UDITOR-CONTROLLER FISCAL PROCEDURES APPROVED

Policy

Consent

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



FROM: Economic Development Agency / Facilities Management and **Transportation Department** June 16, 2011 SUBJECT: Acquisition Agreement for the Rancho California and Anza Roads Roundabout Project (Temecula) **RECOMMENDED MOTION:** That the Board of Supervisors: Approve the attached Acquisition Agreement for Parcels 0957-004A and 0957-004B, all within a portion of Assessor's Parcel Number 943-230-003 and authorize the Chairman of the Board to execute this agreement on behalf of the county; 2. Authorize the Assistant County Executive Officer/EDA, or his designee, to execute any other documents and administer all actions necessary to complete this transaction; (Continued) Juan C. Perez, Director **Transportation Department** Assistant County Executive Officer/EDA **Current F.Y. Total Cost:** In Current Year Budget: \$ 249,135 No **FINANCIAL Current F.Y. Net County Cost: Budget Adjustment:** \$0 Yes **DATA Annual Net County Cost:** For Fiscal Year: \$0 2010/11 **COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No** SOURCE OF FUNDS: DIF (100%) **Positions To Be Deleted Per A-30** Requires 4/5 Vote C.E.O. RECOMMENDATION: **APPROVE County Executive Office Signature** MINUTES OF THE BOARD OF SUPERVISORS П On motion of Supervisor Stone, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended. Ayes: Buster, Tavaglione, Stone, Benoit and Ashley Navs: None Kecia Harper-Ihem Absent: None

District: 3

WITH THE CLERK OF THE BOARD

ATTACHMENTS FILED

EDA Transp., Auditor, EO

June 28, 2011

Agenda Number:

Economic Development Agency/Facilities Management and Transportation Department Acquisition Agreement for the Rancho California and Anza Roads Roundabout Project (Temecula) June 16, 2011
Page 2

RECOMMENDED MOTION: (Continued)

- 3. Approve and direct the Auditor-Controller to make the budget adjustments as shown on Schedule A, attached; and
- 4. Authorize and allocate the sum of \$236,835 to purchase a portion of Assessor's Parcel Number 943-230-003 and \$12,300 to pay all related transaction costs.
- 5. Authorize and direct the Executive Office to transfer an additional \$1,364,379 from DIF Fund 30525 Roads, Bridges, Major Improvements to the Transportation and Land Management Agency as needed, pursuant to contracts and billings received for this Project. These funds will be used for acquisition of this right-of-way and construction.

BACKGROUND:

The Riverside County Transportation Department proposes to construct a single lane roundabout at the intersection of Rancho California Road and Anza Road (Project). Included in the construction of Rancho California Road and Anza Road roundabout will be the placement of curb and gutter, splitter islands, landscaping, center island, decomposed granite trail, replacement of existing culverts, storm drain system, and an infiltration basin for water quality purposes. The new road configuration will be two lanes (one in each direction) with a raised median, for each of the four approaches for this roundabout. This project will substantially improve traffic circulation at this critical intersection in the Wine Country while keeping the unique, rural character of the area.

This project lies within the boundaries of the San Diego Regional Water Quality Control Board. The County of Riverside is subject to waste discharge requirements for discharges within the San Diego Region as dictated in the current National Pollution Discharge Elimination System (NPDES) permit between Riverside County and the San Diego Regional Board. Construction of an infiltration basin to retain the runoff from the proposed roundabout satisfies the permit requirement by capturing and treating runoff from the project site through infiltration.

This property is necessary for the construction of the infiltration basin.

The Riverside County Transportation Department staff conducted a review of the Project and determined that the Project is categorically exempt per the California Environmental Quality Act (CEQA) Guidelines, Section 15301 (c). Also, the Project is exempt under CEQA Guidelines, Section 15061 (3). Notice of Exemption was filed on September 23, 2010 and posted on September 30, 2010 by the County Clerk's Office.

The Economic Development Agency/Facilities Management (EDA/FM) has negotiated the acquisition of a portion of Assessor's Parcel Number 943-230-003 for the purchase price of \$236,835 from Xiang-Kai and Dara Zhang. There are costs of \$12,300 associated with this transaction. Xiang-Kai Zhang and Dara Zhang will execute a Grant Deed in favor of the County of Riverside for a portion of Assessor's Parcel Number 943-230-003, referenced as Parcel 0957-004B and execute an Easement Deed, referenced as 0957-004A.

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

Economic Development Agency/Facilities Management and Transportation Department Acquisition Agreement for the Rancho California and Anza Roads Roundabout Project (Temecula) June 16, 2011
Page 3

FINANCIAL DATA:

The following summarizes the funding necessary for the purchase of a portion of Assessor's Parcel Number 943-230-003:

Acquisition Pruchase Price:	\$ 2	236,835
Estimated Title & Escrow Charges:	\$	1,850
Preliminary Title Report:	\$	250
County Appraisal:	\$	7,000
Administration Costs:	\$	3,200
Total Estimated Costs:	\$ 2	249,135

While EDA will cover the cost for the due diligence services (Preliminary Title Report and Appraisal) at the time of this property transaction, it is understood that the Transportation Department will reimburse EDA for these costs. The budget adjustment attached (Schedule A) is necessary to allow this transaction. The remaining costs will be paid directly by the Transportation Department.

