

FORM APPROVED COUNTY COUNSEL 11/3/15  
BY: GREGORY P. PRIAMOS DATE

FISCAL PROCEDURES APPROVED  
JEANINE J. REY, FINANCE DIRECTOR  
BY: JEANINE J. REY 11/4/15 Departmental Concurrence

**SUBMITTAL TO THE FLOOD CONTROL AND  
WATER CONSERVATION DISTRICT BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**FROM:** General Manager-Chief Engineer

**SUBMITTAL DATE:**  
November 17, 2015

**SUBJECT:** Resolution No. F2015-31 Authorization to Purchase Fee Simple Interest in Real Property, Located in the City of Wildomar, County of Riverside, State of California; Assessor's Parcel Nos. 367-110-007 and 367-110-008; Wildomar MDP Lateral C Project; CEQA Finding of Exemption, District 1, [\$3,320,000] District Funds 100%

- RECOMMENDED MOTION:** That the Board of Supervisors:
1. Finds that the purchase of the fee interests in real property is exempt from the California Environmental Quality Act ("CEQA") as it has been determined to qualify as a "Class 25 Categorical Exemption" pursuant to Article 19 of the State CEQA Guidelines: Sections 15325(d), 15325(f) and "Common Sense Exemption" 15061(b)(3); and
  2. Adopt Resolution No. F2015-31, Authorization to Purchase Fee Simple Interest in Real Property, located in the city of Wildomar, County of Riverside, State of California, identified with Assessor's Parcel Nos. 367-110-007 and 367-110-008 by Grant Deed for the purpose of preserving the floodplain for potential future joint flood control/park use associated with the Wildomar MDP Lateral C project; and

**BACKGROUND:**

**Summary**

Continued on Page 2.

GSW:JDS:rlp:mcv  
P8\171815

**WARREN D. WILLIAMS**  
General Manager-Chief Engineer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 3,320,000	\$ 0	\$ 3,320,000	\$ 0	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET DISTRICT COST	\$ 3,320,000	\$ 0	\$ 3,320,000	\$ 0	
<b>SOURCE OF FUNDS:</b> 25170 947520 540040 Wildomar Lateral C Project - Land				<b>Budget Adjustment:</b> No	
				<b>For Fiscal Year:</b> 15/16	

**C.E.O. RECOMMENDATION:**

**APPROVE**  
  
BY: Steven C. Horn

County Executive Office Signature

**MINUTES OF THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT**

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

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley  
Nays: None  
Absent: None  
Date: November 17, 2015  
xc: Flood

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

Prev. Agn. Ref.: District: 1<sup>st</sup> Agenda Number:

**11-2**

☐ A-30 ☐ Positions Added ☐ Change Order  
☐ 4/5 Vote

**SUBMITTAL TO THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT  
BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

**FORM 11:** Resolution No. F2015-31 Authorization to Purchase Fee Simple Interest in Real Property,  
Located in the City of Wildomar, County of Riverside, State of California;  
Assessor's Parcel Nos. 367-110-007 and 367-110-008; Wildomar MDP Lateral C Project;  
CEQA Finding of Exemption, District 1, [\$3,320,000] District Funds 100

**DATE:** November 17, 2015

**PAGE:** Page 2 of 3

**RECOMMENDED MOTION: Continued**

- 3) Approve the Agreement for Purchase and Sale of Real Property between the District and Rancon Bundy Canyon 126, LLC, and authorize the Chairman of the Board to execute the same on behalf of the District; and
- 4) Authorize the Clerk of the Board to certify acceptance of any documents running in favor of the District as part of this transaction; and
- 5) Authorize the General Manager-Chief Engineer to execute any other related documents and administer all actions necessary to complete this transaction.
- 6) Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk within five (5) days of the approval of this acquisition.

**BACKGROUND:**

**Summary (continued)**

In 1980, the District adopted the Wildomar Master Drainage Plan, which includes Lateral C and the drainage area contributing is four (4) square miles. This acquisition is to protect the area between I-15 and Mission Road.

A Purchase Agreement has been negotiated with the property owner, Rancon Bundy Canyon 126, LLC, at the fair market value of \$3,300,000, plus an additional \$20,000 for title and escrow fees. The Purchase Agreement is to acquire the fee title to approximately 19.08 acres or 831,125 sq. ft. of vacant land within Assessor's Parcel Nos. 367-110-007 and 367-110-008, Wildomar, California.

Since the Wildomar MDP was adopted in 1980, impervious surfaces within the Wildomar area have increased. In order to accommodate the additional runoff associated with the increased impervious surface, the District may add a detention basin within the Wildomar MDP Lateral C system to reduce the flows. The District has the opportunity to purchase the subject property to restrict development within the floodplain associated with the natural drainages and to potentially use the site in the future for a detention basin. In addition, the City of Wildomar has expressed interest in using a future basin site within the Wildomar Lateral C system as a joint flood control/park use.

The District is currently studying what changes to the Wildomar MDP Lateral C project will be needed. Therefore, there is not enough information at this time to provide specific project information. The purchase of this property is merely to restrict the floodplain from development and for potential future joint flood control/park use associated with the Wildomar MDP Lateral C project. The acquisition will not affect a change in the environment.

Based on the review of the proposed acquisition, it has been determined that the acquisition project qualifies for a "Class 25 Categorical Exemption" pursuant to Sections 15325(d), and 15325(f) of the California Environmental Quality Act ("CEQA") Guidelines. Acquisition of the subject property is to prevent encroachment of development into the floodplain associated with the natural drainages onsite, as well as to preserve the land for potential future park use. In addition, pursuant to Section 15061(b)(3) of the State CEQA Guidelines, it can be seen with certainty that there is no possibility that the activity in question will have a significant effect on the environment because the District is merely purchasing fee simple interest in real property and this purchase does not effect a change in the environment.

Resolution No. F2015-31 and the Agreement for the Purchase and Sale of Real Property have been approved as to form by County Counsel.

**SUBMITTAL TO THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT  
BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

**FORM 11:** Resolution No. F2015-31 Authorization to Purchase Fee Simple Interest in Real Property,  
Located in the City of Wildomar, County of Riverside, State of California;  
Assessor's Parcel Nos. 367-110-007 and 367-110-008; Wildomar MDP Lateral C Project;  
CEQA Finding of Exemption, District 1, [\$3,320,000] District Funds 100

**DATE:** November 17, 2015

**PAGE:** Page 3 of 3

**Impact on Residents and Businesses**

Preservation of the floodplain, flood and storm waters for the benefit of the private citizens of Riverside County.

