

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

929



FROM: Redevelopment Agency

SUBMITTAL DATE:

December 2, 2010

SUBJECT: RDA Resolution No. 2010-049, Authorization to Purchase Real Property in the Jurupa Valley Project Area – District 2

RECOMMENDED MOTION: That the Board of Directors:

1. Adopt RDA Resolution No. 2010-049, authorization to purchase real property in the Jurupa Valley Project Area within the unincorporated area of Riverside, County of Riverside;
2. Approve and authorize the Chairman of the Board to execute the acquisition agreement for the purchase of Assessor's Parcel Numbers 181-041-004 and 181-041-008, from AMG Holdings, Inc., doing business in California as Virginia AMG Holdings, Inc., by the Redevelopment Agency;

(Continued)

Lisa Brandl for

Robert Field
Executive Director
By Lisa Brandl, Deputy Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 856,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

SOURCE OF FUNDS: Low and Moderate Income Housing Funds

Positions To Be Deleted Per A-30 ☐
Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY: *Jennifer L. Sargent*
Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY

On motion of Supervisor Stone, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: December 14, 2010
xc: RDA, Auditor, CIP

Kecia Harper-Ihem
Clerk of the Board

By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: N/A

District: 2

Agenda Number

4.13

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: *Samuel Wong* 12/16/10
DATE: 12-16-10
FORM APPROVED COUNTY COUNSEL
BY: *Anita C. Willis*
ANITA C. WILLIS

Reviewed by
CIP TEAM
Dean Delines

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

RECOMMENDED MOTION: (Continued)

3. Authorize the Clerk of the Board to certify acceptance of any documents pertaining to this transaction; and
4. Authorize the Executive Director of the Redevelopment Agency, or designee, to execute and take all necessary steps to implement the acquisition agreement including signing subsequent, necessary related documents to complete this transaction.

BACKGROUND:

Agency staff has successfully negotiated a settlement for the acquisition of property identified as Assessor's Parcel Numbers 181-041-004 and 181-041-008 with AMG Holdings, Inc., doing business in California as Virginia AMG Holdings, Inc., for a purchase price of \$846,000 plus escrow fees and miscellaneous costs associated with the acquisition.

The negotiated price is consistent with current property values in the Rubidoux area based on an independent fee appraisal report.

The subject parcel consists of a 0.49 and a 0.53 acre of vacant land within the community of Rubidoux. The parcels are needed for the provision of housing affordable to low and moderate income persons, the implementation of the sub-area's redevelopment plan and assist in eliminating blighting conditions in the project area.

The Notice of Intent to purchase real property was published pursuant to Section 25350 of the California Government Code and Section 33397 of the Health and Safety Code.

Guided by Government Code Section 7267: "In order to encourage and expedite the acquisition and relieve congestion in the courts, to assume consistent treatment for owners in the public programs, and to promote public land acquisition practices, public entities shall, to the greatest extent practicable be guided by the provision of Section 7267.1: 'The public entity shall make every reasonable effort to acquire expeditiously real property by negotiation'".

Staff recommends adoption of RDA Resolution No. 2010-049.

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

FINANCIAL DATA:

The following summarizes the funding necessary for the acquisition of Assessor's Parcel Numbers 181-041-004 and 181-041-008:

Acquisition:	\$ 846,000
Estimated Title and Escrow Charges:	\$ 4,000
Acquisition Administration:	\$ 6,000
Total Estimated Acquisition Costs:	\$ 856,000

1 **BOARD OF DIRECTORS**

REDEVELOPMENT AGENCY

2
3 **RDA RESOLUTION NO. 2010-049**

4 **AUTHORIZATION TO PURCHASE REAL PROPERTY IN THE JURUPA VALLEY PROJECT**

5 **AREA**

6 **APN's 181-041-004 and 181-041-008**
7 **(Second Supervisorial District)**

8 **WHEREAS**, the Redevelopment Agency for the County of Riverside, ("Agency") is a
9 Redevelopment Agency duly created, established and authorized to transact business and
10 exercise its powers, all under and pursuant to the provisions of the Community Redevelopment
11 Law which is Part 1 of Division 24 of the California Health and Safety Code (commencing with
12 Section 33000 et seq.); and

