, condition, right or other provision contained in this Avigation Easement.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2009.

GRANTOR(S):

By: \_\_\_\_\_

(Grantor Acknowledgement)

ACKNOWLEDGMENT

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

CERTIFICATE OF ACCEPTANCE

In accordance with Section 27281 of the California Government Code, this is to  
certify that the interest in real property conveyed by this Grant of Avigation Easement,  
dated

---

\_\_\_\_\_ From: \_\_\_\_\_  
(Month, Day, Year) (Grantor Name(s))

To the CITY OF PORTERVILLE MUNICIPAL AIRPORTY AUTHORITY, a local  
government entity, with jurisdiction within the City of Porterville, is hereby accepted by  
the undersigned officer on behalf of the City of Porterville Municipal Airport Authority,  
and the Grantee consents to recordation thereof by its duly authorized officer.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2009.

Approved as to form:

By: \_\_\_\_\_  
(Signature)

Office of General Counsel

By: \_\_\_\_\_  
(Signature)

Name:  
Title:

(For use by City of Porterville Municipal Airport Authority)

ACKNOWLEDGMENT

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

EXHIBIT E

Visit Us on our Website: [www.ctic.com](http://www.ctic.com)



Chicago Title Company

ISSUING OFFICE: 2510 S. East Avenue, Suite 600 • Fresno, CA 93706  
559 457-2300 • FAX 559 457-2386

---

PRELIMINARY REPORT

Title Officer: Sandy Wright

Title No.: 09-42308394-CW

Locate No.: CACTI7754-7754-4423-0042308394

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

ATTN: Susan Duke

SHORT TERM RATE: Yes

PROPERTY ADDRESS: Porterville, California

EFFECTIVE DATE: July 7, 2009, 07:30 A.M.

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

CLTA Standard Coverage Policy - 1990

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:  
  
A Fee
2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:  
  
City of Porterville, a Municipal Corporation
3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:  
  
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

LM\LM 07/13/2009

### LEGAL DESCRIPTION

EXHIBIT "A"

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

The remainder Parcel as shown on Parcel Map No. 3824, in the City of Porterville, County of Tulare, State of California, according to the map thereof recorded August 28, 1990, in Book 39, page 27 of Maps, Tulare County Records.

Except therefrom any portion lying within the Parcel Map 4834, as recorded in Book 49 at page 39 of Parcel Maps, Tulare County Records.

APN: 302-110-075

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

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2009-2010.

2. Any City or County taxes which may be levied against said land by reason of the fact that the herein described land was not included on the Tax Assessor's Roll for the fiscal year.

---

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

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

Granted to: The United States of America  
Purpose: installing, maintaining water pipe lines and appurtenance  
Recorded: December 10, 1959, Book 2161, Page 157, of Official Records  
Affects: as described therein as shown on said Parcel Map

5. The Terms, Covenants and Provisions contained in the Deed of Release between The United States of America and The City of Porterville, Recorded April 28, 1969 In Book 2840 Page 101 of Official Records and incorporated by reference thereto in Deed Recorded May 13, 1969, Fee No. 15941.

Reference is made to said document for full particulars.

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

Granted to: The Southern California Edison Company  
Purpose: public utilities  
Recorded: January 4, 1971, Book 2931, Page 191 and 193, of Official Records  
Affects: as described therein as shown on said Parcel Map

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

Granted to: The Southern California Edison Company  
Purpose: public utilities  
Recorded: March 19, 1971, Book 2957, Page 30, of Official Records  
Affects: as described therein as shown on said Parcel Map

8. **The Following Recital** is contain on Parcel Map No. 2674, according to the Map thereof Recorded December 30, 1980 In Book 27 Page 75 of Parcel Maps, Tulare County Records.

The following improvement requirements are deferred until such time as building permits and certain other permits, certificates, or grants of approval for development are issued.

A. That the Subdivider shall install pressure sodium vapor street lights on 25' Marbelite standards at locations as required by The City Engineer. It is estimated that a minimum of 7, 9,500 Lumen fixtures will be required.

