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

SUBMITTAL DATE:

January 11, 2010

FROM: Transportation Department

SUBJECT: Acquisition Agreement for the State Route 79 (Winchester) Road Widening Project

RECOMMENDED MOTION: That the Board of Supervisors:

- 1. Approve the attached Acquisition Agreement for Assessor's Parcel Number 466-050-012 which includes Parcels 21147-1 and 0527-020 and authorize the Chairman of the Board to execute this document on behalf of the County:
- 2. Authorize the undersigned Director of the Transportation Department or his designee to execute any other documents and administer all actions to complete this transaction; and

ed Concurrence COUNSE Juan C. Perez, Director **Transportation Department Current F.Y. Total Cost:** \$ 403,000 In Current Year Budget: Yes **FINANCIAL Current F.Y. Net County Cost: Budget Adjustment:** \$ -0-No **DATA Annual Net County Cost:** For Fiscal Year: 09/10 SOURCE OF FUNDS: Transportation Uniform Mitigation Fee **Positions To Be** 100% **Deleted Per A-30** Requires 4/5 Vote C.E.O. RECOMMENDATION: **APPROVE Policy** Policy **County Executive Office Signature** Consent 🖂 MINUTES OF THE BOARD OF SUPERVISORS On motion of Supervisor Benoit, seconded by Supervisor Buster and duly carried by Buster, Tavaglione, Stone, Wilson and Ashley Ayes: Nays: None Kecia Harper-Ihem Dep't Recomm.: Absent: None Exec. Ofc.

unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Date:

February 9, 2010

xc: Transportation

Deputy

Prev. Agn. Ref.: 3/24/2009, 3.14

District: 3

Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD Transportation Department Acquisition Agreement for the State Route 79 (Winchester) Road Widening Project January 11, 2010 Page 2

RECOMMENDED MOTION: (Continued)

3. Authorize and allocate the sum of \$400,000 as a full settlement to purchase Assessor's Parcel Number 466-050-012 which includes Parcel 21147-1 and 0527-020 and \$3,000 to pay all related transaction costs.

BACKGROUND:

Winchester Road (SR-79) is one of the key north-south corridors in Southwest Riverside County. Due to significant regional and local growth, a project to widen SR-79 from Thompson Road to Domenigoni Parkway has been proposed. The project would widen this section of SR-79 from two to four lanes in accordance with the Memorandum of Understanding between the State of California Department of Transportation (CalTrans), County of Riverside Transportation Department and the City of Murrieta, adopted on June 15, 2004, which will address the traffic needs of the area, enhance interregional travel, relieve traffic congestion, improve traffic safety, and reduce response time for emergency service vehicles. The stretch of SR-79 between Thompson Road and Pourroy Road has already been widened to four lanes, but property is being acquired within this stretch in order to complete grading and drainage work as part of the next phase of the widening project to the North, in order to comply with our arrangement with Caltrans to allow the Thompson to Pourroy segment to be constructed without right-of-way acquisitions. The improvement of SR-79 is a major priority for Supervisor Stone and the need has been recognized by Riverside County Transportation Department, the City of Murrieta, the City of Temecula, and the California Department of Transportation.

The County has negotiated the acquisition of Assessor's Parcel Number 466-050-012 from Pablo Vallin (Vallin) for an all inclusive settlement amount of \$400,000 as full settlement which includes, but not limited to, moving expenses, interest differential, title and escrow fees, purchase price differential and all relocation costs. Vallin will execute a Grant Deed in favor of the State of California for a portion of Assessor's Parcel Number 466-050-012 referenced as Parcel 21147-1 and a Grant Deed in favor of the County of Riverside for the remaining portion of Assessor's Parcel Number 466-050-012 referenced as Parcel 0527-020.

This Form 11 has been reviewed and approved by County Counsel as to legal form.

Transportation Department Acquisition Agreement for the State Route 79 (Winchester) Road Widening Project January 11, 2010 Page 3

FINANCIAL DATA:

The following summarizes the funding necessary for the acquisition of Assessor's Parcel Number 466-050-012:

Acquisition:	\$ 400,000
Estimated Title and Escrow Charges:	\$ 3,000
Total Estimated Acquisition Costs:	\$ 403,000

All costs associated with this property acquisition are fully funded in the Transportation Department's budget for FY 2009/10. Thus, no net county cost will be incurred as a result of this transaction.

1 PROJECT: STATE ROUTE 79 (WINCHESTER) **ROAD WIDENING** 2 PARCELS: 21147-1 and 0527-020 APN: 466-050-012 3 4 **ACQUISITION AGREEMENT** 5 6 This agreement is made by and between the COUNTY OF RIVERSIDE, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA herein called "County", and PABLO VALLIN, A 7 MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, herein called "Grantor". 8 Grantor has executed and will deliver to Craig Olsen, Real Property Agent for the County or to the designated escrow company, a Grant Deed in favor of the State of California dated identifying a portion of Assessor's Parcel Number 466-050-012. referenced as Parcel 21147-1, a Grant Deed dated _, identifying a portion of 10 Assessor's Parcel Number 466-050-012, referenced as Parcel number 0527-020 described on Exhibits "A" and "B" attached hereto and made a part hereof, in consideration of which it is 11 mutually agreed as follows: 12 1. The County shall: 13 Pay to the order of Grantor the sum of Four Hundred Thousand Dollars (\$400,000) as an all inclusive settlement for the property, or interest therein, conveyed 14 by said deed, when title to said property or interest vests in County free and clear of all liens. encumbrances, easements, leases (recorded or unrecorded), and taxes except those 15 encumbrances and easements which, in the sole discretion of the County, are acceptable. The all inclusive settlement of Four Hundred Thousand Dollars (\$400,000) includes, but not 16 limited to, moving expenses, interest differential, title and escrow fees, purchase price differential and all relocation costs. 17 B. Handle real property taxes, bonds, and assessments in the 18 following manner: 19 All real property taxes shall be prorated, paid, and 1. canceled pursuant to the provisions of Section 5081 et. seq., of the Revenue and Taxation 20 Code. 21 County is authorized to pay from the amount shown in Paragraph 1A herein, any unpaid taxes together with penalties, cost and interest thereon, and 22 any bonds or assessments that are due on the date title is transferred to, or possession is taken by the County, whichever first occurs. 23

