



132

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FORM APPROVED COUNTY COUNSEL
BY: PATRICIA MUNROE DATE: 5/13/13
Departmental Counsel

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:

June 20, 2013

SUBJECT: Resolution No. 2013-077, Authorization to Convey Fee Simple in Real Property in the City of Wildomar to the City of Wildomar

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2013-077, Authorization to Convey Fee Simple Interests in Real Property located in Wildomar, County of Riverside, Assessor's Parcel Numbers 376-350-009 and 376-350-017 by Quitclaim Deed;
2. Authorize the Chairman of the Board of Supervisors to execute the documents to complete the conveyance of real property and this transaction;
3. Authorize the Assistant County Executive Office/EDA, or his designee, to execute any other documents to complete this transaction;

(Continued)

Robert Field
Assistant County Executive Officer/EDA

| | | | | |
|-----------------------|-------------------------------|-----------|-------------------------|---------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$300,000 | In Current Year Budget: | No |
| | Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment: | Yes |
| | Annual Net County Cost: | \$ 0 | For Fiscal Year: | 2013/14 |

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: CSA Quimby Park Fees

| | |
|----------------------------------|-------------------------------------|
| Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| Requires 4/5 Vote | <input checked="" type="checkbox"/> |

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

FISCAL PROCEDURES APPROVED
BY: SAMUEL WONG DATE: 6/19/13
PAUL ANGULO, CPA, AUDITOR-CONTROLLER

Dep't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3-14 of 6/4/13

District: 1/1

Agenda Number:

3-68

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

RECOMMENDED MOTION: (Continued)

4. Approve the transfer of \$300,000 in Quimby Park Fees collected in CSA 152 Zone A to the City of Wildomar; and
5. Approve and direct the Auditor-Controller to adjust the Economic Development Agency's FY 2013/14 budget as outlined on Schedule A.

BACKGROUND:

Pursuant to Government Code Section 25365, the County may transfer interests in real property, or any interest therein, belonging to the County to another public agency, upon the terms and conditions as are agreed upon and without complying with any other provisions of the Government Code, if the property or interest therein to be conveyed is not required for county use. The County intends to convey Fee Simple Interests in Real Property located in the Wildomar area, County of Riverside, Assessor's Parcel Numbers 376-350-009 and 376-350-017 by Quitclaim Deed, more particularly described in Exhibits A, Legal Description and Exhibit B for each respective real property interest, attached hereto, to the City of Wildomar.

On April 6, 2004, the Board of Supervisors adopted the County of Riverside Master Park Plan for County Service Area (CSA) 152 Zone A. This plan facilitates the development of parks and recreation facilities by providing guidance to the County in planning and acquiring, designing, building and financing of new facilities and parkland. In May, 2008, the Economic Development Agency identified twenty seven acres of land and used \$1,900,000 CSA 152 Zone A Quimby Fees to complete the purchase of assessor parcels 376-350-009 and 376-350-017, the intent being the development of a community park in the unincorporated area of Wildomar. The City of Wildomar incorporated in July, 2008. Transferring ownership of the land to the City would be in both parties best interest as the City would have direct control of future development of La Estrella Park.

In accordance with Ordinance 460, the Board of Supervisors designated CSA 152 Zone A as a public agency authorized to collect fees to provide for local parks and/or collect park fees from developers who develop residential homes with the CSA. \$300,000 of the park fees will be transferred to the City of Wildomar to be used for the construction of a decomposed granite trail within La Estrella Park. Approval of this motion by the Board of Supervisors will authorize payment of park fees to the City of Wildomar.

This resolution has been reviewed and approved by County Counsel as to legal form.