**ATTACHMENTS:**

1. Agreement for Purchase and Sale of Real Property
2. Resolution No. F2015-31
3. CEQA Notice of Exemption
4. Vicinity Map

P8\171815

**BOARD OF SUPERVISORS****RIVERSIDE COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT****RESOLUTION NO. F2015-31**

AUTHORIZATION TO PURCHASE FEE SIMPLE INTEREST IN REAL PROPERTY  
LOCATED IN THE CITY OF WILDOMAR, COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA BY GRANT DEED  
WILDOMAR MDP LATERAL C PROJECT  
PROJECT NO. 7-0-00075  
ASSESSOR'S PARCEL NOS. 367-110-007 AND 367-110-008

WHEREAS, Rancon Bundy Canyon 126, LLC ("Seller") is the owner of certain real property located in the City of Wildomar, County of Riverside, State of California, consisting of approximately 19.08 acres of land, identified with Assessor's Parcel Nos. 367-110-007 and 367-110-008, and any related improvements, appurtenances and related personal and intangible property ("Property"); and

WHEREAS, a detention basin may be needed to provide adequate flood protection within the Wildomar MDP Lateral C system; and

WHEREAS, the District has the opportunity to purchase the subject property to restrict development within the floodplain associated with the onsite natural drainages and to potentially use the site in the future for a detention basin; and

WHEREAS, the City of Wildomar has expressed interest in potentially using a future basin site within the Wildomar MDP Lateral C system as a joint flood control/park use; and

WHEREAS, Riverside County Flood Control and Water Conservation District ("District") desires to acquire from Seller and Seller desires to sell to District the Property pursuant to the terms of an Agreement for Purchase and Sale of Real Property.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by vote of the Board of Supervisors of the District in regular session assembled on or after November 17, 2015, in the meeting room of the Board of Supervisors of the District located on the 1<sup>st</sup> Floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, that this Board, based upon the evidence and testimony presented on the matter, both written and oral, and review of the proposed acquisition, has determined that the acquisition project qualifies for a

FORM APPROVED COUNTY COUNSEL  
BY: *Synthia M. Gunzel* 11-3-15  
DATE  
SYNTHIA M. GUNZEL

1 "Class 25 Categorical Exemption" and "Common Sense Exemption" pursuant to Sections  
2 15325(d), 15325(f) and Section 15061(b)(3) of the California Environmental Quality Act  
3 ("CEQA") Guidelines. Acquisition of the subject property is to prevent encroachment of  
4 development into the floodplain associated with the natural drainages onsite, as well as to  
5 preserve the land for potential future park uses. In addition, it can be seen with certainty that  
6 there is no possibility that the activity in question will have a significant effect on the  
7 environment because the District is merely purchasing fee simple interest in real property and  
8 this purchase does not effect a change in the environment.

9 BE IT FURTHER RESOLVED, DETERMINED AND ORDERED by vote of the  
10 Board, that this Board authorizes the purchase, at or after 10:30 a.m., of that certain real property  
11 in the city of Wildomar, County of Riverside, State of California, consisting of approximately  
12 19.08 acres of vacant, unimproved real property with Assessor's Parcel Nos. 367-110-007 and  
13 367-110-008, and also known as RCFC Parcel Nos. 7075-5 and 7075-5A in fee, more  
14 particularly described on Exhibit "A" attached hereto and by this reference incorporated herein,  
15 for a purchase price of \$3,300,000 and an additional \$20,000 for title insurance and escrows fees,  
16 from Rancon Bundy Canyon 126, LLC by Grant Deed.

17 BE IT FURTHER RESOLVED, DETERMINED AND ORDERED that the  
18 Agreement for Purchase and Sale of Real Property between the District and Rancon Bundy  
19 Canyon 126, LLC is hereby approved and the Chairman of the Board of Supervisors of the  
20 District is authorized to execute the same on behalf of the District.

21 BE IT FURTHER RESOLVED, DETERMINED AND ORDERED that the Clerk of  
22 the Board certify acceptance of any documents conveying the real property interest in favor of  
23 the District to complete the purchase and for recordation.

24 BE IT FURTHER RESOLVED, DETERMINED AND ORDERED that the General  
25 Manager-Chief Engineer or his designee is authorized to execute any other documents and  
26 administer all actions necessary to complete the purchase of the real property and this  
27 transaction.  
28

1 BE IT FURTHER RESOLVED, DETERMINED AND ORDERED that, within five  
2 (5) working days of this Board hearing, the Clerk of the Board is directed to deliver the Notice of  
3 Exemption to the Office of the County Clerk and Recorder, who is thereby directed to file same.  
4  
5

6 ROLL CALL:

7 Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley  
8 Nays: None  
9 Absent: None

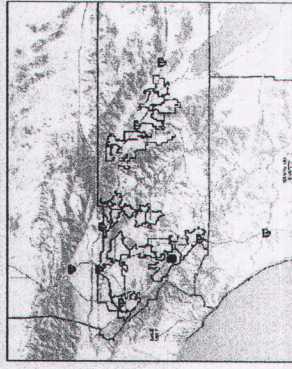
10 The foregoing is certified to be a true copy of a resolution duly  
11 adopted by said Board of Supervisors on the date therein set forth.

12 KECIA HARPER-IHEM, Clerk of said Board

13 By  Deputy

# Wildomar MDP Lateral C Project

Assessor's Parcel Nos. 367-110-007 and 367-110-008



## Legend

- RCLIS Parcels
- roads
- highways
- HWY
- INTERCHANGE
- INTERSTATE
- OFFRAMP
- ONRAMP
- US HWY
- counties
- cities
- hydrography
- waterbodies
- Lakes
- Rivers

\*IMPORTANT\* Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

## Notes

District 1  
CEQA Exempt  
Riverside County Flood Control and  
Water Conservation District



0 847 1,694 Feet



REPORT PRINTED ON... 11/4/2015 4:17:50 PM

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**Notice of Exemption**

Determination was routed to County

To: County Clerk      Clerks for posting on.      From: Riverside County Flood Control District  
County of Riverside      11/18/15      1995 Market Street  
2724 Gateway Drive      Date      Initial      Riverside, CA 92501  
Riverside, CA 92507

**Project Title:** Wildomar Channel Lateral C: Authorization to Purchase Fee Simple Interest in Real Property by Grant Deed

**Project Location – Specific:** The project includes Assessor's Parcel Nos. 367-110-007 and 367-110-008, which is located within the city of Wildomar, Riverside County.

**Project location – City:** Wildomar      **Project Location – County:** Riverside

**Project Description:** A Purchase Agreement has been negotiated with the property owner to acquire the fee title to approximately 19.08 acres or 831,125 sq. ft. of vacant land within Assessor's Parcel Nos. 367-110-007 and 367-110-008.

Since the Wildomar MDP was adopted in 1980, impervious surfaces within the Wildomar area have increased. In order to accommodate the additional runoff associated with the increased impervious surface, the District may add a detention basin within the Wildomar MDP Lateral C system to reduce the flows. The District has the opportunity to purchase the subject property to restrict development within the floodplain associated with the natural drainages and to potentially use the site in the future for a detention basin. In addition, the City of Wildomar has expressed interest in using a future basin site within the Wildomar Lateral C system as a joint flood control/park use.

The District is currently studying what changes to the Wildomar MDP Lateral C project may be needed. Therefore, there is not enough information and it is too speculative at this time to provide specific project information. The purchase of this property is merely to restrict the floodplain from development and for potential future joint flood control/park use associated with the Wildomar MDP Lateral C project. The acquisition will not affect a change in the environment and no construction activities are contemplated at this time.

**Name of Public Agency Approving Project:** Riverside County Flood Control and Water Conservation District

**Name of Person or Agency Carrying Out Project:** Riverside County Flood Control and Water Conservation District

**Exempt Status:** Categorical Exemption. State CEQA Guidelines Sec. 15325(d and f); and Sec. 15061(b)(3)

**Reasons why project is exempt:** The project is exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of the categorical exemptions as detailed under State CEQA Guidelines Section 15300.2. The project will not cause any impacts to scenic resources, historic resources, or unique sensitive environments. Further, no unusual circumstances or potential cumulative impacts would occur that may reasonably create an environmental impact. The project as proposed merely involves the purchase of fee simple interest in real property and the transfer of title to property by grant deed.

- Section 15325(d): The project qualifies for this exemption as it is merely the purchase of fee simple interest in real property and the transfer of title which will restrict development within the floodplain associated with the natural drainages to potentially use the site in the future for a detention basin.
- Section 15325(f): The project qualifies for this exemption, as it is merely the purchase of fee simple interest in real property and will preserve the land for potential future uses as a park.
- Section 15061(b)(3) - Common Sense Exemption: With certainty, there is no possibility that the proposed project may have a significant effect on the environment. It is merely the purchase of fee simple interest in real property by grant deed. As there is currently not enough information and is speculative regarding the design and location of the future basin, the acquisition would not lead to any direct or reasonably foreseeable indirect physical environmental impacts. Therefore, in no way would the acquisition as proposed have the potential to cause a significant environmental impact and the project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the Riverside County Flood Control and Water Conservation District hereby concludes that no physical environmental impacts are anticipated to occur and the project as proposed is exempt under CEQA. No further environmental analysis is warranted.