C. Pay all escrow, recording, and reconveyance fees incurred in this transaction, Assessor's Parcel Number 466-050-012, and if title insurance is desired by County, the premium charged therefore.

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2. Grantor shall:

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Indemnify, defend, protect, and hold County, its officers, employees, agents, successors, and assigns free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses, or expenses, including without limitation, attorneys' fees, whatsoever, arising from or caused in whole or in part, directly or indirectly, by either (a) the presence in, on, within, under, or about the parcel of hazardous materials, toxic substances, or hazardous substances as a result of Grantor's use, storage, or generation of such materials or substances or (b) Grantor's failure to comply with any federal, state, or local laws relating to such materials or substances. For the purpose of this agreement, such materials or substances shall include without limitation hazardous substances, hazardous materials, or toxic substances as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act. 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seg.; and those substances defined as hazardous wastes in Section 25117 of the California Health and Safety Code or hazardous substances in Section 25316 of the California Health and Safety Code; and in the regulations adopted in publications promulgated pursuant to said laws.

B. Be obligated hereunder to include without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessitated repair, clean-up, detoxification, or decontamination of the parcel, and the preparation and implementation of any closure, remedial action, or other required plans in connection therewith, and such obligation shall continue until the parcel has been rendered in compliance with applicable federal, state, and local laws, statutes, ordinances, regulations, and rules.

- C. Not remove any fixtures from the residence without County's approval except items listed in Exhibit "C".
- D. Execute an abandonment letter and vacate premise no later than 5 days from the close of escrow unless other provisions in writing have been made with the County.
- 3. Any and all moneys payable under this contract, up to and including the total amount of unpaid principal and interest on the note secured by Deed of Trust recorded December 20, 2002, as Instrument No. 2002-767096, Official Records of Riverside County, shall, upon demand, be made payable to the beneficiary entitled thereunder; said beneficiary to provide a partial reconveyance as Assessor's Parcel Number 466-050-012, and to furnish Grantor with good and sufficient receipt showing said moneys credited against the indebtedness secured by said Deed of Trust.

Grantor hereby authorizes and directs the disbursement of funds which are demanded under the terms of said Deed of Trust.

4. It is mutually understood and agreed by and between the parties hereto that the right of possession and use of the subject property by County, including the right to remove and dispose of improvements, shall commence upon the execution of this agreement by all parties. The amount shown in Paragraph 1A includes, but is not limited to, full payment for such possession and use.

- 6. The performance by the County of its obligations under this agreement shall relieve the County of any and all further obligations or claims on account of the acquisition of the property referred to herein or on account of the location, grade, or construction of the proposed public improvement.
- 7. This agreement shall not be changed, modified, or amended except upon the written consent of the parties hereto.
- 8. This agreement is the result of negotiations between the parties and is intended by the parties to be a final expression of their understanding with respect to the matters herein contained. This agreement supersedes any and all other prior agreements and understandings, oral or written, in connection therewith. No provision contained herein shall be construed against the County solely because it prepared this agreement in its executed form.

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	1	9. Grantor, his assigns the terms and conditions contained in this	and successors in interest, shales agreement, and all the parties	l be bound by al
	2	jointly and severally liable thereunder.	s agreement, and all the parties	thereto shall be
	3			
	4	Dated:FEB 9 2010	GRANTOR:	
	5		PABLO VALLIN	
	6		Callo Valli	
	7		Pablo Vallin	
	8		COUNTY OF RIVERSIDE	
	9			
	_	ATTEST:	By: Marin A	Lelen
	10	Kecia Harper-Ihem Clerk to the Board	Marion Ashley, Chairman	
	11	Clerk to the Board	Board of Supervisors	
	12	By Ori OEller		
	13	Deputy		
	14	APPROVED AS TO FORM:		
	15	Pamela J. Walls County Counsel		
	16	- Butting 4 G. Roll		
	17	Synthia M. Gunzel Deputy County Counsel		
CO:jw 12/22/09	18	Deputy County Courses		
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EXHIBIT "A" LEGAL DESCRIPTION

BEING A PORTION OF THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 6 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, AS DESCRIBED IN GRANT DEED RECORDED APRIL 11, 1988, AS INSTRUMENT NO. 94488, RECORDS OF THE RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, AND SHOWN AS PARCEL 4 OF RECORD OF SURVEY, FILED IN BOOK 46, PAGE 12 OF RECORDS OF SURVEY, RECORDS OF SAID RECORDER, OF SAID COUNTY, AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 4:

THENCE S 89° 27' 41" W ALONG THE SOUTHERLY LINE OF SAID PARCEL 4, A DISTANCE OF 18.323 METERS, TO A LINE PARALLEL WITH AND 33.525 METERS WESTERLY OF, AS MEASURED AT RIGHT ANGLES TO THE CENTERLINE OF STATE ROUTE 79 AS SHOWN ON SAID RECORD OF SURVEY:

THENCE N 03' 03' 19" E ALONG SAID PARALLEL LINE, A DISTANCE OF 54.884 METERS, TO THE BEGINNING OF A TANGENT CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 1795.094 METERS, SAID CURVE IS CONCENTRIC WITH AND 33.525 METERS WESTERLY OF, MEASURED RADIALLY FROM, SAID CENTERLINE OF STATE ROUTE 79:

THENCE NORTHERLY ALONG THE ARC OF SAID TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 01° 31' 28", AN ARC DISTANCE OF 47.761 METERS TO A POINT ON THE NORTHERLY LINE OF SAID PARCEL 4;

THENCE N 89° 40' 40" E ALONG SAID NORTHERLY LINE, A DISTANCE OF 15.945 METERS, TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID STATE ROUTE 79, SAID RIGHT-OF-WAY LINE ALSO BEING THE EAST LINE OF SAID SECTION 4;

THENCE S 00° 59′ 10" W ALONG SAID WESTERLY RIGHT-OF-WAY LINE (WIDTH VARIES) AND SAID EAST LINE OF SAID SECTION 4, A DISTANCE OF 83.233 METERS, TO A LINE PARALLEL WITH AND 15.238 METERS WESTERLY OF, AS MEASURED AT RIGHT ANGLES TO, SAID CENTERLINE OF STATE ROUTE 79;

THENCE S 03' 19" W CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 19.254 METERS TO THE **POINT OF BEGINNING**:

CONTAINING 1,761.9 SQUARE METERS, 18,965 SQUARE FEET, OR 0.435 ACRES, MORE OR LESS.

THIS CONVEYANCE IS MADE FOR THE PURPOSE OF A STATE HIGHWAY AND THE GRANTOR HEREBY RELEASES AND RELINQUISHES TO THE GRANTEE ANY AND ALL ABUTTER'S RIGHTS INCLUDING ACCESS RIGHTS, APPURTENANT TO GRANTOR'S REMAINING PROPERTY IN AND TO SAID STATE HIGHWAY.

IT IS MUTUALLY UNDERSTOOD AND AGREED THAT GRANTOR'S REMAINING PROPERTY IS LANDLOCKED, AND WITHOUT DIRECT ACCESS TO SAID STATE ROUTE 79 OR TO ANY PUBLIC OR PRIVATE ROAD, AND GRANTORS HEREBY RELIEVE GRANTEE OF ANY LIABILITY TO PROVIDE ACCESS TO THE REMAINING LANDLOCKED PROPERTY.

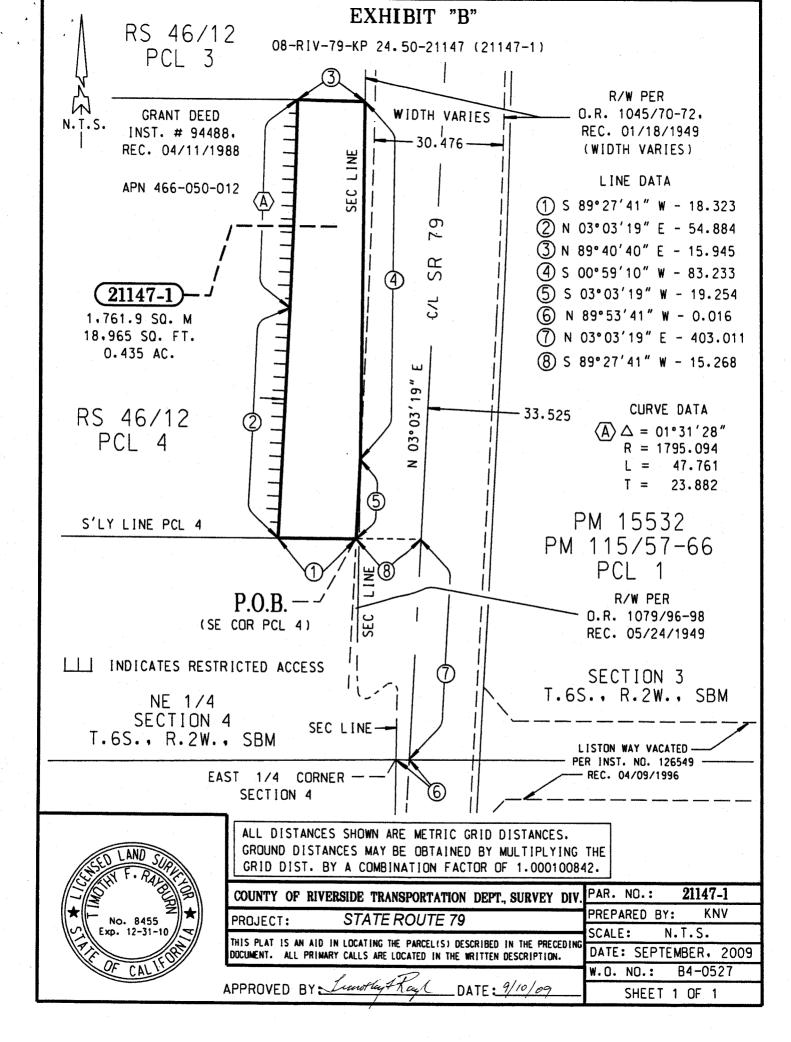
THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM OF 1983, ZONE 6. MULTIPLY DISTANCES SHOWN BY 1.000100842 TO OBTAIN GROUND DISTANCE.