Attachments:

Schedule A

Resolution No. 2013-077 and Exhibit A

Quitclaim Deed, Notary Acknowledgement and Legal Description

Schedule A

Increase Appropriations:

| | | |
|---------------------|------------------------------|-----------|
| 536200-31560-915201 | Contrib to Other Non-Co Agcy | \$300,000 |
|---------------------|------------------------------|-----------|

Anticipated Decrease in Fund Balance:

| | | |
|---------------------|-------------------------------|-----------|
| 322100-31560-915201 | Rst for construction/Cap Proj | \$300,000 |
|---------------------|-------------------------------|-----------|

RESOLUTION NO. 2013-077

Authorization to Convey Real Property

in the City of Wildomar, County of Riverside, California

Assessor's Parcel Numbers 376-350-009 and 376-350-017 by Quitclaim Deed

WHEREAS, the land consisting of 27 acres was acquired by the County of Riverside in 2008 using County Service Area 152 Zone A Quimby Fees for parkland development;

WHEREAS, the City of Wildomar incorporated in July, 2008;

WHEREAS, the land is not required for the County's use;

WHEREAS, the City of Wildomar and the County of Riverside concur that it would be in both parties best interest to transfer the land to the City for park development; now, therefore,

BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Supervisors of the County of Riverside, California, in regular session assembled on July 16, 2013, at 9:00 a.m., in the meeting room of the Board of Supervisors located on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, authorizes the conveyance to the City of Wildomar the following described real property: Certain real property located in the City of Wildomar, County of Riverside, State of California, identified by and as assessor parcel numbers 376-350-009 and 376-350-017 by Quitclaim Deed and, more particularly described in Exhibit "A" Legal Description for each respective assessor parcel number, attached hereto and thereby made a part hereof

BE IT FURTHER RESOLVED and DETERMINED that the Chairman of the Board of Supervisors of the County of Riverside is authorized to execute the documents to complete the conveyance of real property and this transaction.

BE IT FURTHER RESOLVED AND DETERMINED that the Assistant County Executive Officer/EDA or his designee, is authorized to execute any other documents to complete this transaction.

1 BE IT FURTHER RESOLVED AND DETERMINED that the Clerk of the Board of
2 Supervisors has given notice hereof as provided in Section 6061 of the Government Code.
3
4
5

6 FORM APPROVED COUNTY COUNSEL

7 BY:  5/3/13
8 PATRICIA MUNROE DATE

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

LEGAL DESCRIPTION

PARCEL 1:

THE NORTH ONE-HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 36, TOWNSHIP 6 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;

EXCEPTING THEREFROM AN UNDIVIDED 1/2 INTEREST IN ALL OF THE MINERALS, OIL, GAS, COAL AND OTHER HYDROCARBON SUBSTANCES NOW OR AT ANY TIME HEREINAFTER LYING IN OR UNDER THE SAID PROPERTY, TOGETHER WITH THE RIGHT TO TAKE ALL THE USUAL NECESSARY AND CONVENIENT MEANS FOR PROSPECTING, EXPLORING, DRILLING AND REMOVING SAME, WITH THE RIGHT OF ACCESS TO AND USE OF SUCH PARTS OF THE SURFACE AS MAY BE NECESSARY FOR SAID PURPOSES AS RESERVED IN DEED FROM GEORGIA LEWIS HARTMAN ET AL, RECORDED JULY 19, 1966.

EXCEPTING THEREFROM THE FOLLOWING:

A. ANY AND ALL (I) OIL RIGHTS, (II) MINERAL RIGHTS, (III) NATURAL GAS RIGHTS, (IV) RIGHTS TO ALL OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN, (V) GEOTHERMAL HEAT RIGHTS OR GEOTHERMAL SUBSTANCES THAT MAY BE PRODUCED FROM THE PROPERTY, (VI) WATER RIGHTS AND CLAIMS OR RIGHTS TO WATER AND (VII) ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING (COLLECTIVELY, "SUBSURFACE RESOURCES") LOCATED IN OR UNDER SAID LAND; AND