**Lead Agency:** Riverside County Flood Control and Water Conservation District

**Contact Person:** Mike Wong      **Area Code/Telephone/Extension:** 951.955.1233

**Signature:** [Signature]      **Date:** 9/14/15      **Title:** General Manager-Chief Engineer

JDS:mcv

NOV 17 2015

11-2

# RIVERSIDE COUNTY CLERK-RECORDER

## AUTHORIZATION TO BILL

### TO BE FILLED OUT BY SUBMITTING AGENCY

DATE: 9/8/2015 BUSINESS UNIT/AGENCY: FLOOD CONTROL - FCARC

#### ACCOUNTING STRING:

ACCOUNT: 526410 FUND: 25170  
DEPT ID: 947520 PROGRAM: \_\_\_\_\_

AMOUNT: \$50.00

REF:

CEQA Notice of Exemption Posting / Wildomar MDP Lateral C-Purchase of Fee Simple Interest in Real Property Project No. 7-0-00075

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO ISSUE AN INVOICE FOR PAYMENT OF ALL DOCUMENTS INCLUDED.

NUMBER OF DOCUMENTS INCLUDED: \_\_\_\_\_

1

AUTHORIZED BY:

Michael Reyes

PRESENTED BY:

Jason Swenson

EXT 58082

CONTACT:

Michael Reyes

### TO BE FILLED OUT BY COUNTY CLERK

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

DATE: \_\_\_\_\_

DOCUMENT NO(S)/INVOICE NO(S): \_\_\_\_\_  
\_\_\_\_\_

APNs 367-110-007 and 008  
Wildomar MDP Lateral C  
Project No. 7-0-00075  
RCFC Parcel Nos. 7075-5 and 5A

#### AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY, ("Agreement"), is entered into this 17<sup>th</sup> day of November, 2015 by and between the RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, a body politic, (hereinafter called "DISTRICT" or "BUYER") and RANCON BUNDY CANYON 126, LLC, A CALIFORNIA limited liability company, (hereinafter called "SELLER") for acquisition by BUYER from SELLER of certain real property interests for the Wildomar MDP Lateral C Basin (hereinafter called "PROJECT").

#### RECITALS

- A. SELLER is the owner of certain real property located in the City of Wildomar, County of Riverside, State of California, consisting of approximately 19.08 acres of land, commonly known as 22621 Bundy Canyon Road, Wildomar, CA, identified with Assessor's Parcel Nos. 367-110-007 and 367-110-008, and any related improvements, appurtenances and related personal and intangible property.
- B. SELLER desires to sell and BUYER desires to purchase the Property as specifically described herein.

IT IS HEREBY MUTUALLY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. AGREEMENT TO PURCHASE AND SALE. For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, SELLER agrees to sell to BUYER and BUYER agrees to purchase from SELLER, upon the terms and for the consideration set forth in this Agreement, the following interests in certain real property, located in the City of Corona, Riverside County, California and is currently identified with Riverside County Assessor's Parcel Nos. 367-110-007 and 367-110-008.

- A. The Fee Title which affects a section of land that will hereinafter be referred to as "Parcels 7075-5 and 5A ". Said section of land contains approximately 19.08 acres.

Said above-listed interests in real property will hereinafter be referred to as the "Property".

The respective sections of land affected by the above listed interests in real property are pictorially depicted and legally described in attached Exhibit "A" and attached Exhibit "B" (which are incorporated herein by this reference).

- 1 2. PURCHASE PRICE. The total purchase price that BUYER will pay to SELLER for the  
2 Property is:

3 THREE MILLION THREE HUNDRED THOUSAND DOLLARS  
4 (\$3,300,000.00)

5 Said purchase price shall be payable in cash at the close of escrow and in accordance  
6 with this Agreement.

- 7 3. SELLER agrees and acknowledges that the Purchase Price to be paid to SELLER by  
8 BUYER pursuant to this Agreement is full and complete consideration for the Property  
9 and all claims of damage that may have arisen by any such voluntary acquisition and the  
10 public project for which this property or interest conveyed is purchased and SELLER  
11 shall not seek compensation for diminution in value for the Property or any interest  
12 associated with the Property or any remainder property. Such consideration includes the  
13 value of the parcel taken, including all improvements thereon, described in the  
14 Agreement; for all severance or other damages of every kind or nature; and for any and  
15 all relocation benefits received by or that may be claimed by SELLER by reason of  
16 BUYER acquiring the property for its use for the Project. SELLER hereby agrees and  
17 consents to the release and full discharge of BUYER of and from all manner of action,  
18 causes of action, claims, contracts or demands whatsoever in law or in equity, including  
19 but not limited to, the dismissal of any eminent domain action which has been or may be  
20 commenced by County in the Superior Court of Riverside County to condemn said land,  
21 and waives any and all claim to money that has been or may be deposited in court in  
22 such case or to damages by reason of the filing of such action.

- 23 4. PERMISSION TO ENTER ON PROPERTY. SELLER hereby grants to BUYER, or its  
24 authorized agents, permission to enter upon the Property at all reasonable times prior to  
25 close of this transaction for the purpose of conducting due diligence, including making  
26 necessary or appropriate inspections. BUYER will give SELLER reasonable written  
27 notice before going on the Property. BUYER does hereby indemnify and hold harmless  
28 SELLER, SELLER'S heirs, successors, assigns, officers, employees, agents and  
representatives free and harmless from and against any and all liability, loss, damages  
and costs and expenses, demands, causes of action, claims or judgments, arising from or  
that is in any way connected with BUYER'S inspections or non-permanent  
improvements involving entrance onto the Property pursuant to this Section 4. If  
BUYER fails to acquire the Property due to BUYER'S default, this license will terminate  
upon the termination of BUYER'S right to purchase the Property. In such event,  
BUYER will remove or cause to be removed all of BUYER'S personal property,  
facilities, tools and equipment from the Property. If BUYER does not remove all of  
BUYER'S personal property, facilities, tools and equipment from the Property within ten  
business days of the date that BUYER'S license terminates under this Section, SELLER  
has the right to remove said personal property, facilities, tools and equipment from the  
Property. In the event of BUYER fails to remove BUYER'S personal property,  
facilities, tools and equipment from the Property after entering the Property to perform  
due diligence, including to make necessary or appropriate inspections as specified in this  
Section 4, BUYER is responsible for all reasonable costs incurred by SELLER in any  
such removal by SELLER.