All costs associated with this property acquisition are fully funded in the Transportation Department's budget for FY 2010/11. Thus, no net county cost will be incurred as a result of this transaction.

Attachments:

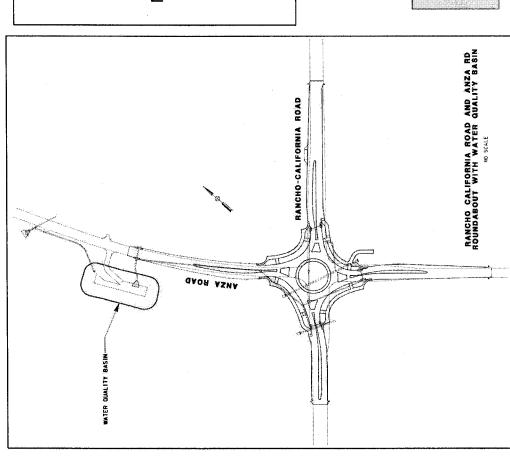
Schedule A Acquisition Agreement Economic Development Agency/Facilities Management and Transportation Department Acquisition Agreement for the Rancho California and Anza Roads Roundabout Project (Temecula) June 16, 2011 Page 4

SCHEDULE A

Increase Estimated Revenues:

47220-7200400000-777550	Right of Way Services	\$ 7,250
Increase Appropriations:		
47220-7200400000-525400	Title Company Services	\$ 250
47220-7200400000-524550	Appraisal Services	\$ 7,000

Added Cost to Roundabout Project to Meet **NPDES WQMP Requirements**



Roundabout Cost Summary

Roundabout Construction Cost \$1,300,000

NPDES WQMP Compliance Cost

\$600,000

Percentage Cost Between
NPDES WQMP Compliance and
Roundabout Construction

46%

NPDES = National Pollution Discharge Elimination System WQMP=Water Quality Management Plan 1 2

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PROJECT: RANCHO CALIFORNIA / ANZA

ROADS ROUNDABOUT

PARCEL(S): 0957-004A and 0957-004B

APN:

949-230-003 (PORTION)

ACQUISITION AGREEMENT

This agreement is made by and between the COUNTY OF RIVERSIDE, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA herein called "County", and Xiang-Kai Zhang and Dara Zhang, herein called "Grantor".

Grantor has executed and will deliver to Lorie G. Houghlan, Real Property Agent for the County or to the designated escrow company, an Easement Deed referenced as Parcel 0957-004A and a Grant Deed dated _________, identifying a portion of Assessor's Parcel Number 949-230-003, referenced as Parcel 0957-004B as described on Exhibits "A" and "B" attached hereto and made a part hereof, in consideration of which it is mutually agreed as follows:

- 1. The County shall:
- A. Pay to the order of Grantor the sum of Two Hundred Thirty Six Thousand Eight Hundred Thirty Five Dollars (\$236,835) for the property, or interest therein, conveyed by said deed(s), 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 encumbrances and easements which, in the sole discretion of the County, are acceptable.
- B. Handle real property taxes, bonds, and assessments in the following manner:
- 1. All real property taxes shall be prorated, paid, and canceled pursuant to the provisions of Section 5081 et. seq., of the Revenue and Taxation Code.

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27 28 2. County is authorized to pay the amount shown in Paragraph 1A herein, any unpaid taxes together with penalties, cost and interest thereon, and any bonds or assessments that are due on the date title is transferred to, or possession is taken by the County, whichever first occurs.

C. Pay all escrow, recording, and reconveyance fees incurred in this transaction, and if title insurance is desired by County, the premium charged therefore.

2. Grantor shall:

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 seq.; 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.

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 an **Abstract of Judgment recorded**, as **Instrument No. 2009-0668208**, 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 949-230-003, and to furnish Grantor with good and sufficient receipt showing said moneys credited against the indebtedness secured by said Abstract of Judgment.

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

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

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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EXHIBIT "A" LEGAL DESCRIPTION

BEING A PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL "B-2" BY GRANT DEED RECORDED NOVEMBER 30, 2001 AS INSTRUMENT NUMBER 2001-592032, OFFICIAL RECORDS OF THE RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, LYING WITHIN RANCHO PAUBA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE CENTERLINE OF RANCHO CALIFORNIA ROAD (55 FOOT HALF-WIDTH) AND THE CENTERLINE OF ANZA ROAD (55 FOOT HALF-WIDTH) AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 50, PAGES 68 THROUGH 75, INCLUSIVE, OF RECORDS OF SURVEY, OF SAID RECORDER;

THENCE S 48°22'29" W ALONG SAID CENTERLINE OF RANCHO CALIFORNIA ROAD, A DISTANCE OF 55.08 FEET;