B. That the Developer shall install curb, gutter and paveout the full frontage of Road 232 and Hope Drive as the Parcels develop.

C. That the developer shall construct adequate facilities for storm water disposal, domestic water service, fire suppression and sewage disposal to the satisfaction of the City Engineer.

9. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.

Purpose: public utilities  
Affects: two 20 foot wide strips of land as shown on said map

Purpose: wildlife, access, storm drain and irrigation  
Affects: a 100 foot wide strip of land as shown on said map

10. **Matters** contained in that certain document entitled "Tentative Parcel Map Resolution 27-2007 " dated April 17, 2007, executed by City of Porterville recorded May 2, 2007, Instrument No. 2007-0041439, of Official Records.

Reference is hereby made to said document for full particulars.

11. **Matters** contained in that certain document entitled "Resolution No. 547, Lot Line Adjustment 10-2007" dated June 7, 2007, executed by and between City of Porterville, and Bert Gridley recorded June 13, 2007, Instrument No. 2007-0055004, of Official Records.

Reference is hereby made to said document for full particulars.

END OF ITEMS

**Note 1.** \*\*\*IMPORTANT RECORDING NOTE\*\*\*

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

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

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

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

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

**Note 2.** There are NO deeds affecting said land, recorded within twenty-four (24) months of the date of this report.

**Note 3.** Escrow information note: Arb No. 302-011-0-28

**Note 4.** If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

**Note 5.** Please contact Escrow Office for Wire Instructions.

**Note 6.** Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

END OF NOTES

## ATTACHMENT ONE

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

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

- land use
- improvements on the land
- land division
- environmental protection

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

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

2. The right to take the land by condemning it, unless:
  - a notice of exercising the right appears in the public records on the Policy Date
  - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking

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

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

3. Title Risks:

- that are created, allowed, or agreed to by you
- that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
- that result in no loss to you
- that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

- to any land outside the area specifically described and referred to in Item 3 of Schedule A
- or
- in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.
4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

ATTACHMENT ONE  
(CONTINUED)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY-- 1990  
EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:

(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;

- (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
  5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
  6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

SCHEDULE B, PART I  
EXCEPTIONS FROM COVERAGE

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

PART I

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

ATTACHMENT ONE  
(CONTINUED)

FORMERLY AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)  
WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE  
EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
  - (a) created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services,

labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or  
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.

4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
  - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
  - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
  - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
    - (a) to timely record the instrument of transfer; or
    - (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

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

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

ATTACHMENT ONE  
(CONTINUED)

2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)  
EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

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

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

ATTACHMENT ONE  
(CONTINUED)

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

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims, or other matters:

- (a) created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
    - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
    - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
      - (a) to timely record the instrument of transfer; or
      - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

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

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

ATTACHMENT ONE  
(CONTINUED)

2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)  
EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;

(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant;  
(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or  
(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

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

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

ATTACHMENT ONE  
(CONTINUED)

CITA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)  
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)  
EXCLUSIONS

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

- |   |   |
|---|---|
| <p>1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:</p> <ul style="list-style-type: none"> <li>a. building</li> <li>b. zoning</li> <li>c. Land use</li> <li>d. improvements on Land</li> <li>e. Land division</li> <li>f. environmental protection</li> </ul> <p>This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.</p> <p>This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.</p> <p>2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.</p> <p>3. The right to take the Land by condemning it, unless:</p> <ul style="list-style-type: none"> <li>a. notice of exercising the right appears in the Public Records at the Policy Date; or</li> </ul> | <ul style="list-style-type: none"> <li>b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.</li> </ul> <p>4. Risks:</p> <ul style="list-style-type: none"> <li>a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;</li> <li>b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;</li> <li>c. that result in no loss to You; or</li> <li>d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8, d, 22, 23, 24 or 25.</li> </ul> <p>5. Failure to pay value for Your Title.</p> <p>6. Lack of a right:</p> <ul style="list-style-type: none"> <li>a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and</li> <li>b. in streets, alleys, or waterways that touch the Land.</li> </ul> <p>This Exclusion does not limit the coverage described in Covered Risk 11 or 18.</p> |
|---|---|