- 1 5. ESCROW. The parties will establish an escrow at Lawyers Title of California  
 2 ("Escrow") to accommodate the transaction contemplated by this Agreement. For  
 3 purposes of this Agreement, Opening of Escrow means the date on which Escrow  
 4 Holder receives a fully executed original of this Agreement. The parties shall open an  
 5 escrow within five (5) business days of the date on which this Agreement is fully  
 6 executed by the parties. Close of Escrow means the date on which the Grant Deed is  
 7 recorded in the Official Records of the County of Riverside. The Close of Escrow will  
 8 be as soon as possible after the Opening of Escrow, but in no event shall the Close of  
 9 Escrow be later than one hundred eighty (180) days after the Opening of Escrow. The  
 10 parties hereto shall execute and deliver to Escrow Holder such escrow instructions  
 11 prepared by Escrow Holder as may reasonably be required to consummate the  
 12 transaction contemplated by this Agreement. Any such instructions shall not conflict,  
 13 amend or supersede any provisions of this Agreement; this Agreement shall control  
 14 unless the parties expressly agree in writing otherwise. The Escrow Instructions shall  
 15 include the following terms and conditions for disbursements and other actions by  
 16 Escrow Holder of this sale which shall occur at the Close of Escrow:
- 17 A. Funds. Promptly upon Close of Escrow, disburse all funds deposited with  
 18 Escrow Holder by BUYER in payment of the Property as follows: (a) deduct or  
 19 credit all items chargeable to the account of SELLER and/or BUYER pursuant to  
 20 Sections 6 and 11; b) disburse the balance of the Purchase Price; and, (c) disburse  
 21 any excess proceeds deposited by BUYER to BUYER.
  - 22 B. Recording. Cause the Deed to be recorded with the County Recorder and obtain  
 23 conformed copies thereof for distribution to BUYER and SELLER.
  - 24 C. Title Policy. Direct the Title Company to issue the Title Policy to BUYER.
  - 25 D. Delivery of Documents to BUYER and SELLER. Deliver to BUYER any other  
 26 documents (or copies thereof) deposited into Escrow by SELLER. Deliver to  
 27 SELLER any other documents (or copies thereof) deposited into Escrow by  
 28 BUYER.
  - E. All time limits within which any matter herein specified is to be performed may  
 be extended by mutual agreement of the parties hereto. Any amendment of, or  
 supplement to, any instructions must be in writing.
6. TITLE AND TITLE INSURANCE. Upon the Opening of Escrow, Lawyers Title of  
 California (the "Escrow Holder") shall obtain and issue a title commitment for the  
 Property. Escrow Holder will also request two (2) copies each of all instruments  
 identified as exceptions on said title commitment. Upon receipt of the foregoing,  
 Escrow Holder will deliver these instruments and the title commitment to BUYER and  
 SELLER. Escrow Holder will insure BUYER'S fee title to the Property, which is  
 described above in Section 1, at the Close of Escrow by a CLTA Owner's Standard  
 Coverage Policy of Title Insurance in the amount of the Purchase Price ("Policy").  
 BUYER shall pay for the cost of the Policy. The Policy provided for pursuant to this  
 Section 6 will insure BUYER'S interest in the Property free and clear of all monetary  
 liens, monetary encumbrances and other exceptions to good and clear title, including  
 Exception Item No. 9 of that certain Preliminary Report No. 615670979, dated February

February 26, 2015, attached hereto and incorporated herein as Exhibit "C", subject only to the following permitted conditions of title ("Permitted Title Exceptions"):

- A. The applicable zoning, building and development regulations of any municipality, county, state or federal jurisdiction affecting the Property.
- B. Those non-monetary exceptions not objected to by BUYER within ten (10) business days after the date BUYER receives the title commitment and legible copies of all instruments noted as exceptions therein. If BUYER "unconditionally disapproves" any such exceptions Escrow will thereupon terminate, all funds deposited therein will be refunded to BUYER (less BUYER'S share of escrow cancellation charges) and this Agreement will be in no further force or effect. If BUYER "conditionally disapproves" any such exceptions, then SELLER will use SELLER'S best efforts to cause such exceptions to be removed by the Close of Escrow. If such conditionally disapproved non-monetary exceptions are not removed by the Close of Escrow, BUYER may, at BUYER'S option, either accept the Property subject to such exceptions, or terminate the Escrow and receive a refund of all funds deposited into Escrow (less BUYER'S share of escrow cancellation charges), if any, and this Agreement will thereupon be of no further force or effect. At the Close of Escrow, BUYER'S fee interest in the Property will be free and clear of all monetary liens and monetary encumbrances.
- C. Taxes: Current fiscal year, including personal property tax, if any, and any further assessment thereto under Division 1, Part 0.5, Chapter 3.5 of Revenue and Taxation Code of the State of California. All other taxes owed whether presently current or delinquent are to be CURRENT at the Close of Escrow.
- D. Quasi-public utility, public utility, public alley, public street easements and rights of way of record.

7. POSSESSION OF PROPERTY. It is mutually understood and agreed by and between the parties hereto that the right of possession and use of the Property by BUYER, including the right to remove and dispose of improvements, shall commence upon the close of escrow.

8. WARRANTIES AND REPRESENTATIONS OF SELLER. SELLER makes the following representations and warranties:

- A. To the best of SELLER'S knowledge, there are no actions, suits, material claims, legal proceedings or any other proceedings affecting the Property or any portion thereof, at law, or in equity before any court or governmental agency, domestic or foreign.
- B. To the best of SELLER'S knowledge, there are no encroachments onto the Property by improvements on any adjoining property, nor do any buildings or improvements on the Property encroach onto other properties.
- C. Until the Close of Escrow, SELLER shall maintain the Property in good

condition and state of repair and maintenance, and shall perform all of its obligations under any service contracts or other contracts affecting the Property.

- D. SELLER has good and marketable title to the Property. SELLER has no actual knowledge of any unrecorded or undisclosed legal or equitable interest in the Property owned or claimed by anyone other than SELLER. SELLER has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to BUYER. There are no unsatisfied mechanics' or materialmen's lien rights on the Property. No assessment lien or bond encumbers the Property, and no governmental authority has undertaken any action that could give rise to an assessment lien affecting the Property and shall not do anything that would impair SELLER'S title to any of the Property.
- E. To the best of SELLER'S knowledge, neither the execution of this Agreement nor the performance of the obligations herein will conflict with, or breach any of the provisions of any bond, note, evidence of indebtedness, contract, lease or other agreement or instrument to which the Property may be bound.
- F. SELLER represents and warrants that until the Close of Escrow, SELLER shall, upon learning of any fact or condition that would cause any of the warranties and representations in this Section 8 not to be true as of closing, immediately give written notice of such fact or condition to BUYER.
- G. SELLER represents and warrants that it did not use, generate, release, discharge, store or dispose of any hazardous waste, toxic substances or related materials on, or under, in or about the Property or transport any Hazardous Materials to or from the Property and that it shall not use, generate, release, discharge, store or dispose of any hazardous waste, toxic substances or related materials on, or under, in or about the Property prior to the Close of Escrow. The term "Hazardous Materials" shall mean any substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Section 25115, 25117 or 25122.7 or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as "hazardous material", "hazardous substance" or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) polychlorinated biphenyls, (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ix) designated as a "hazardous substances" pursuant to Section 311 of the Clean Water Act, (33 U.S.C. §1317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6903) or (xi) defined as a "hazardous substances" pursuant to

Section 101 of the Comprehensive Environmental Response, Compensation, as amended by Liability Act, 42, U.S.C. §9601 *et seq.* (42 U.S.C. §9601).

H. SELLER represents and warrants that, to the best of SELLER'S knowledge, the Property is in compliance with all applicable statutes and regulations, including environmental, health and safety requirements.

I. This Agreement and the performance of SELLER'S obligations under it and all documents executed by SELLER that are to be delivered to BUYER at the Closing are, or on the Closing Date will be, duly authorized, executed, and delivered by SELLER and are, or at the Closing Date will be, legal, valid, and binding obligations of SELLER, and do not, and on the Closing Date will not, violate any provision of any agreement or judicial order to which SELLER is a party or to which SELLER or the Property is subject. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, government agency, or other party is required for SELLER to enter into and/or to perform SELLER'S obligations under this Agreement, except as has already been obtained. If SELLER is a corporation, it is organized, validly existing, and in good standing under the laws of the State of California.