THENCE N 41°37'31" W, A DISTANCE OF 54.99 FEET TO THE POINT OF INTERSECTION OF THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID RANCHO CALIFORNIA ROAD AND THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID ANZA ROAD, SAID POINT BEING THE MOST-EASTERLY CORNER OF SAID PARCEL "B-2" AND THE **TRUE POINT OF BEGINNING**;

THENCE S 48°22'29" W ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF RANCHO CALIFORNIA ROAD, A DISTANCE OF 159.43 FEET;

(COURSE "A") THENCE N 80°36'30" W, A DISTANCE OF 27.02 FEET;

(COURSE "B") THENCE N 09°23'30" E, PERPENDICULAR FROM SAID COURSE "A", A DISTANCE OF 5.00 FEET TO A LINE PARALLEL WITH AND DISTANT 5.00 FEET NORTHEASTERLY OF SAID COURSE "A";

(COURSE "C") THENCE S 80°36'30" E ALONG SAID PARALLEL LINE, A DISTANCE OF 31.07 FEET TO SAID NORTHWESTERLY RIGHT-OF-WAY LINE;

(COURSE "D") THENCE N 48°22'29" E ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 2.00 FEET:

(COURSE "E") THENCE N 15°56'23" E, A DISTANCE OF 180.80 FEET, TO A POINT ON SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF ANZA ROAD BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 2054.79 FEET AND AN INITIAL RADIAL BEARING OF N 50°38'52" E:

THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE AND SAID NON-TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 02°22'00", AN ARC DISTANCE OF 84.88 FEET;

THENCE S 41°43'08" E, A DISTANCE OF 12.12 FEET TO THE TRUE POINT OF BEGINNING;

EXHIBIT "A" (CONTINUED)

CONTAINING 7,430 SQUARE FEET, OR 0.171 ACRES, MORE OR LESS.

THIS CONVEYANCE IS MADE FOR THE PURPOSE OF A COUNTY ROAD 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 RANCHO CALIFORNIA ROAD AND ANZA ROAD OVER AND ACROSS COURSES "A" THROUGH "E" INCLUSIVE, HEREIN ABOVE DESCRIBED.

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM OF 1983, ZONE 6, MULTIPLY DISTANCES SHOWN BY 1.000103051 TO OBTAIN GROUND DISTANCES.

0957-004A

SEE ATTACHED EXHIBIT "B"

APPROVED BY: Design	.The
DATE: 3-7-11	

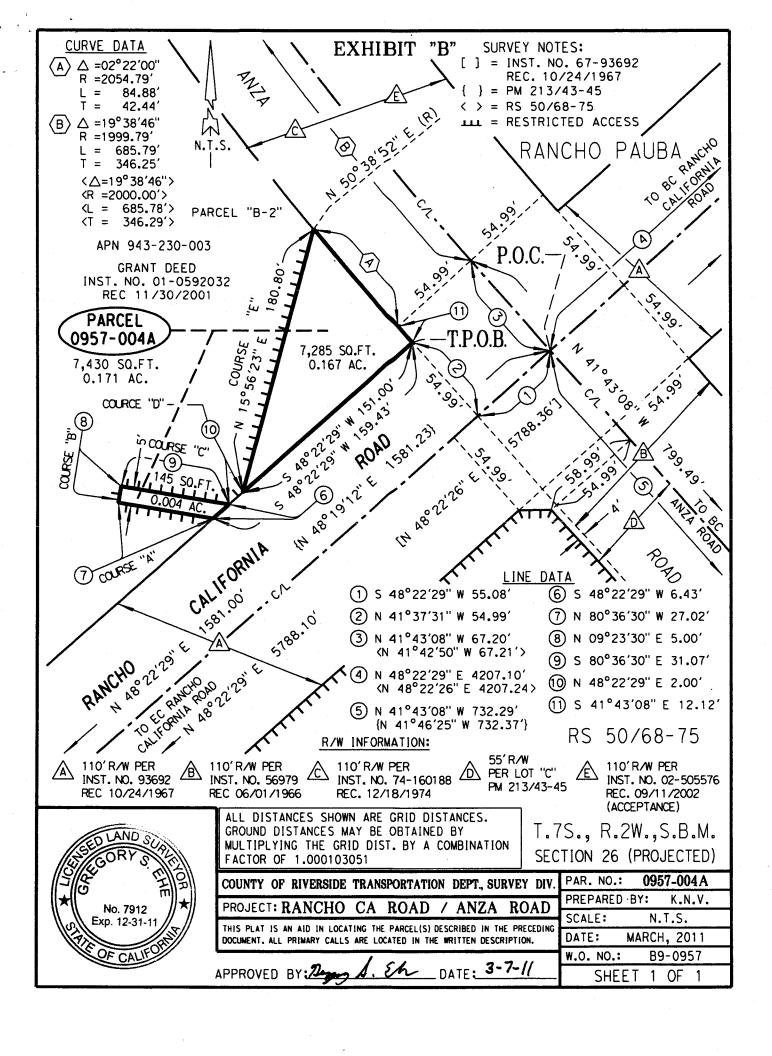


EXHIBIT "A" LEGAL DESCRIPTION

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COMMENCING AT THE INTERSECTION OF THE CENTERLINE OF RANCHO CALIFORNIA ROAD (55 FOOT HALF-WIDTH) AND THE CENTERLINE OF ANZA ROAD (55 FOOT HALF-WIDTH) AS SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 50, PAGES 68 THROUGH 75, INCLUSIVE, OF RECORDS OF SURVEY, OF SAID RECORDER:

THENCE N 41°43'08" W ALONG SAID CENTERLINE OF ANZA ROAD, A DISTANCE OF 67.20 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1999.79 FEET;

THENCE NORTHWESTERLY ALONG THE CENTERLINE OF SAID ANZA ROAD AND SAID TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 19°38'46", AN ARC DISTANCE OF 685.71 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF PARCEL "E-2" AS SHOWN ON SAID RECORD OF SURVEY:

THENCE S 66°12'51" W ALONG SAID NORTHEASTERLY PROLONGATION TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID ANZA ROAD, A DISTANCE OF 55.02 FEET, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 2054.79 FEET AND AN INITIAL RADIAL BEARING OF S 67°52'53" W;

THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE AND SAID NON-TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 01°06′56″, AN ARC DISTANCE OF 40.01 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE CONTINUING SOUTHEASTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE AND SAID NON-TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 06°39'26", AN ARC DISTANCE OF 238.75 FEET TO A LINE RADIAL TO SAID NON-TANGENT CURVE;

THENCE S 60°06'30" W ALONG SAID RADIAL LINE, A DISTANCE OF 115.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCENTRIC WITH AND DISTANT 115.00 FEET SOUTHWESTERLY OF SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF ANZA ROAD, HAVING A RADIUS OF 2169.79 FEET AND AN INITIAL RADIAL BEARING OF S 60°06'30" W;

THENCE NORTHWESTERLY ALONG SAID NON-TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 06°37'41", AN ARC DISTANCE OF 251.00 FEET TO A LINE PARALLEL WITH AND DISTANT 40.00 FEET FROM THE NORTH LINE OF SAID INSTRUMENT NUMBER 2010-0592032;

THENCE N 66°12'51" E ALONG SAID PARALLEL LINE, A DISTANCE OF 115.00 FEET AND THE TRUE POINT OF BEGINNING:

EXHIBIT "A" (CONTINUED)

CONTAINING 28,161 SQUARE FEET, OR 0.646 ACRES, MORE OR LESS.

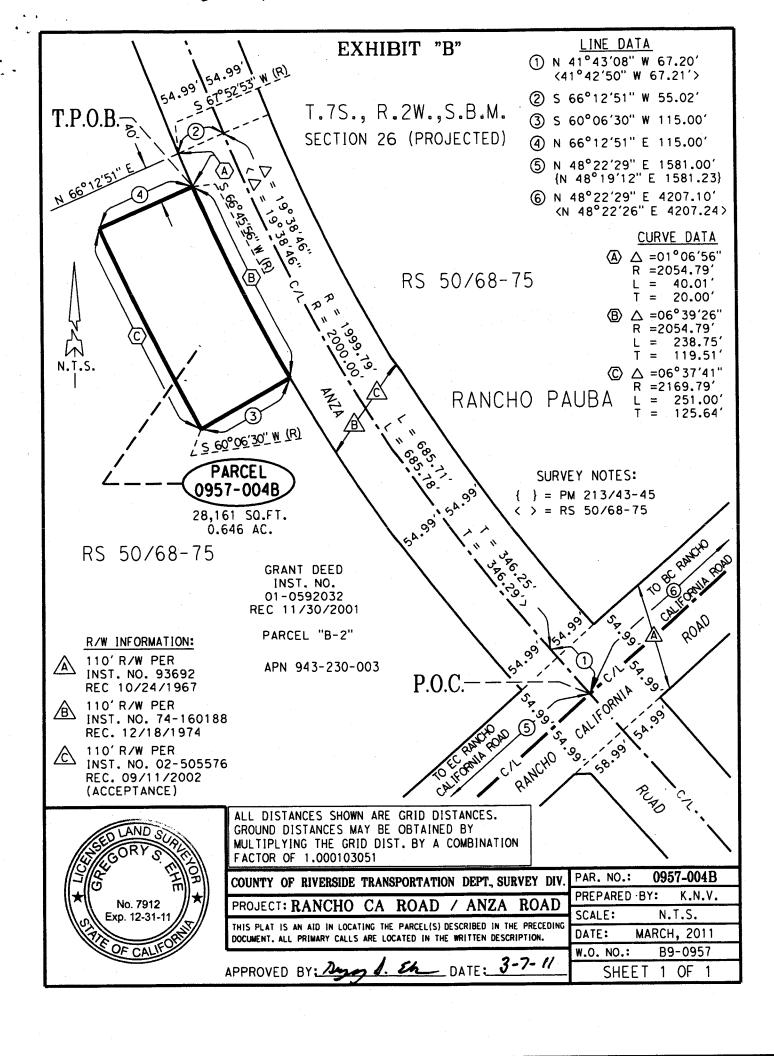
THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM OF 1983, ZONE 6, MULTIPLY DISTANCES SHOWN BY 1.000103051 TO OBTAIN GROUND DISTANCES.