13 **WHEREAS**, the Riverside County Board of Supervisors adopted Redevelopment Plans
14 for Redevelopment Project Area 1-1986, Jurupa Valley, Mid-County, Desert Communities, and
15 I-215 Corridor, as amended, hereinafter referred to as "Project Areas"; and

16 **WHEREAS**, pursuant to Section 33670 of the Health and Safety Code, the Agency
17 began receiving tax increment from the Project Areas in January 1988, and continues to
18 receive annual tax increment revenue; and

19 **WHEREAS**, pursuant to the provisions of the Community Redevelopment Law, Section
20 33334.2 of the Health and Safety Code, the Agency may acquire real property for the provision
21 of affordable housing; and

22 **WHEREAS**, the Agency has based on an independent fee appraisal report, negotiated
23 a purchase price of \$846,000 for real property identified as Assessor's Parcel Numbers 181-
24 041-004 and 181-041-008 ("Property"), more particularly described in Exhibit "A" attached
25 hereto and incorporated herein by reference; and

26 **WHEREAS**, the Rubidoux Sub-Area is located within the Jurupa Valley Redevelopment
27 Project Area, ("Sub-Area"); and
28

1 **WHEREAS**, the Property is located within the Sub-Area; and

2 **WHEREAS**, the Agency is purchasing the Property for the provision of affordable
3 housing that will assist in implementing the Sub-Area's redevelopment plan ("Plan") and assist
4 in eliminating blighting conditions within the Sub-Area; and

5 **WHEREAS**, prior to using the Property for the purpose described in the Plan, the
6 Agency understands and agrees to fully comply with the California Environmental Quality Act.

7 **BE IT RESOLVED, FOUND, DETERMINED, AND ORDERED** by the Board of
8 Directors of the Redevelopment Agency for the County of Riverside, State of California, in
9 regular session assembled on December 14, 2010, as follows:

- 10
- 11
- 12 1. That the Board of Directors hereby finds and declares that the above recitals are true
13 and correct.
- 14
- 15 2. That the Redevelopment Agency for the County of Riverside is authorized to purchase
16 the Property identified as Assessor's Parcel Numbers 181-041-004 and 181-041-008,
17 more particularly described in Exhibit "A" attached.
- 18
- 19 3. That the purchase price for the real property is \$846,000.
- 20
- 21 4. That the Chairman of the Board of Directors is hereby authorized to execute any and all
22 documents necessary to purchase the real property from AMG Holdings, Inc., doing
23 business in California as Virginia AMG Holdings, Inc.
- 24
- 25 5. That the Executive Director of the Redevelopment Agency, or designee, is hereby
26 authorized to execute subsequent and relevant documents necessary to complete this
27 transaction.

28 ROLL CALL:

Ayes: Buster, Tavaglione, Stone, Benoit, and Ashley
Nays: None
Absent: None

The foregoing is certified to be a true copy of a
resolution duly adopted by said Board of Super-
visors on the date therein set forth.

KECIA HARPER-IHEM Clerk of said Board

By _____ Deputy

FORM APPROVED COUNTY COUNSEL

BY: *[Signature]* DATE: 12-8-10

EXHIBIT "A"

All that certain real property situated in the County of Riverside, State of California, described as follows:

PARCEL 1:

LOT 2 OF MAYFAIR SQUARE, UNIT NO. 1, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39, PAGES 50 AND 51, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

LOT 1 AND LOT "A" OF MAYFAIR SQUARE, UNIT NO. 1, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39, PAGES 50 AND 51, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Assessor's Parcel Number: 181-041-004-3 (affects Parcel 1)

Assessor's Parcel Number: 181-041-008-7 (affects Parcel 2)

Project: Mission Plaza
APN: 181-041-004, 181-041-008
Address: Vacant Land

ACQUISITION AGREEMENT

This agreement is made by and between the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, herein called "Agency", and AMG HOLDINGS, INC., WHICH WILL DO BUSINESS IN CALIFORNIA AS VIRGINIA AMG HOLDINGS, INC., herein called "Grantor".