B. THE PERPETUAL RIGHT TO DRILL, MINE, EXPLORE AND OPERATE FOR AND PRODUCE, STORE AND REMOVE ANY OF THE SUBSURFACE RESOURCES ON OR FROM THE PROPERTY, INCLUDING WITHOUT LIMITATION THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE, FROM LANDS OTHER THAN THE PROPERTY, WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE PROPERTY, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS WITHIN OR BEYOND THE EXTERIOR LIMITS OF THE PROPERTY, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES, BUT WITHOUT THE RIGHT TO DRILL, MINE, EXPLORE, OPERATE, PRODUCE, STORE OR REMOVE ANY OF THE SUBSURFACE RESOURCES THROUGH OR IN THE SURFACE OF THE PROPERTY OR THE UPPER FIVE HUNDRED (500) FEET OF THE SUBSURFACE OF THE PROPERTY.

AS SET FORTH IN THE DEED TO DRH ENERGY, INC, A COLORADO CORPORATION, RECORDED JANUARY 8, 2007 AS INSTRUMENT NO. 2007-0015792 OF OFFICIAL RECORDS.

(APN 376-350-009)

LEGAL DESCRIPTION

PARCEL 2:

THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 36, TOWNSHIP 6 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE LAKE ELSINORE UNIFIED SCHOOL DISTRICT BY GRANT DEED RECORDED DECEMBER 9, 2003, AS INSTRUMENT NO. 2003-963082, OFFICIAL RECORDS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 36;

THENCE WESTERLY ALONG THE SOUTHERLY LINE THEREOF NORTH 89° 41' 06" WEST, 196.82 FEET;

THENCE LEAVING SAID SOUTHERLY LINE NORTH 00° 31' 14" EAST, 664.06 FEET TO THE INTERSECTION WITH THE NORTHERLY LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 36;

THENCE EASTERLY ALONG THE NORTHERLY LINE THEREOF SOUTH 89° 38' 28" EAST, 196.82 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 36;

THENCE SOUTHERLY ALONG THE EASTERLY LINE THEREOF SOUTH 00° 31' 14" WEST, 663.91 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE FOLLOWING:

A. ANY AND ALL (I) OIL RIGHTS, (II) MINERAL RIGHTS, (III) NATURAL GAS RIGHTS, (IV) RIGHTS TO ALL OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN, (V) GEOTHERMAL HEAT RIGHTS OR GEOTHERMAL SUBSTANCES THAT MAY BE PRODUCED FROM THE PROPERTY, (VI) WATER RIGHTS AND CLAIMS OR RIGHTS TO WATER AND (VII) ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING (COLLECTIVELY, "SUBSURFACE RESOURCES") LOCATED IN OR UNDER SAID LAND; AND

B. THE PERPETUAL RIGHT TO DRILL, MINE, EXPLORE AND OPERATE FOR AND PRODUCE, STORE AND REMOVE ANY OF THE SUBSURFACE RESOURCES ON OR FROM THE PROPERTY, INCLUDING WITHOUT LIMITATION THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE, FROM LANDS OTHER THAN THE PROPERTY, WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE PROPERTY, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS WITHIN OR BEYOND THE EXTERIOR LIMITS OF THE PROPERTY, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES, BUT WITHOUT THE RIGHT TO DRILL, MINE, EXPLORE, OPERATE, PRODUCE, STORE OR REMOVE ANY OF THE SUBSURFACE RESOURCES THROUGH OR IN THE SURFACE OF THE PROPERTY OR THE UPPER FIVE HUNDRED (500) FEET OF THE SUBSURFACE OF THE PROPERTY.

AS SET FORTH IN THE DEED TO DRH ENERGY, INC, A COLORADO CORPORATION, RECORDED JUNE 18, 2008 AS INSTRUMENT NO. 2008-0331597 OF OFFICIAL RECORDS.