LIMITATIONS ON COVERED RISKS

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

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 14:	<u>1.00%</u> of Policy Amount or <u>\$ 2,500.00</u> (whichever is less)	<u>\$ 10,000.00</u>
Covered Risk 15:	<u>1.00%</u> of Policy Amount or <u>\$ 5,000.00</u> (whichever is less)	<u>\$ 25,000.00</u>
Covered Risk 16:	<u>1.00%</u> of Policy Amount or <u>\$ 5,000.00</u> (whichever is less)	<u>\$ 25,000.00</u>
Covered Risk 18:	<u>1.00%</u> of Policy Amount or <u>\$ 2,500.00</u> (whichever is less)	<u>\$ 5,000.00</u>

**ATTACHMENT ONE  
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01-01-08)  
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01-01-08)  
EXCLUSIONS**

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

- |  |   |
|--|---|
| <p>1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:</p> <ul style="list-style-type: none"> <li>a. building;</li> <li>b. zoning;</li> <li>c. land use;</li> <li>d. improvements on the Land;</li> <li>e. land division; and</li> <li>f. environmental protection.</li> </ul> <p>This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.</p> <p>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.</p> <p>3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.</p> | <p>4. Risks:</p> <ul style="list-style-type: none"> <li>a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;</li> <li>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;</li> <li>c. that result in no loss to You; or</li> <li>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.</li> </ul> <p>5. Failure to pay value for Your Title.</p> <p>6. Lack of a right:</p> <ul style="list-style-type: none"> <li>a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and</li> <li>b. in streets, alleys, or waterways that touch the Land.</li> </ul> <p>This Exclusion does not limit the coverage described in Covered Risk 11 or 21.</p> |
|--|---|

**LIMITATIONS ON COVERED RISKS**

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

- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

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

ATTACHMENT ONE  
(CONTINUED)

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

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) created, suffered, assumed or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under

Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or  
(c) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
  - (a) The time of the advance; or
  - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

ATTACHMENT ONE  
(CONTINUED)

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (01/01/08)  
EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

---

### Notice

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

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

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

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

Fidelity National Financial, Inc.  
**Privacy Statement**

---

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

**Personal Information Collected**

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

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

**Disclosure of Personal Information**

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

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

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

(privacy)

Page 2 of 2

Effective Date: 5/1/2008

---

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

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

**Confidentiality and Security of Personal Information**

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

**Access To Personal Information/**

**Requests for Correction, Amendment, or Deletion of Personal Information**

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

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

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

**Changes to this Privacy Statement**

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

**ITEM 4**

## City Property Use and Concession Agreements List

- a. ~~Barn Theatre – Murry Park~~
- b. ~~Comision Honorifica Mexicana Americana – Putnam Center~~
- c. ~~Tulare County Junior Livestock Show and Community Fair – Fairgrounds Property~~
- d. Casey Butler – Golf Course
- e. Debbie Fittro – Airport Restaurant
- f. Burton School District – Corporation Yard
- g. Friends of the Library – Spencer House
- h. ~~Kiwanis – Veterans Park~~
- i. Promoting Self Worth (PSW) – E Street Property
- j. Sierra View Medical Center – Centennial Plaza
- k. Turning Point of Central California – Navigation Center
- l. California Highway Patrol – Shooting Range
- m. Porterville College – Firing Range
- n. Porterville College – Fire Training Facility
- o. City of Porterville – Burton Elementary School Ballfields
- p. City of Porterville – Burton School District & Porterville Little League
- q. City of Porterville – Tulare County Housing Authority
- r. 2X Promotions – OHV Park
- s. Angels Baseball Club – Zalud Park
- t. Porterville Girls Fastpitch (PGF) – Hayes Field Concessions
- u. Porterville Girls Fastpitch (PGF) – Hayes Field Facility Use & Maintenance
- v. Valley Paradigm Corporation – Murry Park Pool Concessions