Grantor has executed and will deliver to John F. McDonald, Real Property Agent for the Agency or to the designated escrow company, a Grant Deed dated, September 7, 2010, for the vacant land commonly known as APN 181-041-004 and 181-041-008 (the "Property") in consideration of which it is mutually agreed as follows:

1. The Agency shall:

A. Immediately upon recordation of said Grant Deed, pay to the order of Grantor the sum of eight hundred forty six thousand dollars (\$846,000) for the Property, or interest therein, conveyed by said deed, when title to said property or interest vests in Agency free and clear of all liens, encumbrances, easements, leases (recorded or unrecorded), and taxes except those encumbrances and easements which, in the sole discretion of the Agency, are acceptable. Said amount shall be paid in accordance with wiring instructions given by Grantor.

B. Handle real property taxes, bonds, and assessments in the following manner:

1. All real property taxes for the current year shall be prorated, paid, and canceled pursuant to the provisions of Section 5081 et. seq., of the Revenue and Taxation Code.

2. Agency is authorized to pay from the amount shown in Paragraph IA herein, any unpaid real estate taxes together with penalties, cost and interest thereon, and unpaid installments of any bonds or assessments that are due and payable on the date title is transferred to, or possession is taken by the Agency, whichever first occurs.

C. Pay all typical escrow, recording, and reconveyance fees incurred in this transaction, and if title insurance is desired by Agency, the standard premium charged therefor.

1 D. The Grant Deed shall record and close of escrow shall occur not later than
2 March 31, 2011

3 E. This transaction and escrow shall close only if the sale of APNs 181-030-002,
4 181-041-002 closes concurrently.

5 2. Grantor shall:

6 A. Indemnify, defend, protect, and hold Agency, its officers, employees, agents,
7 successors, and assigns free and harmless from and against any and all claims, liabilities, penalties,
8 forfeitures, losses, or expenses, including without limitation, attorneys' fees (collectively, "Claims"),
9 arising from or caused in whole or in part, directly by either (a) the presence in, on, within, under, or
10 about the parcel of Hazardous Materials (as defined below) as a direct result of Grantor's use,
11 storage, or generation of such materials or substances on the Property during Grantor's ownership or
12 (b) Grantor's failure to comply with any federal, state, or local laws relating to such Hazardous
13 Materials on the Property. For the purpose of this agreement, Hazardous Materials shall include the
14 following: hazardous substances, hazardous materials, or toxic substances as defined in the
15 Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42
16 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801,
17 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; and those
18 substances defined as hazardous wastes in Section 25117 of the California Health and Safety Code
19 or hazardous substances in Section 25316 of the California Health and Safety Code; and in the
20 regulations adopted in publications promulgated pursuant to said laws but does not include residual
21 pesticides, herbicides or other surface agricultural chemicals.

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

1 C. "Claims" shall not include, and Grantor shall not be liable for, indirect,
2 incidental, consequential, exemplary, punitive or special damages.

3 D. Grantor shall be liable under this Paragraph 2 only for Claims made and filed
4 against Grantor within six (6) months after recordation of the Grant Deed. Grantor shall have the
5 right to defend any such Claims and to settle any such Claims at no cost to Agency.

6 3. Except as specifically set forth in paragraph 2 above, the Agency accepts the Property
7 "as is, where is" without representation or warranty of any kind from Grantor.