(APN 376-350-017)

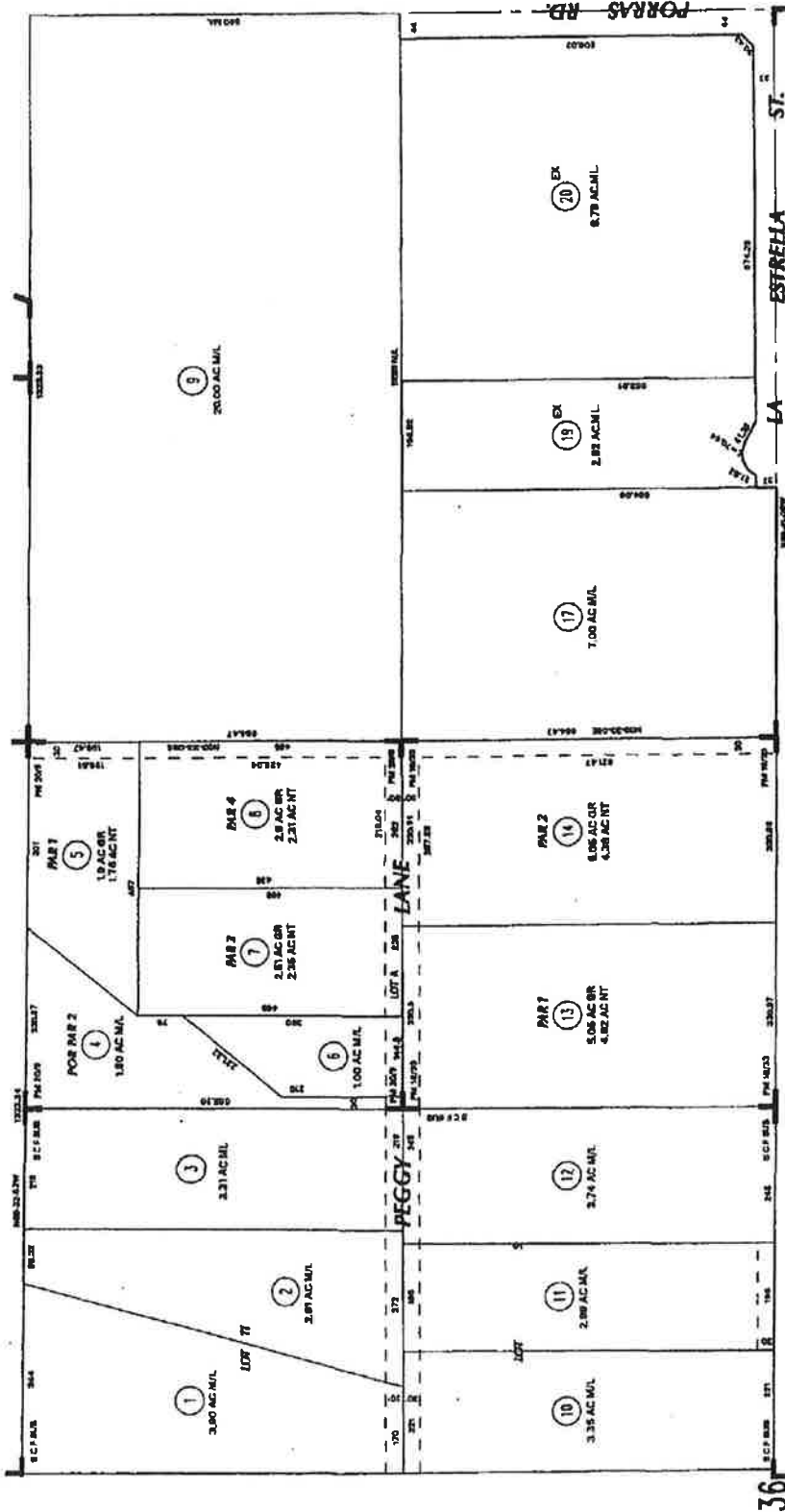
376-35
 365-28
 365-29
 365-30
 365-31

T. R. A. 065-012

S 1/2, NE 1/4, SEC. 36 T. 6S., R. 4W

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.
 MAR 3 0 2006

34



33

41

DATE: 03/15/06
 BY: [Signature]
 FOR: [Signature]

ASSESSOR'S MAP 88376 PG. 35
 Riverside County, Calif.