REFERENCE IS HEREBY MADE TO STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION - DISTRICT 8 MAP, FILE NUMBER RW 000014 / 1 THROUGH 60, INCLUSIVE, ON FILE AS MAP NUMBER 205 / 401 THROUGH 460, INCLUSIVE, IN THE OFFICE OF THE COUNTY SURVEYOR OF RIVERSIDE COUNTY, CALIFORNIA.

08-RIV-79-KP 24.50-21147 (21147-1)

LAND CO

	SEE ATTACHED EXHIBIT "B"	F. RADICAL
APPROVED BY: Lungthey & Ray	h	TAN TANK
DATE: 9/10/09		No. 8455 Exp. 12-31-10
		OF CALLEGE



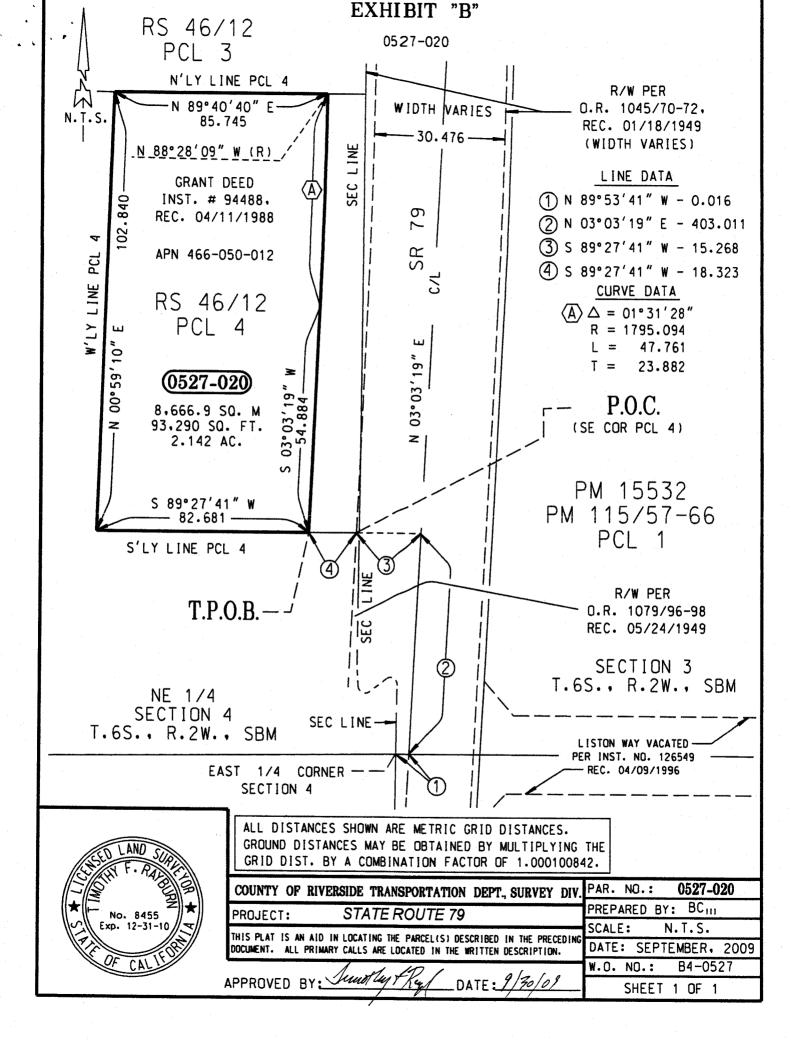


Exhibit "C"

Fixtures and Items that County has approved to be removed

Inside the house:

- Stove
- Stove Hood only if replaced
- Refrigerator
- Fans
 - In Kitchen only if replaced with light fixture
 - In Dining Room only if replaced with light fixture
- Chandelier in Dining Room only if replaced with light fixture
- Swamp Cooler / Air Conditioner in Living Room only if the hole that is left from removing the Swamp Cooler / Air Conditioner is repaired.

Outside the house:

- All living things
 - Trees
 - o All Palm Trees
 - o Lemon Tree
 - o Pomegranate Tree
 - o Pine Tree
 - Flowers
 - Bushes
- Lions on Pillars
- Arch Way
- All Light Fixtures only if replaced with new light fixtures
- Steel Garage car port/shade
- Light Post

EXHIBIT "A" LEGAL DESCRIPTION

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COMMENCING AT THE SOUTHEAST CORNER OF SAID PARCEL 4;

THENCE S 89°27'41" W ALONG THE SOUTHERLY LINE OF SAID PARCEL 4, A DISTANCE OF 18.323 METERS TO THE **TRUE POINT OF BEGINNING**;

THENCE S 89°27'41" W CONTINUING ALONG SAID SOUTHERLY LINE OF PARCEL 4, A DISTANCE OF 82.681 METERS TO THE SOUTHWEST CORNER OF SAID PARCEL 4;

THENCE N 00°59'10" E ALONG THE WESTERLY LINE OF SAID PARCEL 4,A DISTANCE OF 102.840 METERS TO THE NORTHWEST CORNER OF SAID PARCEL 4;

THENCE N 89°40'40" E ALONG THE NORTHERLY LINE OF SAID PARCEL 4, A DISTANCE OF 85.745 METERS TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1795.094 METERS AND AN INITIAL RADIAL BEARING OF N 88°28'09" W, SAID CURVE IS CONCENTRIC WITH AND 33.525 METERS WESTERLY OF, AS MEASURED RADIALLY FROM THE CENTERLINE OF STATE ROUTE 79:

THENCE SOUTHERLY ALONG THE ARC OF SAID CONCENTRIC CURVE THROUGH A CENTRAL ANGLE OF 01°31'28", AN ARC DISTANCE OF 47.761 METERS TO A POINT ON A PARALLEL LINE 33.525 METERS WESTERLY OF, AS MEASURED AT RIGHT ANGLES TO SAID CENTERLINE OF STATE ROUTE 79;

THENCE S 03°03'19" W ALONG SAID PARALLEL LINE, A DISTANCE OF 54.884 METERS TO THE TRUE POINT OF BEGINNING;

CONTAINING 8,666.9 SQUARE METERS, 93,290 SQUARE FEET, OR 2.142 ACRES, MORE OR LESS.