8 4. Any and all moneys payable under this contract, up to and including the total amount
9 of unpaid principal and interest on any Deed of Trust recorded in the Official Records of Riverside
10 County, shall, upon demand, be made payable to the beneficiary entitled thereunder; said beneficiary
11 to provide a reconveyance as to the Property, and to furnish Grantor with good and sufficient receipt
12 showing said moneys credited against such indebtedness secured by said Deed of Trust (recorded or
13 unrecorded). Title search discloses no open deeds of trust.

14 5. The close of escrow is subject to an acceptable Phase 1 Environmental Site
15 Assessment Report ("Report"). Said Report shall be the sole responsibility of Agency. Agency
16 shall give a copy of same to Grantor. Either party may terminate this Agreement within ten (10)
17 days of receipt of said Phase 1 Report. Agency acknowledges that it has received and approved the
18 Report.

19 6. It is mutually understood and agreed by and between the parties hereto that the right
20 of possession and use of the subject Property by Agency, including the right to remove and dispose
21 of improvements, shall commence upon the close of escrow and receipt by Grantor of the payment
22 to be made to it. The amount shown in Paragraph 1A includes, but is not limited to, full payment for
23 such possession and use.

24 7. Grantor recognizes and understands that the consideration hereunder may originate
25 from local, state, and/or federal sources; and therefore, Agency shall have the right to terminate this
26 transaction if:

27 A. Such funding is reduced or otherwise becomes unavailable, based on
28 Agency's annual fiscal budget.

1 B. If any law, rule or regulation precludes, prohibits or materially adversely
2 impairs Agency's ability to use the Premises for the use permitted herein.

3 C. If Agency in its sole discretion determines that the Premises are no longer
4 suitable for its use for any reason or cause.

5 D. Agency shall provide Grantor with written notification of its election to
6 terminate this transaction not later than March 15, 2011; otherwise, Agency shall be deemed to have
7 waived its right of termination. Agency's notice shall state reason for its termination.

8 8. Grantor hereby agrees and consents to the dismissal of any condemnation action
9 which has been or may be commenced by Agency in the Superior Court of Riverside County to
10 condemn said land, and waives any and all claim to money that has been or may be deposited in
11 court in such case or to damages by reason of the filing of such action.

12 9. The performance by the Agency of its obligations under this agreement shall relieve
13 the Agency of any and all further obligations or claims on account of the acquisition of the property
14 referred to herein or on account of the location, grade, or construction of the proposed public
15 improvement.

16 10. This agreement shall not be changed, modified, or amended except upon the written
17 consent of the parties hereto.

18 11. This agreement is the result of negotiations between the parties and is intended by the
19 parties to be a final expression of their understanding with respect to the matters herein contained.
20 This agreement supersedes any and all other prior agreements and understandings, oral or written, in
21 connection therewith. No provision contained herein shall be construed against the Agency solely
22 because it prepared this agreement in its executed form. Each of the parties warrants and represents
23 that there are no brokers fees or commissions payable as to this transaction and each agrees to
24 indemnify and hold the other harmless from such commissions or fees based upon the indemnitor's
25 acts or promises.

26 12. The acquisition of the Property shall be contingent upon the approval on or before
27 March 15, 2011, by the County Board of Directors of the Authorization to Purchase and the approval
28 of the Agreement. This contingency will be removed from escrow upon the receipt of the

1 Agreement signed by the County Board of Directors. If such contingency has not been satisfied by
2 March 15, 2011, then either party may thereafter terminate this Agreement upon notice to the other.

3 13. Grantor, his, her, their assigns and successors in interest, shall be bound by all the
4 terms and conditions contained in this agreement, and all the parties thereto shall be jointly and
5 severally liable thereunder.