18 12/5/06 SD SC FREEFIELD'S SUB.
 19 20/09 PARCEL MAP NO 6754
 20 16/03 PARCEL MAP NO 6243

CMR

Mar 2005

MAR 3 0 2006

| DATE | JOB NAME | REV | DATE |
|----------|----------|-----|----------|
| 03/15/06 | 88376 | 1 | 03/15/06 |
| 03/15/06 | 88376 | 2 | 03/15/06 |
| 03/15/06 | 88376 | 3 | 03/15/06 |

Recorded at request of and return to:
City of Wildomar
23873 Clinton Keith Rd., Suite 201
Wildomar, CA 92595

FREE RECORDING
This instrument is for the benefit of the
County of Riverside, and is entitled to be
recorded without fee.
(Govt. Code 27383)

JFmr/050713/211FM/15.724
Project: La Estrella Park
APN: 376-350-009 & 376-350-017

Space above this line for recorder's use

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

THE COUNTY OF RIVERSIDE, a political subdivision of the State of California

hereby remises, releases and forever quitclaims to the

CITY OF WILDOMAR, a municipal corporation,

its successors and assigns, all grantor's right, title and interest in and to that certain real property situated in the County of Riverside, State of California, more fully described as:

See attached Exhibit A, attached hereto and made a part hereof

PROVIDED, HOWEVER, that if any portion of the land described herein is used for any purpose other than park and recreational use by the City of Wildomar, then all right, title and interest in and to the land shall revert to and become the property of the County of Riverside at its option and the County shall have the immediate right of entry and possession. The City of Wildomar will effectuate any documents necessary to record the reversion back to the County of Riverside.

Date: _____

By: _____
John J. Benoit,
Chairman, Board of Supervisors

FORM APPROVED COUNTY COUNSEL

BY: Patricia Munroe 5/13/13
PATRICIA MUNROE DATE

LEGAL DESCRIPTION

PARCEL 1:

THE NORTH ONE-HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 36, TOWNSHIP 6 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;

EXCEPTING THEREFROM AN UNDIVIDED 1/2 INTEREST IN ALL OF THE MINERALS, OIL, GAS, COAL AND OTHER HYDROCARBON SUBSTANCES NOW OR AT ANY TIME HEREINAFTER LYING IN OR UNDER THE SAID PROPERTY, TOGETHER WITH THE RIGHT TO TAKE ALL THE USUAL NECESSARY AND CONVENIENT MEANS FOR PROSPECTING, EXPLORING, DRILLING AND REMOVING SAME, WITH THE RIGHT OF ACCESS TO AND USE OF SUCH PARTS OF THE SURFACE AS MAY BE NECESSARY FOR SAID PURPOSES AS RESERVED IN DEED FROM GEORGIA LEWIS HARTMAN ET AL, RECORDED JULY 19, 1966.

EXCEPTING THEREFROM THE FOLLOWING:

A. ANY AND ALL (I) OIL RIGHTS, (II) MINERAL RIGHTS, (III) NATURAL GAS RIGHTS, (IV) RIGHTS TO ALL OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN, (V) GEOTHERMAL HEAT RIGHTS OR GEOTHERMAL SUBSTANCES THAT MAY BE PRODUCED FROM THE PROPERTY, (VI) WATER RIGHTS AND CLAIMS OR RIGHTS TO WATER AND (VII) ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING (COLLECTIVELY, "SUBSURFACE RESOURCES") LOCATED IN OR UNDER SAID LAND; AND