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM OF 1983, ZONE 6. MULTIPLY DISTANCES SHOWN BY 1.000100842 TO OBTAIN GROUND DISTANCE.

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DATE: 9/35/09

SEE ATTACHED EXHIBIT "B"

APPROVED BY: Lund by F. Ray

No. 8455

Exp. 12-31-10

PAGE 1 OF 1

Recorded at request of and return to: Economic Development Agency Real Estate Division On behalf of Transportation Department 3403 10th Street, Suite 500 Riverside, California 92501 Page 1 of 4
Recorded in Official Records
County of Riverside
Larry W. Ward
Assessor, County Clerk & Recorder

DOC # 2010-0081274 02/23/2010 08:00A Fee:NC

FREE RECORDING

This instrument is for the benefit of the County of Riverside, and is entitled to be recorded without fee. (Govt. Code 6103)

94376

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No consideration

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PROJECT: State Route 79 (Winchester) Road

SIZE

Widening

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PARCEL: 0527-020

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APN: 466-050-012 (portion)

GRANT DEED

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

PABLO VALLIN, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY

GRANT(S) to the COUNTY OF RIVERSIDE, a political subdivision, the real property of a portion of Assessor's Parcel Number 466-050-012 in the County of Riverside, State of California, as more particularly described in Exhibits "A" and "B", attached hereto and made a part hereof.

PROJECT: State Route 79 (Winchester) Road Widening PARCEL: 0527-020 APN: 466-050-012 (portion) Dated: 1-13 - 2 0/0 **GRANTOR:** PABLO VALLIN, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY State of California County of Riverside)ss On 1-13-2010, before me, Stephi A. VII (anusum, a Notary Public in and for Said County and State, personally appeared Pablo Vallin, who proved to me on the basis of satisfactory evidence to be the person(x) who name(x)(is aresubscribed to the within instrument and acknowledged to me that he/ehe/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 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 STEPHI A. VILLANUEVA COMM. #1699793 Notary Public - California **Riverside County** Comm. Expires Oct. 20, 2010 [SEAL] CERTIFICATE OF ACCEPTANCE This is to certify that the interest in real property conveyed by the within deed to the COUNTY OF RIVERSIDE, a political subdivision, is hereby accepted by order of the Board of Supervisors on the date below and the grantee consents to the recordation thereof by its duly authorized officer.

Juan C. Perez, Director
Transportation Department

FORM APPROVED COUNTY COUNSEL

BY: JUNIO 10 -10

SYNTHIAM. GUNZEL DATE

Dated:

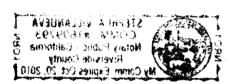


EXHIBIT "A" LEGAL DESCRIPTION

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THENCE S 89°27'41" W CONTINUING ALONG SAID SOUTHERLY LINE OF PARCEL 4, A DISTANCE OF 82.681 METERS TO THE SOUTHWEST CORNER OF SAID PARCEL 4:

THENCE N 00°59'10" E ALONG THE WESTERLY LINE OF SAID PARCEL 4,A DISTANCE OF 102.840 METERS TO THE NORTHWEST CORNER OF SAID PARCEL 4:

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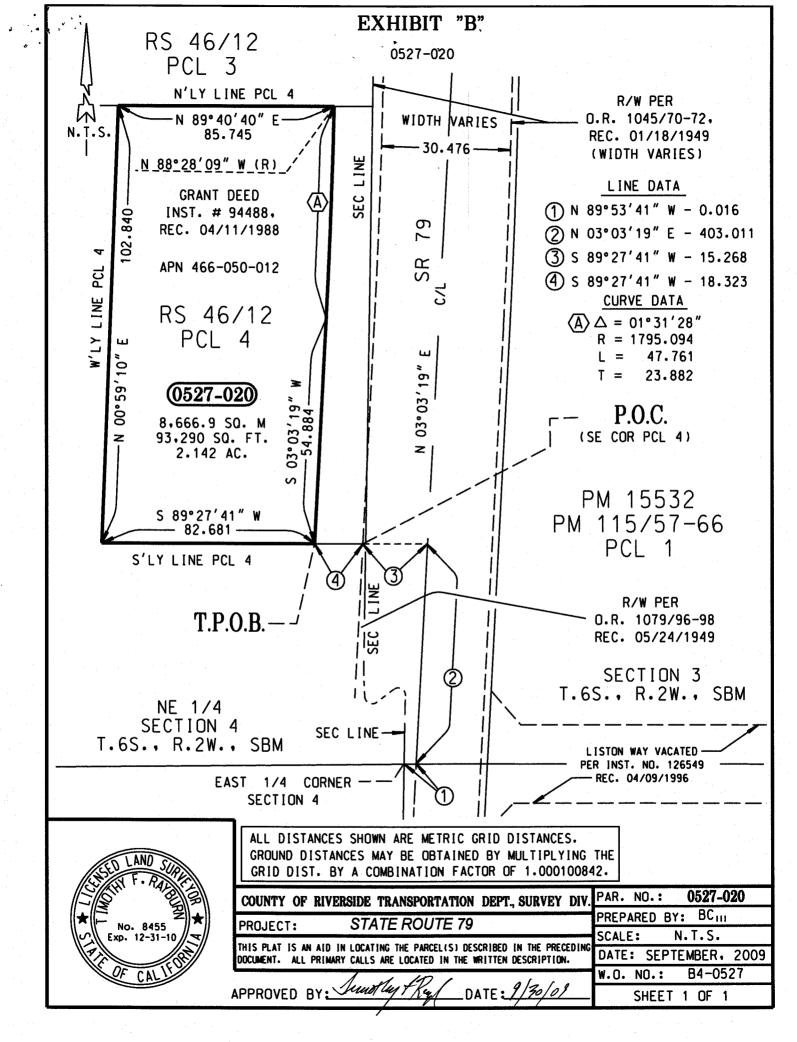
CONTAINING 8,666.9 SQUARE METERS, 93,290 SQUARE FEET, OR 2.142 ACRES, MORE OR LESS.