6 AMG HOLDINGS, INC. WHICH WILL DO
7 BUSINESS IN CALIFORNIA AS VIRGINIA
8 AMG HOLDINGS, INC.

9 Dated: 11-9-2010

By: 

10
11 Dated: 11-9-2010

By: 

12
13
14 APPROVED AS TO FORM:
15 PAMELA J. WALLS
16 County Counsel

17 By: 

18 Deputy

19 ATTEST:

20 KECIA HARPER-IHEM
21 Clerk of the Board

22 By: 

23 Deputy

24 REDEVELOPMENT AGENCY FOR THE
25 COUNTY OF RIVERSIDE

26 By: 

27 MARION ASHLEY, Chairman
28 Board of Directors

Lawyers Title

Recorded at request of and return to:
Redevelopment Agency for the County
of Riverside
3403 10th Street, Suite 500
Riverside, California 92501
Attn: Real Estate Division

FREE RECORDING

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

Project: Mission Plaza
APN: 181-041-004, 181-041-008

610671769

DOC # 2011-0048581
01/31/2011 01:27P Fee:NC

Page 1 of 6
Recorded in Official Records
County of Riverside
Larry W. Ward
Assessor, County Clerk & Recorder



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GRANT DEED

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

**AMG HOLDINGS, INC., WHICH WILL DO BUSINESS IN CALIFORNIA AS
VIRGINIA AMG HOLDINGS, INC.**

GRANTS to the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a
public body, corporate and politic, organized and existing under, and by virtue of the
State of California, the real property in the County of Riverside, State of California,
described as:

SEE LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A"
AND MADE PART HEREOF

**AMG HOLDINGS, INC., WHICH WILL
DO BUSINESS IN CALIFORNIA AS
VIRGINIA AMG HOLDINGS, INC.**

Date: 9/7/2010

Date: 9/7/2010

By: Bernard Bruskin
Bernard Bruskin
By: Patricia M. Betance
Patricia M. Betance

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the within deed to the
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public body,
corporate and politic, is hereby accepted by order of the Board of Directors on the date below
and the grantee consents to the recordation thereof by its duly authorized officer.

Date: 1-27-11

By: Robert Field

Robert Field, Executive Director

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Assessor's Parcel Number: 181-041-004-3 (affects Parcel 1)

Assessor's Parcel Number: 181-041-008-7 (affects Parcel 2)

ACKNOWLEDGMENT

State of California

County of Los Angeles)

On Sept 7, 2010

before me, Patrick Henry Santos
Notary Public
(insert name)

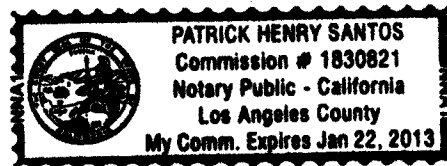
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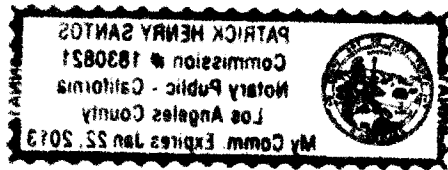
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(ies), and that by his/~~her~~/~~their~~ signature(s) on 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 [Signature] (Seal)





ACKNOWLEDGMENT

State of California)
County of Los Angeles)

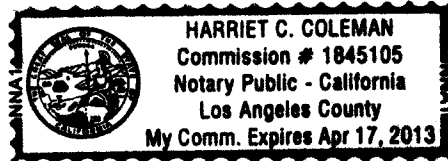
On September 7, 2010 before me, Harriet C. Coleman Notary Public
(insert name)

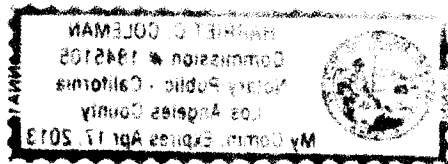
personally appeared Patricia Sue Betone
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) 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 Harriet C. Coleman (Seal)





NOTARY CLARITY

Under the provisions of Government Code 27361.7, I certify under the penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary: Patrick Henry Santos

Commission #: 1830821

Place of Execution: 9595 Wilshire Blvd # 44
Beverly Hills CA 90212

Date Commission Expires: Jan 22, 2013

Date: Sept 7, 2010

Signature: 