B. THE PERPETUAL RIGHT TO DRILL, MINE, EXPLORE AND OPERATE FOR AND PRODUCE, STORE AND REMOVE ANY OF THE SUBSURFACE RESOURCES ON OR FROM THE PROPERTY, INCLUDING WITHOUT LIMITATION THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE, FROM LANDS OTHER THAN THE PROPERTY, WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE PROPERTY, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS WITHIN OR BEYOND THE EXTERIOR LIMITS OF THE PROPERTY, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES, BUT WITHOUT THE RIGHT TO DRILL, MINE, EXPLORE, OPERATE, PRODUCE, STORE OR REMOVE ANY OF THE SUBSURFACE RESOURCES THROUGH OR IN THE SURFACE OF THE PROPERTY OR THE UPPER FIVE HUNDRED (500) FEET OF THE SUBSURFACE OF THE PROPERTY.

AS SET FORTH IN THE DEED TO DRH ENERGY, INC, A COLORADO CORPORATION, RECORDED JANUARY 8, 2007 AS INSTRUMENT NO. 2007-0015792 OF OFFICIAL RECORDS.

(APN 376-350-009)

LEGAL DESCRIPTION

PARCEL 2:

THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 36, TOWNSHIP 6 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE LAKE ELSINORE UNIFIED SCHOOL DISTRICT BY GRANT DEED RECORDED DECEMBER 9, 2003, AS INSTRUMENT NO. 2003-963082, OFFICIAL RECORDS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 36;

THENCE WESTERLY ALONG THE SOUTHERLY LINE THEREOF NORTH 89° 41' 06" WEST, 196.82 FEET;

THENCE LEAVING SAID SOUTHERLY LINE NORTH 00° 31' 14" EAST, 664.06 FEET TO THE INTERSECTION WITH THE NORTHERLY LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 36;

THENCE EASTERLY ALONG THE NORTHERLY LINE THEREOF SOUTH 89° 38' 28" EAST, 196.82 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 36;

THENCE SOUTHERLY ALONG THE EASTERLY LINE THEREOF SOUTH 00° 31' 14" WEST, 663.91 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE FOLLOWING:

A. ANY AND ALL (I) OIL RIGHTS, (II) MINERAL RIGHTS, (III) NATURAL GAS RIGHTS, (IV) RIGHTS TO ALL OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN, (V) GEOTHERMAL HEAT RIGHTS OR GEOTHERMAL SUBSTANCES THAT MAY BE PRODUCED FROM THE PROPERTY, (VI) WATER RIGHTS AND CLAIMS OR RIGHTS TO WATER AND (VII) ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING (COLLECTIVELY, "SUBSURFACE RESOURCES") LOCATED IN OR UNDER SAID LAND; AND

B. THE PERPETUAL RIGHT TO DRILL, MINE, EXPLORE AND OPERATE FOR AND PRODUCE, STORE AND REMOVE ANY OF THE SUBSURFACE RESOURCES ON OR FROM THE PROPERTY, INCLUDING WITHOUT LIMITATION THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE, FROM LANDS OTHER THAN THE PROPERTY, WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE PROPERTY, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS WITHIN OR BEYOND THE EXTERIOR LIMITS OF THE PROPERTY, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES, BUT WITHOUT THE RIGHT TO DRILL, MINE, EXPLORE, OPERATE, PRODUCE, STORE OR REMOVE ANY OF THE SUBSURFACE RESOURCES THROUGH OR IN THE SURFACE OF THE PROPERTY OR THE UPPER FIVE HUNDRED (500) FEET OF THE SUBSURFACE OF THE PROPERTY.

AS SET FORTH IN THE DEED TO DRH ENERGY, INC, A COLORADO CORPORATION, RECORDED JUNE 18, 2008 AS INSTRUMENT NO. 2008-0331597 OF OFFICIAL RECORDS.

(APN 376-350-017)