0957-004B

SEE ATTACHED EXHIBIT "B"

No. 7912

APPROV	ED BY: Degas	1. Em	
DATE:	3-7-11		



COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY



MEMORANDUM

DATE:

November 30, 2011

TO:

Sandy Schlemmer, Senior Board Assistant

Clerk of the Board

FROM:

Sue Anna Schatz, Real Property Coordinator

Economic Development Agency

Real Estate Division

RE:

Original Documents for: Zhang

Item No. 3.61

Agenda Date June 28, 2011

For your records are the original documents for the above mentioned Item No. If you have any questions you can notify me by e-mail sschatz@rc-facilities.org or (951) 955-4817. Thank you

SS:

Attachment:

Recorded Grant Deed

Title Policy

cc:

File Copy-294TR/14431

2011 DEC - 1 AH 10: 42

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

FREE RECORDING

This instrument is for the benefit of the County of Riverside, and is entitled to be recorded without fee.

(Govt. Code 6103)

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DOC # 2011-0387018 08/31/2011 02:34P Fee:NC Page 1 of 6 Recorded in Official Records County of Riverside Larry W. Ward Assessor, County Clerk & Recorder

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PROJECT:

RANCHO CALIFORNIA / ANZA ROADS

ROUNDABOUT

APN:

943-230-003 (portion)

PARCEL:

0957-004B

7 065

GRANT DEED

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

XIANG-KAI ZHANG AND DARA ZHANG, HUSBAND AND WIFE AS JOINT TENANTS

GRANTS to the COUNTY OF RIVERSIDE, a political subdivision, the real property in the County of Riverside, State of California, described as:

See Exhibits "A" and "B" attached hereto and made a part hereof

PROJECT: RANCHO CALIFORNIA / ANZA APN: 949-230-003 (portion) PARCEL: 0957-004B	ROADS ROUNDABOUT
Dated: May 12, 2011	* .
Dated	GRANTOR: By:
	Xiang-Kai Zhang
	Xiang-Kai Zhang By: \$\implies \text{Muly}
State of California)	Dara Zhang
State of California)) ss County of Civersine)	
On MAY 12, 2011, before me, Public personally appeared Yi ANG- VA:	ORIE G. Hough AN a Notary
Public personally appeared YIANG-KAN	e to be the person whose name is subscribed
to the within instrument and acknowledged to me	that he executed the same in his authorized
capacity, and that by his signature on the instrument.	ment the person, or the entity upon behalf of
·	
I certify under PENALTY OF PERJURY under foregoing paragraph is true and correct.	the laws of the State of California that the
WITNESS my hand and official seal.	LORIE G. HOUGHLAN
Signature Josie Balonglan	COMM. #1793528 Notary Public - California Riverside County
	My Comm. Expires Apr. 10, 2012 [SEAL]
State of California)	[02,12]
County of Riversione) ss	N 4
On MAY 12, 2011 Public personally appeared DACA ZH	peie G. Hough AN a Notary
Public personally appeared DACA ZA	ANG
proved to me on the basis of satisfactory evidence to the within instrument and acknowledged to me	e that he executed the same in his authorized
capacity, and that by his signature on the instru	ment the person, or the entity upon behalf of
which the person acted, executed the instrument.	
I certify under PENALTY OF PERJURY under foregoing paragraph is true and correct.	the laws of the State of California that the
WITNESS my hand and official seal.	
=1 = 0 = 10.	LORIE G. HOUGHLAN
Signature Source Actions	Notary Public - California
× ·	Riverside County My Comm. Expires Apr. 10, 2012

CERTIFICATE OF ACCEPTANCE

COUNTY OF RIVERSIDE	hat the interest in real property conveyed by the within deed to the E, a political subdivision, is hereby accepted by order of the Board of pelow and the grantee consents to the recordation thereof by its duly
authorized officer.	
Date: 5/12/2011	By: Robert Field

Assistant County Executive Officer/EDA

FORMAPPROVED GOUNTY COUNSEL

BY SYNTHIA M GUNZEL DATE

EXHIBIT "A" LEGAL DESCRIPTION

BEING A PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL "B-2" BY GRANT DEED RECORDED NOVEMBER 30, 2001 AS INSTRUMENT NUMBER 2001-592032, OFFICIAL RECORDS OF THE RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, LYING WITHIN RANCHO PAUBA, DESCRIBED AS FOLLOWS:

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THENCE NORTHWESTERLY ALONG THE CENTERLINE OF SAID ANZA ROAD AND SAID TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 19°38'46", AN ARC DISTANCE OF 685.71 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF PARCEL "E-2" AS SHOWN ON SAID RECORD OF SURVEY;