9. WARRANTIES AND REPRESENTATIONS OF BUYER. BUYER hereby represents and warrants to SELLER the following; it being expressly understood and agreed that all such representations and warranties are to be true and correct as of the Close of Escrow and shall survive the Close of Escrow:

A. BUYER has taken all required action to permit it to execute, deliver, and perform its obligations under this Agreement.

B. BUYER has the power and authority to execute and deliver this Agreement and to carry out its obligations hereunder are, or at the Closing Date will be, legal, valid, and binding obligations of BUYER and can consummate the transaction contemplated herein.

10. CLOSING CONDITIONS.

A. All obligations of BUYER under this Agreement are subject to the fulfillment, before or at Closing, of each of the following conditions:

1) SELLER shall convey to BUYER marketable title to the Property by execution and delivery with Escrow Holder a duly executed and acknowledged Grant Deed.

2) SELLER must have delivered to Escrow the documents and funds it is required to deliver through Escrow at Closing.

3) The physical condition of the Property must be substantially the same on the Closing Date as on the Effective Date, reasonable wear and tear excepted.

4) All necessary agreements and consents of all parties to consummate the

transaction contemplated by this Agreement will have been obtained and furnished by SELLER to BUYER.

- 5) Such proof of SELLER'S authority and authorization to enter into and perform under this Agreement, and such proof of power and authority of the individuals executing or delivering any instruments, documents, or certificates on behalf of SELLER to act for and bind SELLER as may reasonably be required by BUYER or the Escrow Holder.

BUYER'S Closing Conditions are solely for BUYER'S benefit and any or all may be waived in writing by BUYER in whole or in part without prior notice.

- B. SELLER'S obligation to sell the Property is expressly conditioned on the fulfillment of each of the following condition at or before the Closing:

- 1) BUYER must have delivered the Purchase Price to Escrow.
- 2) BUYER must have delivered to Escrow the documents and funds required to consummate this transaction and as specified in this Agreement.

SELLER'S Closing Conditions are solely for SELLER'S benefit and any or all may be waived in writing by SELLER in whole or in part without prior notice.

- C. BUYER and SELLER agree to execute and provide any additional instruments or other documents as may be necessary to complete this transaction. BUYER and SELLER hereby agree to cooperate with the execution of all instruments or other documents reasonably necessary to complete the transfer of the real property interest, including, but not limited to, any supplemental instructions required to complete the transaction.

11. CLOSING COSTS. Costs for Escrow, title and closing expenses will be allocated as follows:

- A. SELLER shall pay or be charged:

- 1) All costs associated with removing any debt encumbering the Property;
- 2) All costs associated with SELLER'S broker representation, including commission;
- 3) All costs associated with SELLER'S attorney fees;
- 4) SELLER'S share of prorations, if any; and
- 5) All costs associated with the removal of Exception Items No. 8 & 9, detailed in "Exhibit C".

- B. BUYER shall pay or be charged:

- 1) All of Escrow fees and costs;
- 2) Cost of the CLTA Standard coverage policy;
- 3) Cost of Natural Hazard Disclosure Statement;
- 4) Cost of recording the Deed; and
- 5) BUYER'S share of prorations, if any.

C. Prorations. All receipts and disbursements of the Property will be prorated as of 11:59 p.m. on the day immediately preceding the Closing Date and the Purchase Price will be adjusted on the following basis:

- 1) Tax Exempt Agency. All parties hereto acknowledge that the BUYER is a public entity and exempt from payment of any real property taxes. There will be no proration of taxes through Escrow. SELLER will be responsible for payment of any real property taxes due prior to the Close of Escrow. In the event any real property taxes are due and unpaid at the Close of Escrow, Escrow Holder is hereby authorized and instructed to pay such taxes from proceeds due the SELLER at the Close of Escrow. SELLER understands that the Tax Collector will not accept partial payment of any installment of the real property taxes due at the Close of Escrow. After the Close of Escrow, the BUYER will file any necessary documentation with the County Tax Collector/Assessor for the property tax exemption. SELLER shall have the right, after the Close of Escrow, to apply for a refund, to the County Tax Collector/Assessor outside of Escrow if eligible to receive such refund and Escrow Holder shall have no liability and/or responsibility in connection therewith.
- 2) Utility Deposits. SELLER will notify all utility companies servicing the Property of the sale of the Property to BUYER and will request that such companies send SELLER a final bill, if warranted, for the period ending on the last day before the Close of Escrow. BUYER will notify the utility companies that all utility bills for the period commencing on the Close of Escrow are to be sent to BUYER. SELLER is responsible for all costs associated with the provision of utility services to the Property up to the Close of Escrow.
- 3) Method of Proration. If applicable and for purposes of calculating prorations, BUYER shall be deemed to be in title to the Property, and therefore entitled to the income therefrom and responsible for the expenses thereof, for the entire day upon which the Closing occurs. All prorations will be made as of the date of Close of Escrow based on a three hundred sixty-five (365) day year or a thirty (30) day month, as applicable. The obligations of the parties pursuant to this Section 11 shall survive the Closing and shall not merge into any documents of conveyance delivered at Closing.

12. CLOSING. When the Escrow Holder receives all documents and funds identified in this Agreement, and the Title Company is ready, willing, and able to issue the Title Policy, then, and only then, the Escrow Holder will close Escrow by performing all actions instructed to do so in the Escrow Instructions and in accordance with this Agreement.
13. INDEMNITY. SELLER agrees to indemnify, defend and hold BUYER harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage or expense (including, without limitation, attorneys' fees) of any nature whatsoever, resulting from, arising out of or based on any breach of SELLER'S representation, warranties or covenants provided in this Agreement.
14. DISTRICT REPRESENTATIVE. The General Manager-Chief Engineer, or his designee, serves as the representative on behalf of BUYER for the purpose of administering and performing administrative or ministerial actions necessary to complete this transaction, including executing any other related escrow forms or documents to consummate the purchase.
15. NOTICES. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by personal delivery. Notices shall be considered given upon the earlier of (a) personal delivery, (b) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested, or (c) one (1) business day following deposit with an overnight carrier service. A copy of all notices shall be sent to the Escrow Company. Notices shall be addressed as provided below for the respective party. The parties agree, however, that if any party gives notice in writing of a change of name or address to the other party, notices to such party shall thereafter be given as demanded in that notice:

SELLER: Rancon Bundy Canyon 126, LLC  
Attn: Jim Lytle  
41391 Kalmia Street, Suite 200  
Murrieta, CA. 92562-9766

BUYER: Riverside County Flood Control  
and Water Conservation District  
1995 Market Street  
Riverside, CA 92501  
Attn: Greg Walker

COPY TO: Riverside County Counsel  
3960 Orange Street, Suite 500  
Riverside, CA 92501-3674  
Attn: Synthia M. Gunzel  
Deputy County Counsel

ESCROW HOLDER: Lawyers Title of California  
3480 Vine Street, Suite 300  
Riverside, CA 92507