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM OF 1983, ZONE 6. MULTIPLY DISTANCES SHOWN BY 1.000100842 TO OBTAIN GROUND DISTANCE.

REFERENCE IS HEREBY MADE TO STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION - DISTRICT 8 MAP, FILE NUMBER RW 000014 / 1 THROUGH 60, INCLUSIVE, ON FILE AS MAP NUMBER 205 / 401 THROUGH 460, INCLUSIVE, IN THE OFFICE OF THE COUNTY SURVEYOR OF RIVERSIDE COUNTY, CALIFORNIA.

0527-020

	0021-020	
	SEE ATTACHED EXHIBIT "B"	SED LAND SUA
APPROVED BY: June ly &	Ruf	TO THE PARTY OF TH
DATE: 9/20/09		No. 8455 Exp. 12-31-10
7	PAGE 1 OF 1	OF CALLED



Stewart Title of California - Post Closing Dept

2010 Main St, Ste 250

Irvine, Ca 92614-7201

FROM

Marcella Schock Name:

Phone: 800-346-1444

Fax: 714-242-9033

E-mail: postclosing@stewart.com

TO

Sue Schatz

SSchatz@rivcoeda.org

Riverside County Real Estate Division

Sent: 5/10/2010

at: 1:45:05 PM

14 page(s) (including cover)

Subject: 94376 POLICY-RIVERSIDE COUNTY DEV

Comments: Since this is a paperless department, the attached file is an original document with electronic signatures

for the above referenced transaction.

(Please forward to your policy clearinghouse, if required.)

PLEASE CONFIRM RECEIPT OF THE POLICY

BY REPLYING TO THIS EMAIL.

Internet e-mail confidentiality notice:

This email is for the sole use of the intended recipient(s)

and may contain confidential information.

Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.



Stewart Title of California, Inc

2010 Main Street, Suite 250 Irvine, CA 92614 (949) 476-0777 Phone

March 18, 2010

Stewart Title Company 2010 Main St Irvine, CA

Order Number:

94376

Title Unit Number:

7037

Property Address:

466-050-012

Riverside, California

Congratulations on the completion of your recent real estate purchase. The enclosed policy of title insurance should be kept with your other important records regarding this transaction. We are grateful for the opportunity to have provided you the very best in title insurance services, and would like to extend an invitation to keep us in mind for any of your future title and escrow needs.

Everyone at Stewart Title of California, Inc. is always committed to providing you with the professionalism and expertise that you desire. Should you have any questions regarding your policy of title insurance, please do not hesitate to call.

Sincerely,

James Prasch
Title Officer

4 4STG Privacy Notice 1 (Rev 01/26/09) Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information, the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Do we share?	Can you limit this sharing?
For our everyday business purposes— to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes— to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and nonfinancial companies. Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness.	No	We don't share
For our affiliates to market to you	Yes	No
For nonaffiliates to market to you. Nonaffiliates are companies not related by common ownership or control. They can be financial and nonfinancial companies.	No	We don't share

We may disclose your personal information to our affiliates or to nonaffiliates as permitted by law. If you request a transaction with a nonaffiliate, such as a third party insurance company, we will disclose your personal information to that nonaffiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

Sharing practices	
How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state law. These measures include computer, file, and building safeguards.
How do the Stewart Title Companies collect my personal information?	We collect your personal information, for example, when you request insurance-related services provide such information to us
	We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact Us

If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company, 1980 Post Oak Blvd., Privacy Officer, Houston, Texas 77056

File No.: 94376

POLICY OF TITLE INSURANCE **ISSUED BY**

title guaranty company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, STEWART TITLE GUARANTY COMPANY, a Texas corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

- Title to the estate or interest described in Schedule A being vested other than as stated therein;
- Any defect in or lien or encumbrance on the title:
- 3. Unmarketability of the title:
- 4. Lack of a right of access to and from the land; and in addition, as to an insured lender only:
- 5. The invalidity or unenforceability of the lien of the insured mortgage upon the title:
- 6. The priority of any lien or encumbrance over the lien of the insured mortgage; said mortgage being shown in Schedule B in the order of its priority,
- 7. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule B, or the failure of the assignment shown in Schedule B to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

In witness whereof, Stewart Title Guaranty Company has caused this policy to be signed and sealed by its duly authorized officers as of Date of Policy shown in Schedule A.

Countersigned by:

Authorized Countersignature

STEWART TITLE OF CALIFORNIA, INC.