THENCE S 66°12'51" W ALONG SAID NORTHEASTERLY PROLONGATION TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID ANZA ROAD, A DISTANCE OF 55.02 FEET, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 2054.79 FEET AND AN INITIAL RADIAL BEARING OF S 67°52'53" W;

THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE AND SAID NON-TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 01°06'56", AN ARC DISTANCE OF 40.01 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE CONTINUING SOUTHEASTERLY ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE AND SAID NON-TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 06°39'26", AN ARC DISTANCE OF 238.75 FEET TO A LINE RADIAL TO SAID NON-TANGENT CURVE;

THENCE S 60°06'30" W ALONG SAID RADIAL LINE, A DISTANCE OF 115.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCENTRIC WITH AND DISTANT 115.00 FEET SOUTHWESTERLY OF SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF ANZA ROAD, HAVING A RADIUS OF 2169.79 FEET AND AN INITIAL RADIAL BEARING OF S 60°06'30" W;

THENCE NORTHWESTERLY ALONG SAID NON-TANGENT CURVE, THROUGH A CENTRAL ANGLE OF 06°37'41", AN ARC DISTANCE OF 251.00 FEET TO A LINE PARALLEL WITH AND DISTANT 40.00 FEET FROM THE NORTH LINE OF SAID INSTRUMENT NUMBER 2010-0592032;

THENCE N 66°12'51" E ALONG SAID PARALLEL LINE, A DISTANCE OF 115.00 FEET AND THE TRUE POINT OF BEGINNING;

EXHIBIT "A" (CONTINUED)

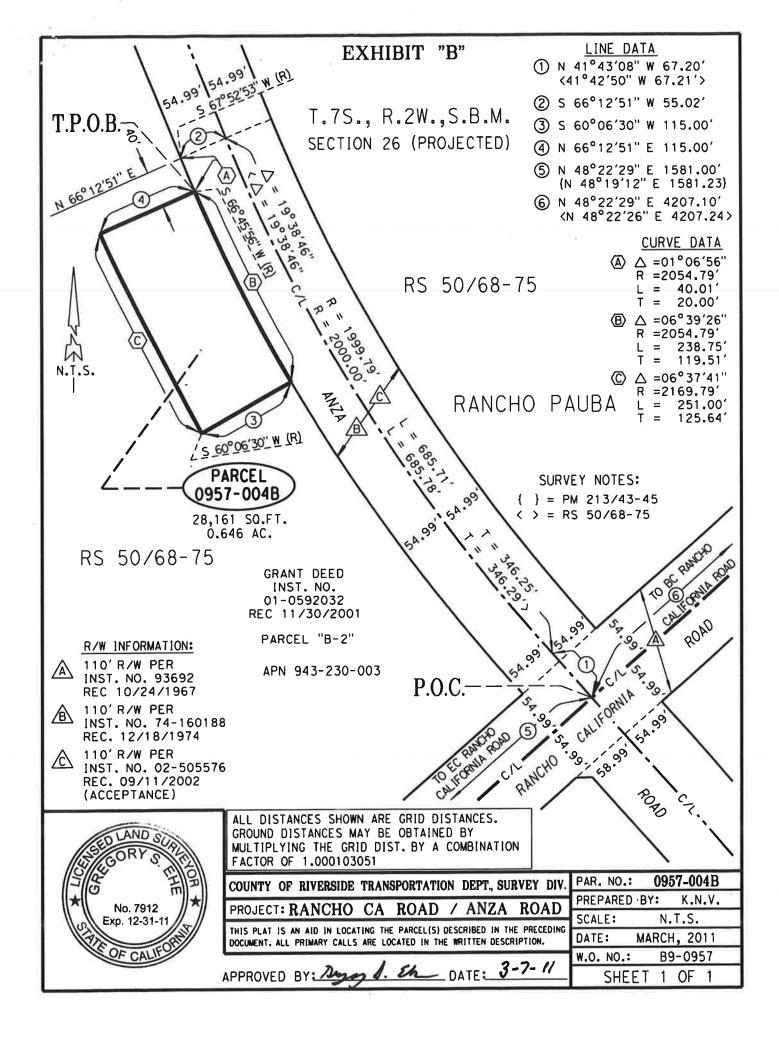
CONTAINING 28,161 SQUARE FEET, OR 0.646 ACRES, MORE OR LESS.

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM OF 1983, ZONE 6, MULTIPLY DISTANCES SHOWN BY 1.000103051 TO OBTAIN GROUND DISTANCES.

0957-004B

SEE ATTACHED EXHIBIT "B"

APPROVE	D BY: Degrey A	. Ehr
DATE:	3-7-11	





Stewart Title of California, Inc

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

November 15, 2011

Economic Development Agency Real Estate Division 3403 10th Street, 500 Riverside, CA 92501

Order Number:

198411

Title Unit Number:

7037

Property Address:

943-230-003

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 now 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.]

haring 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 of iender 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

POLICY OF TITLE INSURANCE ISSUED BY



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:

- 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 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:

N

Authorized Countersignature STEWART TITLE OF CALIFORNIA, INC.