16. MISCELLANEOUS.

- 1  
2 A. Natural Hazard Disclosure Statement. SELLER will provide to BUYER within  
3 the time allowed by law a Natural Hazard Disclosure Statement in accordance  
4 with California Government Code Sections 8589.3–8589.4 and 51183.5 and  
5 Public Resources Code Sections 4136, 2621.9 and 2694.  
6  
7 B. Default. In the event of a material breach or material default under this  
8 Agreement by either the BUYER or SELLER, the non-defaulting party shall  
9 have, in addition to all rights available at law or equity, the right to terminate this  
10 Agreement and the Escrow for the purchase and sale of the Property, by  
11 delivering written notice thereof to the defaulting party and to Escrow Holder,  
12 and if the BUYER is the non-defaulting party, the BUYER shall thereupon  
13 promptly receive a refund of all prior deposits, if any. Such termination of the  
14 Escrow by a non-defaulting party shall be without prejudice to the non-defaulting  
15 party's rights and remedies at law or equity.  
16  
17 C. Further Instructions. Each party agrees to execute such other and further escrow  
18 instructions as may be necessary or proper in order to consummate the  
19 transaction contemplated by this Agreement.  
20  
21 D. Amendments. Any amendments to this Agreement shall be effective only in  
22 writing and when duly executed by both the BUYER and SELLER and deposited  
23 with Escrow Holder.  
24  
25 E. Applicable Law. This Agreement shall be construed and interpreted under, and  
26 governed and enforced according to the laws of the State of California. Venue for  
27 any proceeding related to this Agreement shall be in the County of Riverside.  
28  
29 F. Entire Agreement. This Agreement contains the entire agreement between the  
30 undersigned parties respecting the subject matter set forth herein, and expressly  
31 supersedes all previous or contemporaneous agreements, understandings,  
32 representations, or statements between the parties respecting said subject matter  
33 (whether oral or in writing). No person is authorized to make, and by execution  
34 hereof SELLER and BUYER acknowledge that no person has made, any  
35 representation, warranty, guaranty or promise except as set forth herein; and no  
36 agreement, statement, representation or promise made by any such person which  
37 is not contained herein shall be valid or binding on SELLER or BUYER.  
38  
39 G. Successors and Assigns. This Agreement shall be binding upon and inure to the  
40 benefit of the heirs, executors, administrators, successors and assigns of the  
41 parties hereto.  
42  
43 H. Time of Essence. The parties acknowledge that time is of the essence in this  
44 Agreement, notwithstanding anything to the contrary in the Escrow Company's  
45 general Escrow instructions.  
46  
47 I. Remedies Not Exclusive and Waivers. No remedy conferred by any of the  
48 specific provisions of this Agreement is intended to be exclusive of any other  
49 remedy and each and every remedy shall be cumulative and shall be in addition

1 to every other remedy given hereunder or now or hereafter existing at law or in  
2 equity or by statute or otherwise.

3 J. Interpretation and Construction. The parties agree that each party has reviewed  
4 this Agreement and that each has had the opportunity to have their legal counsel  
5 review and revise this Agreement and that any rule of construction to the effect  
6 that ambiguities are to be resolved against the drafting party shall not apply in the  
7 interpretation of this Agreement or any amendments or Exhibits thereto. In this  
8 Agreement the neutral gender includes the feminine and masculine, and singular  
9 number includes the plural, and the words "person" and "party" include  
10 corporation, partnership, firm, trust, or association wherever the context so  
11 requires. The recitals and captions of the sections and subsections of this  
12 Agreement are for convenience and reference only, and the words contained  
13 therein shall in no way be held to explain, modify, amplify or aid in the  
14 interpretation, construction or meaning of the provisions of this Agreement.

15 K. Counterparts. This Agreement may be executed in counterparts, each of which  
16 so executed shall, irrespective of the date of its execution and delivery, be  
17 deemed an original, and all such counterparts together shall constitute one and  
18 the same instrument.

19 L. Partial Invalidity. If any term or provision of this Agreement shall be deemed to  
20 be invalid or unenforceable to any extent, the remainder of this Agreement will  
21 not be affected thereby and each remaining term and provision of this  
22 Agreement will be valid and be enforced to the fullest extent permitted by law.

23 M. Brokers. SELLER and BUYER each represent and warrant to one another that,  
24 such party has not engaged any broker or finder with respect to this Agreement  
25 or the transactions contemplated herein. If SELLER is in fact represented in this  
26 sale, upon and only upon the Closing, SELLER shall be solely responsible for  
27 and pay a commission to SELLER'S Broker as may be set forth in a separate  
28 written agreement between SELLER and SELLER'S Broker, or in any separate  
written instructions related thereto as may be executed and delivered into Escrow  
by SELLER. SELLER shall defend, indemnify and hold harmless BUYER from  
and against any and all liabilities, claims, demands, damages, or costs of any kind  
(including attorneys' fees, costs and expenses) arising from or connected with  
any other broker's or finder's fee or commission or charge ("Broker Claims")  
claimed to be due by SELLER'S Broker or any person other arising from or by  
reason of SELLER'S conduct with respect to this transaction. The provisions of  
this Section 16.M. shall survive Closing hereunder or earlier termination of this  
Agreement.

25 N. Attorneys' Fees. If either party hereto incurs attorneys' fees in order to enforce,  
26 defend or interpret any of the terms, provisions or conditions of this Agreement  
27 or because of a breach of this Agreement by the other party, the prevailing party  
28 may be entitled to recover reasonable attorneys' fees from the other party only if  
the prevailing party has prevailed in a judgment by a court of competent  
jurisdiction.

1 17. ASSIGNMENT. BUYER may assign its rights under this Agreement or may designate  
2 a nominee to acquire the Property, provided, however, that any such assignment or  
designation shall not relieve BUYER of any of its obligations under this Agreement.

3 18. SIGNATURES. This Agreement will have no force or effect whatsoever unless and until  
4 it is signed by each of the two transacting parties.

5 //

6 //

7 [Signatures on next page]  
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28

1 IN WITNESS WHEREOF, the Parties hereto have executed this Agreement for  
 2 Purchase and Sale of Real Property on date indicated on Page 1.

3  
 4 **SELLER:**

126  
**RANCON BUNDY CANYON, LLC.,**  
**A California Limited Liability Company**

5  
 6  
 7 Dated: 10/29/15

By: [Signature]  
 DANIEL L. STEPHENSON, Manager

8  
 9  
 10 **BUYER:**

**RIVERSIDE COUNTY FLOOD CONTROL  
 AND WATER CONSERVATION DISTRICT**

11  
 12 **RECOMMENDED FOR APPROVAL:**

13  
 14 By: [Signature]  
 WARREN D. WILLIAMS  
 General Manager-Chief Engineer

By: [Signature]  
 MARION ASHLEY, Chairman  
 Riverside County Flood Control  
 and Water Conservation District  
 Board of Supervisors

15  
 16  
 17  
 18 **APPROVED AS TO FORM:**

**ATTEST:**

19 GREGORY P. PRIAMOS  
 20 County Counsel

KECIA HARPER-IHEM  
 Clerk of the Board

21  
 22 By: [Signature]  
 23 SYNTHIA M. GUNZEL  
 Deputy County Counsel

By: [Signature]  
 Deputy

(Seal)

24  
 25 GSW:rlp  
 26 10/29/15

27 APNs 367-110-007 and 008  
 Wildomar MDP Lateral C  
 Project No. 7-0-00075  
 28 RCFC Parcel Nos. 7075-5 and 5A

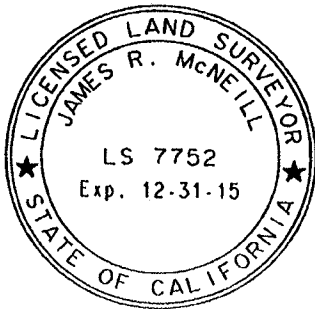
Exhibit "A"

Wildomar MDP – Lateral C Parcel 7075-5

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

Lot 1 in Sedco Tract No. 1, in the city of Wildomar, County of Riverside, State of California, as per map recorded in Book 10, Pages 58 to 75 inclusive, of Maps, in the office of the County Recorder of said county.

Excepting therefrom the West 24 feet of said Lot 1 as condemned to the State of California, by document recorded November 20, 1979, as Instrument No. 248019, Official Records.