Senior Chairman of the Board

President

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 are expenses which arise by reason of

- (a) Any law, ordinance or governmental regulations (including but not limited to building or 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 encurnbrance 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 of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

CONDITIONS AND STIPULATIONS

1. Definition of Terms.

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors. The term "insured" also includes:
- (i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12(c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land);
- (ii) any governmental agency or governmental instrumentality which is an insurer or guaranter under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not;
- (iii) the parties designated in Section 2(a) of these Conditions and Stipulations.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "insured lender": the owner of an insured mortgage.
- (d) "insured mortgage": a mortgage shown in Schedule B, the owner of which is named as an insured in Schedule A.
- (e) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- (f) "land": the land described or referred to in Schedule [A] [C], and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule [A] [C], nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (g) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (h) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.

(i) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the insured mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. Continuation of Insurance

(a) After Acquisition of Title by Insured Lender. If this policy insures the owner of the indebtedness secured by the insured mortgage, the coverage of this policy shall continue in force as of Date of Policy in favor of (i) such insured lender who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage; (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds; and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage.

(b) After Conveyance of Title by an Insured. The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from an insured of either (i) an estate or interest in the land, or (ii) an indebtedness

secured by a purchase money mortgage given to an insured.

- (c) Amount of Insurance. The amount of insurance after the acquisition or after the conveyance by an insured lender shall in neither event exceed the least of:
- (i) The amount of insurance stated in Schedule A;
- (ii) The amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or
- (iii) The amount paid by an governmental agency or governmental instrumentality, if the agency or the instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

Notice of Claim to be Given by Insured Claimant.

An insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to that insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. Defense and Prosecution of Actions; Duty of Insured Claimant to Cooperate.

- (a) Upon written request by an insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of such insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of such insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The company will not pay any fees, costs or expenses incurred by an insured in the defense of those causes of action which allege matters not insured against by this policy.
- (b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to an insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any

adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, an insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such insured for this purpose. Whenever requested by the Company, an insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of an insured to furnish the required cooperation, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. Proof of Loss or Damage.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by each insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of an insured claimant to provide the required proof of loss or damage, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, an insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by an insured claimant

provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of an insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that insured for that claim.

Options to Pay or Otherwise Settle Claims; Termination of Liability.

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

- (i) to pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or
- (ii) in case loss or damage is claimed under this policy by the owner of the indebtedness secured by the insured mortgage, to purchase the indebtedness secured by the insured mortgage for the amount owning thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage, together with any collateral security, to the Company upon payment therefor.

Upon the exercise by the Company of the option provided for in paragraph a(i), all liability and obligations to the insured under this policy, other than to make the payment required in that paragraph, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

Upon the exercise by the Company of the option provided for in paragraph a(ii) the Company's obligation to an insured Lender under this policy for the claimed loss or damage, other than the payment required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

(b) To Pay or Otherwise Settle with Parties Other than the Insured or With the Insured Claimant.

- (i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay, or
- (ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay. Upon the exercise by the Company of either of the options provided for in paragraphs b(i) or b(ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. Determination and Extent of Liability.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

- (a) The liability of the Company under this policy to an insured lender shall not exceed the least of:
- (i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2 (c) of these Conditions and Stipulations;
- (ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of theses Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or
- (iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.
- (b) In the event the insured lender has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.
- (c) The liability of the Company under this policy to an insured owner of the estate or interest in the land described in Schedule A shall not exceed the least of:
- (i) the Amount of Insurance stated in Schedule A; or,
- (ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.
- (d) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

Limitation of Liability.

- (a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, or, if applicable, to the lien of the insured mortgage, as insured.
- (c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.
- (d) The Company shall not be liable to an insured lender for: (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

Reduction of Insurance; Reduction or Termination of Liability.

(a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of insurance pro tanto. However, as to an insured lender, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of insurance afforded under this policy as to any such insured, except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.

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(b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A.

(c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company to an insured lender except as provided in Section 2(a) of these Conditions and Stipulations.

10. Liability Noncumulative.

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

The provisions of this Section shall not apply to an insured lender, unless such insured acquires title to said estate or interest in satisfaction of the indebtedness secured by an insured mortgage.

Payment of Loss.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

Subrogation Upon Payment or Settlement.

(a) The Company's Right of Subrogation

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated (i) as to an insured owner, to all rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss; and (ii) as to an insured lender, to all rights and remedies of the insured claimant after the insured claimant shall have recovered its principal, interest, and costs of collection.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Insured's Rights and Limitations.

Notwithstanding the foregoing, the owner of the indebtedness secured by an insured mortgage, provided the priority of the lien of the insured mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness.

When the permitted acts of the insured claimant occur and the insured has knowledge of any claim of title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of an insured mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(c) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of an insured mortgage by an obligor (except an obligor described in Section 1(a)(ii) of these Conditions and Stipulations) who acquires the insured mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an insured under this policy, notwithstanding Section 1(a)(i) of these Conditions and Stipulations.

13. Arbitration.

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

- Liability Limited to This Policy; Policy Entire Contract.
- (a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the insured mortgage or of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.
- (c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.
- 15. Severability.

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In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

16. Notices, Where Sent.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at P.O. Box 2029, Houston, Texas 77252-2029, and identify this policy by its printed policy serial number which appears on the bottom of the first page of this policy.