Print Name: Patrick Henry Santos

NOTARY CLARITY

Under the provisions of Government Code 27361.7, I certify under the penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary: Harriet C. Lobner

Commission #: 1845105

Place of Execution: 101 W. Walnut Street, Gardnng Ct 90242

Date Commission Expires: April 17, 2013

Date: September 7, 2010

Signature: Harriet C. Lobner

Print Name: Harriet C. Lobner

MEMORANDUM

RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY

Robert Field
Assistant County Executive Officer/EDA

TO: Kecia Harper-Ihem, Clerk of the Board
FROM: Bonnie Perez, Real Property Coordinator
Real Property Division
DATE: November 2, 2011
SUBJECT: Mission Plaza Project (AMG Holding)
Title Policy

Attached please find the original Title Policy for the Mission Plaza Project. This transaction was approved on December 14, 2010, Item #4.13.

If you have any questions, please email or call me at x52359. Thank you.

SDH/FCA-J LN 1:50

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2011-11-11D366



Lawyers Title Company
3480 Vine Street Suite 100
Riverside, CA 92507
Phone: (951) 774-0825
Fax: ()

March 17, 2011

Redevelopment Agency for the County of Riverside
3403 10th Street Suite 500
Riverside, CA 92501
Attn: Real Estate Division

YOUR REF: 181-041-001 and 008
OUR NO.: 610671769
Property: Vacant Land, Riverside Area, California

Dear Customer:

On behalf of Lawyers Title - IE, please find your CLTA Standard Owners Policy of title insurance.

NOTE: Your policy is a Computer Generated Product. Although lacking color and "live" signatures, it is the original of your policy.

Thank you for selecting Lawyers Title - IE for your transactional management needs.

Enclosure

This policy has been issued through the offices of



Lawyers Title Company
3480 Vine Street Suite 100
Riverside, CA 92507
Phone: (951) 774-0825
Fax: ()

We wish to take this opportunity to thank you for allowing us to assist you in your recent real estate transaction. We appreciate your confidence in us and take pride in our ability to service all your title needs.

The enclosed title policy was carefully prepared in accordance with your agent's instruction and should be kept in a safe place with your other important documents as it continues to protect you as long as you have an interest in the subject real property.

We hope we can be of assistance to you in all your future real estate transactions.

Cordially,

A handwritten signature in dark ink, appearing to read 'James M. John', is written over a horizontal line.

James M. John

Effective Date: 5/1/2008

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.

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.

STANDARD COVERAGE POLICY OF TITLE INSURANCE

Issued by

Commonwealth Land Title Insurance Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, COMMONWEALTH LAND TITLE INSURANCE COMPANY, a Nebraska 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:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of 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, COMMONWEALTH LAND TITLE INSURANCE COMPANY has caused its corporate name and seal to be hereunto affixed by its duly authorized officers, the Policy to become valid when countersigned by an authorized officer or agent of the Company.

**Lawyers Title, A Division of Commonwealth
Land Title Insurance Company**

Natalie Bombardieri

Countersigned



Commonwealth Land Title Insurance Company

By:

James M. Fair

President

ATTEST

[Signature]

Secretary

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 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 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 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 guarantor 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 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 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.

3. 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.

6. 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 owing 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.

Conditions and Stipulations Continued

CONDITIONS AND STIPULATIONS - CONTINUED

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 these 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.

8. 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.

9. 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.

(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.

11. 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.

12. 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 Obligor.

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.

14. 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.