-stewart
--title guaranty company

CONTORA ONTORA 1908 Senior Chairman of the Board

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:

- 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

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] [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

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condition requiring the delivery of marketable title

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 count 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 indennity 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 Stimulations:
- (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.
- 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 Supulations 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 Scheduie 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.

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 suc, 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, enaranties, 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.

Severability.

CLTA Standard Coverage Policy - 1990

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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.

6. 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-2228-393134

Amount of Insurance: \$236,835.00 Premium: \$846.00

Date of Policy: August 31, 2011 at 2:34 PM

1. Name of Insured:

Order No.: 198411

County of Riverside, a political subdivision

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

A fee, as to Parcel(s) A. An easement more particularly described below, as to Parcel(s) B.

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

County of Riverside, a political subdivision

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, and described as follows:

Parcel A:

Being a Portion of that certain parcel of land described as Parcel "B-2" by Grant Deed recorded November 30, 2001 as Instrument No. 2001-592032 of Official Records of the recorder of Riverside County, California, lying within Rancho Pauba, described as follows:

Commencing at the intersection of the centerline of Rancho California Road (55 foot half-width) and the centerline of Anza Road (55 foot half-width) as shown on Record of Survey on file in book 50, pages 68 through 75 inclusive, of Records of Survey, of said recorder;

Thence north 41°43° 08" west along said centerline of Anza Road, a distance of 67.20 feet to the beginning of a tangent curve, concave northeasterly, having a radius of 1999.79 feet;

Thence northwesterly along the centerline of said Anza Road and said tangent curve, through a central angle of 19° 38° 46", an arc distance of 685.71 feet to the northeasterly prolongation of the southeasterly line of Parcel "E-2" as shown on said Record of Survey;

Thence south 66° 12' 51" west along said northeasterly prolongation to a point on the southwesterly right-of-way line of said Anza Road, a distance of 55.02 feet, said point being the beginning of a non-tangent curve, concave northeasterly, having a radius of 2054.79 feet and an initial radial bearing of south 67° 52' 53" west;

Thence southeasterly along said southwesterly right-of-way line and said non-tangent curve, through a central angle of 01° 06' 56'', an arc distance of 40.01 feet to the true point of beginning;

Thence continuing southeasterly along said southwesterly right-of-way line and said non-tangent curve, through a central angle of 06° 39° 26", an arc distance of 238.75 feet to a line radial to said non-tangent curve.

Thence south 60° 06' 30" west along said radial line, a distance of 115.00 feet to the beginning of a non-tangent curve concentric with and distant 115.00 feet southwesterly of said southwesterly right of way line of Anza Road, having a radius of 2169.79 feet and an initial radial bearing of south 60° 06' 30" west;

Thence northwesterly along said non-tangent curve, through a central angle of 06° 37' 41", an arc distance of 251.00 feet to a line parallel with and distant 40.00 feet from the north line of said Instrument No. 2010-0592032;

Thence north 66° 12° 51" east along said parallel line, a distance of 115.00 feet and the true point of beginning.

Parcel B:

Being a Portion of that certain parcel of land described as Parcel "B-2" by Grant Deed recorded November 30, 2001 as Instrument No. 2001-592032 of Official Records of the recorder of Riverside County, California, lying within Rancho Pauba, described as follows:

Commencing at the intersection of the centerline of Rancho California Road (55 foot half-width) and the centerline of Anza Road (55 foot half-width) as shown on Record of Survey on file in book 50, pages 68 through 75 inclusive, of Records of Survey, of said recorder:

Thence south 48° 22' 29" west along said centerline of Rancho California Road, a distance of 55.08 feet:

Thence north 41° 37° 31" west, a distance of 54.99 feet to the point of intersection of the northwesterly right-of-way line of said Rancho California Road and the southwesterly right-of-way line of said Anza Road, said point being the most-easterly corner of said Parcel "B-2" and the true point of beginning.

Thence south 48° 22' 29" west along said northwesterly right-of-way line of Rancho California Road, a distance of 159.43 feet;

(Course "A") thence north 80° 36' 30" west, a distance of 27.02 feet;

(Course "B") thence north 09° 23' 30" east, perpendicular from said Course "A", a distance of 5.00 feet to a line parallel with and distant 5.00 feet northeasterly of said Course "A";

(Course "C") thence south 80° 36' 30" east along said parallel line, a distance of 31.07 feet to said northwesterly right-of-way line;

(Course "D") thence north 48° 22' 29" east long said northwesterly right-of-way line, a distance of 2.00 feet;

(Course "E") thence north 15° 56' 23" east, a distance of 180.80 feet to a point on said southwesterly right-of-way line of Anza Road being the beginning of a non-tangent curve, concave northeasterly, having a radius of 2054.79 feet and an initial radial bearing of north 50° 38' 52" east;

Thence southeasterly along said southwesterly right-of-way line and said non-tangent curve, through a central angle of 02° 22′ 00°, an arc distance of 84.88 feet;

Thence south 41° 43° 08" east, a distance of 12.12 feet to the true point if beginning.