STEWART TITLE GUARANTY COMPANY

SCHEDULE A

Prepared by: California Regional Production

Center

Title Officer: James Prasch

Policy No.: O-2228-391686

Premium: \$1,189.00

Amount of Insurance: \$400,000.00

Date of Policy: February 23, 2010 at 8:00 AM

1. Name of Insured:

Order No.: 94376

County of Riverside, as to Parcel A and State of California, as to Parcel B

2. The estate or interest in the land which is covered by this policy is:

Fee

3. Title to the estate or interest in the land is vested in:

County of Riverside, as to Parcel A and State of California, as to Parcel B

4. The land referred to in this policy is described as follows:

(See Attached Legal Description)

LEGAL DESCRIPTION

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

PARCEL A:

BEING A PORTION OF THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 6 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, AS DESCRIBED IN GRANT DEED RECORDED APRIL 11, 1988, AS INSTRUMENT NO. 94488, RECORDS OF THE RECORDER OF RIVERSIDE COUNTY, CALIFORNIA AND SHOWN AS PARCEL 4 OF RECORD OF SURVEY, FILED IN BOOK 46, PAGE 12 OF RECORDS OF SURVEY, RECORDS OF SAID RECORDER, OF SAID COUNTY, AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID PARCEL 4;

THENCE SOUTH 89° 27' 41" WEST ALONG THE SOUTHERLY LINE OF SAID PARCEL 4, A DISTANCE OF 18.323 METERS TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 89° 27' 41" WEST CONTINUING ALONG SAID SOUTHERLY LINE OF PARCEL 4, A DISTANCE OF 82.681 METERS TO THE SOUTHWEST CORNER OF SAID PARCEL 4;

THENCE NORTH 00° 59' 10" EAST ALONG THE WESTERLY LINE OF SAID PARCEL 4, A DISTANCE OF 102.840 METERS TO THE NORTHWEST CORNER OF SAID PARCEL 4;

THENCE NORTH 89° 40' 40" EAST ALONG THE NORTHERLY LINE OF SAID PARCEL 4, A DISTANCE OF 85.745 METERS TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 1795.094 METERS AND AN INITIAL RADIAL BEARING OF NORTH 88° 28' 09" WEST, SAID CURVE IS CONCENTRIC WITH AND 33.525 METERS WESTERLY OF, AS MEASURED RADIALLY FROM THE CENTERLINE OF STATE ROUTE 79;

THENCE SOUTHERLY ALONG THE ARC OF SAID CONCENTRIC CURVE THROUGH A CENTRAL ANGLE OF 01° 31′ 28″, AN ARC DISTANCE OF 47.761 METERS TO A POINT ON A PARALLEL LINE 33.525 METERS WESTERLY OF, AS MEASURED AT RIGHT ANGLES TO SAID CENTERLINE OF STATE ROUTE 79;

THENCE SOUTH 03° 03' 19" WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 54.884 METERS TO THE TRUE POINT OF BEGINNING:

PARCEL B:

BEING A PORTION OF THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 6 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, AS DESCRIBED IN GRANT DEED RECORDED APRIL 11, 1988, AS INSTRUMENT NO. 94488, RECORDS OF THE RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, AND SHOWN AS PARCEL 4 OF RECORDS OF SURVEY, FILED IN BOOK 46, PAGE 12 OF RECORDS OF SURVEY, RECORDS OF SAID RECORDER, OF SAID COUNTY, AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 4;

THENCE SOUTH 89° 27' 41" WEST ALONG THE SOUTHERLY LINE OF SAID PARCEL 4, A DISTANCE OF 18.323 METERS, TO A LINE PARALLEL WITH AND 33.525 METERS WESTERLY OF, AS MEASURED AT RIGHT ANGLES TO THE CENTERLINE OF STATE ROUTE 79 AS SHOWN ON SAID RECORD OF SURVEY;

THENCE NORTH 03° 03' 19" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 54.884 METERS, TO THE BEGINNING OF A TANGENT CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 1795.094 METERS, SAID CURVE IS CONCENTRIC WITH AND 33.525 METERS WESTERLY OF, MEASURED RADIALLY FROM, SAID CENTERLINE OF STATE ROUTE 79;

THENCE NORTHERLY ALONG THE ARC OF SAID TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 01° 31' 28", AN ARC DISTANCE OF 47.761 METERS TO A POINT ON THE NORTHERLY LINE OF SAID PARCEL 4;

THENCE NORTH 89° 40' 40" EAST ALONG SAID NORTHERLY LINE, A DISTANCE OF 15.945 METERS, TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID STATE ROUTE 79, SAID RIGHT-OF-WAY LINE ALSO BEING THE EAST LINE OF SAID SECTION 4;

THENCE SOUTH 00° 59' 10" WEST ALONG SAID WESTERLY RIGHT-OF-WAY LINE (WIDTH VARIES) AND SAID EAST LINE OF SAID SECTION 4, A DISTANCE OF 83.233 METERS, TO A LINE PARALLEL WITH AND 15.238 METERS WESTERLY OF, AS MEASURED AT RIGHT ANGLES TO, SAID CENTERLINE OF STATE ROUTE 79;

THENCE SOUTH 03° 03' 19" WEST CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 19.254 METERS TO THE POINT OF BEGINNING;

(End of Legal Description)

SCHEDULE B

PARTI

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 the taxing authority that levies taxes or assessments on real property or by the public records.
 - Proceeding 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 by making inquiry of persons in possession thereof.
- 3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- 4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or 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.

SCHEDULE B

PART II

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

An easement for the purpose shown below and rights incidental thereto as set forth in a document:

To/Grantee:

California Electric Power Company

Purpose:

pole lines

Recorded:

December 27, 1946 in Book 800 Page 390, Official Records

Affects:

said land

The centerline of said easement is defined as follows:

Beginning on the East line of said Lot 1 of Section 4 at a point 60.00 feet South of the Northeast corner thereof and running thence North 71° 0' 00" West, distance of 131.60 feet to a point; thence South 82° 49' 00" West, distance of 1150.00 feet, more or less, to a point on the West line of said Lot 1 of Section 4.

(End of Exceptions)

rb

March 18, 2010