  
JAMES R. McNEILL

Land Surveyor No. 7752

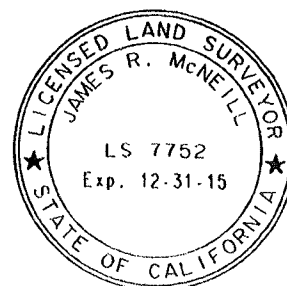
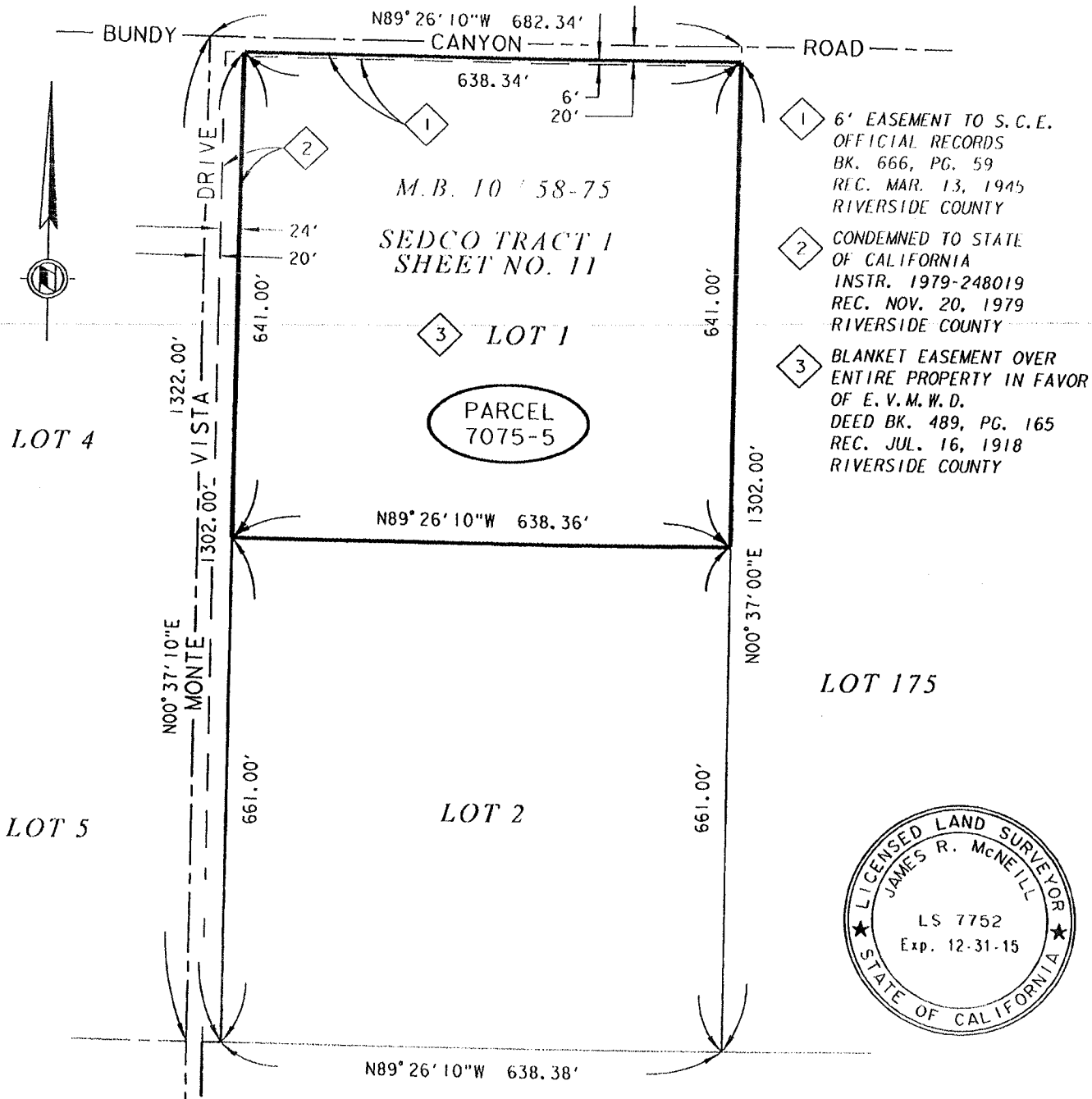
Signed on Behalf of:

Riverside County Flood Control  
and Water Conservation District

Date: 6-24-15

# Exhibit "B"

LOT 1 OF THE SEDCO TRACT NO. 1, IN THE CITY OF WILDOMAR, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 10, PAGES 58 THROUGH 75 INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY. EXCEPTING THEREFROM THE WEST 24 FEET.



DATE: 6-24-15

## RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

1995 MARKET ST. RIVERSIDE, CA. 92501

PROJECT NAME:

WILDOMAR MDP - LATERAL C

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

RCFC PARCEL NUMBER(S):

PARCEL 7075-5

SCALE:

NO SCALE

JUN-22-2015

PREPARED BY:

DAC

SHEET NO.

1 OF 1

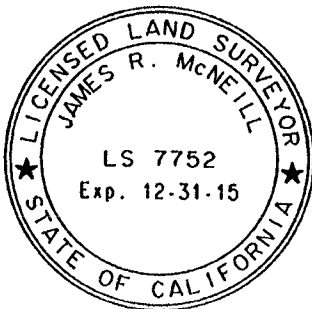
Exhibit "A"

Wildomar MDP – Lateral C Parcel 7075-5A

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

Lot 2 in Sedco Tract No. 1, in the city of Wildomar, County of Riverside, State of California, as per map recorded in Book 10, Pages 58 to 75 inclusive, of Maps, in the office of the County Recorder of said county.

Excepting therefrom the West 24 feet of said Lot 2 as condemned to the State of California, by document recorded November 20, 1979, as Instrument No. 248019, Official Records.