(End of Legal Description)

SCHEDULE B

PART I

EXCEPTIONS FROM COVERAGE

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

- 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

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes, to be levied for the fiscal year 2011 2012.
- B. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California.
- C. Assessments, if any. for Community Facility Districts affecting said land which may exist by virtue of assessment maps or notices filed by said districts. Said assessments are collected with the County Taxes.
- 1. Water rights, claims or title to water in or under said land, whether or not shown by the public records.
- 2. Title to, and easements in, any portion of the land lying within any highways, roads, streets, or other ways.
- 3. An easement for road and utility and rights incidental thereto in favor of Palomar Land Company, a Corporation as set forth in a document recorded May 20, 1965 as Instrument No. 58496 and November 9, 1965 as Instrument No. 127437 both of Official Records, affects Parcel B-2 and other property.
- 4. An easement for road and utility and rights incidental thereto in favor of Merrill K. Steele as set forth in a document recorded August 6, 1965 as Instrument No. 91041 and 91042 both of Official Records, affects Parcel B-2 and other property.
- 5. An easement for road and utility and rights incidental thereto in favor of Harold C. Mc Nillian as set forth in a document recorded October 28, 1965 as Instrument No. 122984 of Official Records, affects Parcel B-2 and other property.
- 6. An easement for roadway and utility and rights incidental thereto as set forth in a document recorded December 30, 1965 as Instrument No. 145662, affects Parcel B-2 and other property.
- 7. The right to dedicate the herein described for roadway and utility purposes together with slope easements adjoining said parcel at a ratio of 1.5:A as required by governmental agencies, as reserved in deed form Rancho California, a partnership, in deed recorded December 30, 1965 as Instrument No. 145664 of Official Records of Riverside County, California.
 - (Said matter affects Parcel B-2 and other property)
- 8. An easement for roadway utility and rights incidental thereto in favor of Rancho California, a partnership as set forth in a document recorded December 30, 1965 as Instrument No. 145664 of Official Records, affects: Parcel B-2 and other property.

(Said matter affects Parcel B-2 and other property)

9. An easement for road and utility purposes and rights incidental thereto in favor of H.L. Caldwell as set forth in a document recorded December 30, 1965 as Instrument No. 145666 of Official Records, affects Parcel B-2 and other property.

(Said matter affects Parcel B-2 and other property)

10. The right to dedicate lots A through E and portions of parcel 1, 2, 3 and 4 for roadway and utility purposes together with slop easements adjoining said parcel at a ratio of 1.5:1 as required by governmental agencies, as reserved in deed from Rancho California, a partnership, in deed recorded June 1, 1966 as Instrument No. 56979 of Official Records of Riverside County, California.

(Said matter affects Parcel B-2 and other property)

- 11. An easement for roadway and utility purposes and rights incidental thereto in favor of Rancho California as set forth in a document recorded June 1, 1966 as Instrument No. 56979 of Official, affects Parcel B-2.
- 12. An Agency Agreement dated October 11, 1968, wherein Temecula Ranchos, a Joint Venture designates the Rancho California Water District its exclusive agent for the extraction, diversion, storage and distribution of all local water upon the herein described property, recorded January 21, 1969 as Instrument No. 6387 of Official Records.
- 13. An easement for pole lines, conduits or underground facilities and rights incidental thereto in favor of Southern California Edison Company, a Corporation as set forth in a document recorded December 29, 1967 as Instrument No. 115480, of Official Records, affects Parcel B-2 and other property.
- 14. An irrevocable offer to dedicate real property recorded December 18, 1974, as Instrument/File No. 160188 Official Records wherein a portion of said land was offered for dedication to public use for public road purposes, including public utility and public service uses, together the privilege and right to extend and maintain embankment and excavation slopes upon the adjoining real property and beyond the limits of the above described property as necessary and where required for the construction and maintenance of a width of road suitable to meet the road width standard requirements of the governing body having jurisdiction, which affects said land.
 - Said offer was accepted for public use by resolutions recorded May 25, 1982 as Instrument No. 89780 and September 11, 2002 as Instrument No. 2002-505576.
- 15. An easement for pole lines, conduits or underground facilities and rights incidental thereto in favor of General Telephone Company of California. a corporation as set forth in a document recorded August 27, 1976 as Instrument No. 128012, of Official Records, affects the northwesterly 55 feet of said land.

(Said matter affects a portion of Parcel B-2)

16. The matters contained in an instrument entitled "Water Use Agreement" dated June 9, 1987, by and between Stephen Farkas and Linda Farkas and Temecula Ranchos upon the terms therein provided recorded June 15, 1987 as Instrument No. 169168, of Official Records.

Reference is made to said document for full particulars.

CLTA Standard Coverage Policy - 1990

Order Number: 198411

(End of Exceptions)

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November 15, 2011