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: Commonwealth Land Title Insurance Company, P.O. Box 45023, Jacksonville, Florida 32232-5023 Attn: Claim's Dept

CLTA STANDARD OWNERS COVERAGE - 1990
POLICY OF TITLE INSURANCE
Issued by
Commonwealth Land Title Insurance Company

SCHEDULE A

Amount of Insurance: \$846,000.00

File No.: 610671769

Premium: \$1,925.00

Endorsement Fee: \$None

Date of Policy: January 31, 2011 AT 8:00 AM

1. Name of Insured:
Redevelopment Agency for the County of Riverside, a Public Body, Corporate and Politic
2. The estate or interest in the land described herein and which is covered by this policy is:
A FEE
3. The estate or interest referred to herein is at the Date of Policy vested in:
Redevelopment Agency for the County of Riverside, a Public Body, Corporate and Politic
4. The land referred to in this policy is situated in the County of Riverside, State of CALIFORNIA, and is more particularly described in Exhibit "A" attached hereto and made a part hereof.

EXHIBIT "A"

All that certain real property situated in the County of Riverside, State of California, described as follows:

PARCEL 1:

LOT 2 OF MAYFAIR SQUARE, UNIT NO. 1, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39, PAGES 50 AND 51, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

LOT 1 AND LOT "A" OF MAYFAIR SQUARE, UNIT NO. 1, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39, PAGES 50 AND 51, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Assessor's Parcel Number: 181-041-004-3 (affects Parcel 1)

Assessor's Parcel Number: 181-041-008-7 (affects Parcel 2)

SCHEDULE B
EXCEPTIONS FROM COVERAGE

THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE (AND THE COMPANY WILL NOT PAY COSTS, ATTORNEY'S 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, interest 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, which are 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.

END OF SCHEDULE B - PART I

SCHEDULE B PART II

- A. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, to be levied for the fiscal year 2011 - 2012 which are a lien not yet payable.
- B. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, for the fiscal year 2010 - 2011.
- 2nd Installment: \$165.66 (Open) This amount is valid until April 10, after which penalties apply
- Penalty (including cost): \$44.56 Due with installment amount if paid after April 10
- Exemption: \$None
- Code Area: 099-036
- Assessment No.: 181-041-004-3
- C. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, for the fiscal year 2010 - 2011.
- 2nd Installment: \$165.85 (Open) This amount is valid until April 10, after which penalties apply
- Penalty (including cost): \$44.58 Due with installment amount if paid after April 10
- Exemption: \$None
- Code Area: 099-036
- Assessment No.: 181-041-008-7
- D. Supplemental or escaped assessments of property taxes, if any, assessed pursuant to the Revenue and Taxation Code of the State of California.
1. Water rights, claims or title to water, whether or not shown by the public records.
 2. The right, privilege, easement and servitude of the riverside Portland Cement Company, a Corporation, to operate its cement plant with certain restrictions as to the arresting of smoke, gases, dust and vapor which might affect said land described, as contained in an instrument recorded February 16, 1918 in Book 476 Page 94, of Deeds.
 3. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Purpose: construction and maintenance of drains, ditches and canals, ingress and egress

Recorded: October 31, 1919 in Book 509 Page 362 and 363, respectively of Deeds

Affects: said land more particularly described therein.
 4. All easements, offers and dedications as shown on the Official Map,

Tract of: Mayfair Square Unit No. 1, in Book 39 Page 50 and 51
 5. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to: California Electric Power Company, a Corporation

Purpose: public utility

Recorded: March 18, 1960 as Instrument No. 24567, of Official Records

Affects: said land more particularly described therein

6. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Granted to: The Pacific Telephone and Telegraph Company, a Corporation
Purpose: public utility
Recorded: June 28, 1960 as Instrument No. 57038, of Official Records
Affects: said land more particularly described therein
7. An easement for the purpose shown below and rights incidental thereto as reserved in a document
Purpose: public utility and/or public service facilities
Recorded: July 20, 1978 as Instrument No. 150919, of Official Records
Affects: Lot "A"
8. The fact that said land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document.

Redevelopment Agency: Riverside County Redevelopment Agency
Recorded: December 24, 1987 as Instrument No. 362717, of Official Records

And recorded: July 10, as Instrument No. 256410, of Official Records

And recorded: July 16, 2007 as Instrument No. 2007-0459694, of Official Records

END OF SCHEDULE B - PART II

Endorsements: NONE