  
JAMES R. McNEILL

Land Surveyor No. 7752

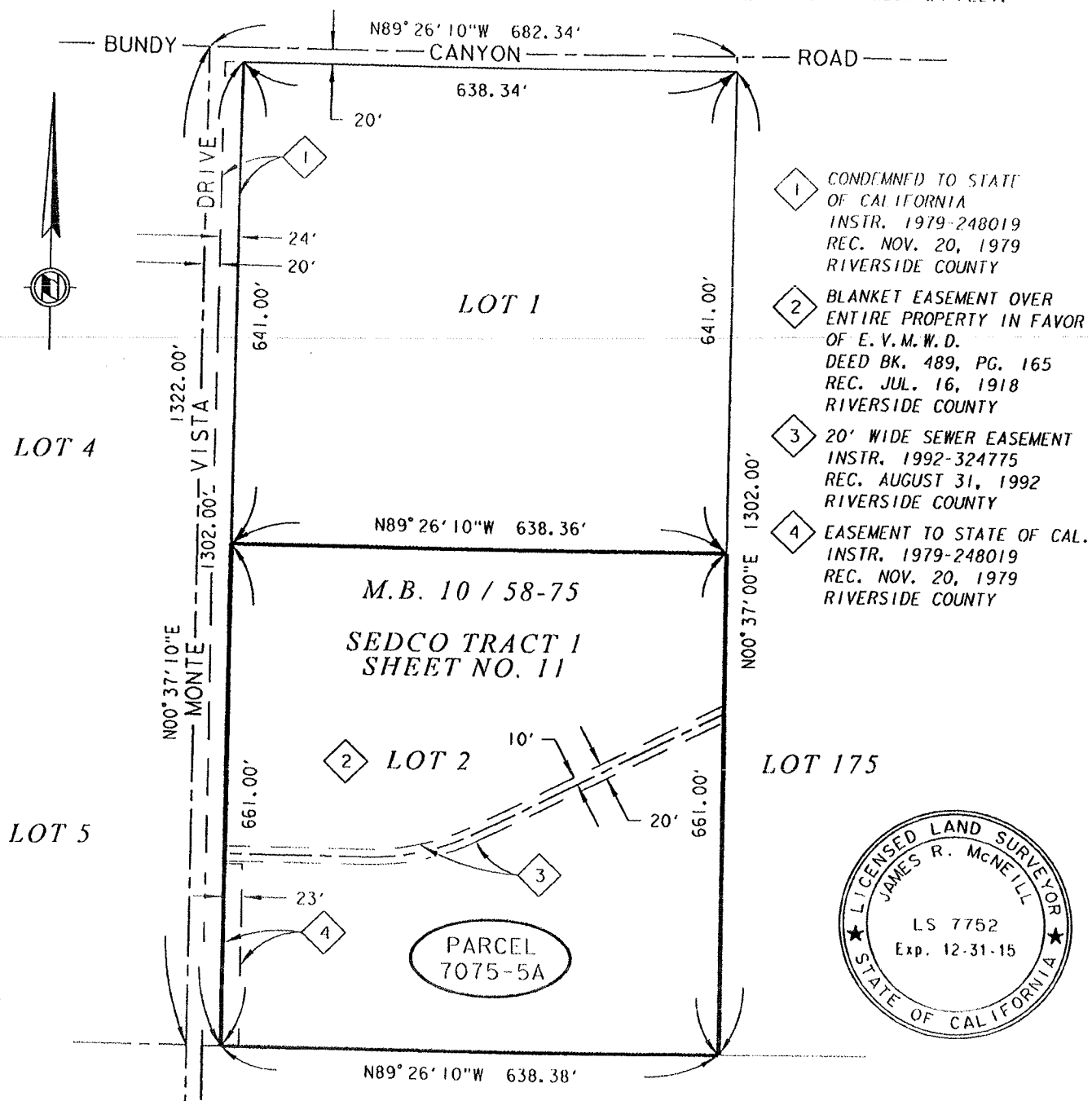
Signed on Behalf of:

Riverside County Flood Control  
and Water Conservation District

Date: 6-24-15

# Exhibit "B"

LOT 2 OF THE SEDCO TRACT NO. 1, IN THE CITY OF WILDOMAR, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 10, PAGES 58 THROUGH 75 INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY. EXCEPTING THEREFROM THE WEST 24 FEET.



DATE: 6-24-15

## RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

1995 MARKET ST. RIVERSIDE, CA. 92501

PROJECT NAME:

WILDOMAR MDP - LATERAL C

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

RCFC PARCEL NUMBER(S):

PARCEL 7075-5A

SCALE:

NO SCALE

JUN-22-2015

PREPARED BY:

DAC

SHEET NO.

1 OF 1



Lawyers Title Company  
3480 Vine Street Suite 300  
Riverside, CA 92507  
Phone: (951) 774-0825  
Fax: ( )

Riverside County Flood Control and Water  
Conservation District  
1995 Market Street  
Riverside, CA 92501

Attn: Mireya C. Reutter

Title Officer: Peggy Jones--So

email: tu67@ltic.com  
Phone No.: (951) 774-0825 x 617  
Fax No.: (951) 781-1169  
File No.: 615670979

Your Reference No: Wildomar Lateral C, Stage 3

Property Address: Riverside, California

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## PRELIMINARY REPORT

---

Dated as of February 26, 2015 at 7:30 a.m.

In response to the application for a policy of title insurance referenced herein, Lawyers Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitation on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

The policy(s) of title insurance to be issued hereunder will be policy(s) of **Commonwealth Land Title Insurance Company**.

***Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.***

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

## **SCHEDULE A**

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

A Preliminary Report Only

The estate or interest in the land hereinafter described or referred to covered by this report is:

**A FEE**

Title to said estate or interest at the date hereof is vested in:

**Rancon Bundy Canyon 126, LLC, a California limited liability company**

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

**SEE 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:

Lots 1 and 2 in Sedco Tract No. 1, in the City of Wildomar, County of Riverside, State of California, as per map recorded in Book 10, Pages 58 to 75 inclusive, of Maps, in the Office of the County Recorder of Riverside County.

Excepting therefrom the West 24 feet of said Lots 1 and 2 as condemned to the State of California, by document recorded November 20, 1979, as Instrument No. 248019, Official Records.

Except and Mobile Home or Manufactured Housing Unit and appurtenances, if any, located on said land.

Assessor's Parcel No: 367-110-007-7; 367-110-008-8

## **SCHEDULE B – Section A**

The following exceptions will appear in policies when providing standard coverage as outlined below:

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

## SCHEDULE B – Section B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

- 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 2015-2016.
- B. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.:	367-110-007-7
Fiscal Year:	2014-2015
1 <sup>st</sup> Installment:	\$3,119.27, paid.
2 <sup>nd</sup> Installment:	\$3,119.27, (Open) (Delinquent after April 10)
Penalty and Cost:	\$349.41
Homeowners Exemption:	\$-0-
Code Area:	025-022

- C. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.:	367-110-008-8
Fiscal Year:	2014-2015
1 <sup>st</sup> Installment:	\$3,218.04, paid.
2 <sup>nd</sup> Installment:	\$3,218.04, (Open) (Delinquent after April 10)
Penalty and Cost:	\$359.29
Homeowners Exemption:	\$-0-
Code Area:	02-022

- D. The herein described Land is within the boundaries of the Mello-Roos Community Facilities District(s). The annual assessments, if any, are collected with the county property taxes. Failure to pay said taxes prior to the delinquency date may result in the above assessment being removed from the county tax roll and subjected to Accelerated Judicial Bond Foreclosure. Inquiry should be made with said District for possible stripped assessments and prior delinquencies.
- E. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A; or as a result of changes in ownership or new construction occurring prior to date of policy.
  - 1. Water rights, claims or title to water, whether or not disclosed by the public records.
  - 2. Easement(s) in favor of the public over any existing roads lying within said Land.

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

Granted to: South Elsinore Water Company, a Corporation  
Purpose: Pipelines, wells and public utilities  
Recording Date: July 16, 1918  
Recording No: In Book 489, Page 165, of Deeds  
Affects: The land

The exact location and extent of said easement is not disclosed of record.

4. A declaration of ownership of excess water rights by the South Elsinore Mutual Water Company, as to said Lot 1 only, as shown by that certain Declaration dated June 18, 1934, and recorded June 20, 1934, in Book 176, Page 293, of Official Records, wherein said water company declares itself to be the owner of 600 miners inches constant flow of underground water supply underlying the herein described and other property. Said rights have since passed to and are now vested in Elsinore Valley Municipal Water District.

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

Granted to: California Electric Power Company  
Purpose: Public utilities and incidental purposes  
Recording Date: March 13, 1945  
Recording No: In Book 666, Page 59, Official Records  
Affects: The land

6. Easement(s) for the purpose(s) shown below and rights incidental thereto as condemned by an instrument,

Entitled: Final Order of Condemnation  
Court: Superior Court, County of Riverside  
Case No.: 127 842  
In favor of: The People of the State of California, acting by and through the Department of Transportation  
Purpose: drainage  
Recording Date: November 20, 1979  
Recording No: as Instrument No. 248019, Official Records  
Affects: Lot 2

7. Easement(s) for the purpose(s) shown below and rights incidental thereto as condemned by an instrument,

Entitled: Final Order of Condemnation  
Court: Superior Court, County of Riverside  
Case No.: 2113 834  
In favor of: Elsinore Valley Municipal Water District  
Purpose: Sewer pipeline and access road  
Recording Date: August 31, 1992  
Recording No: as Instrument No. 324775, Official Records  
Affects: Lot 2

8. The matters contained in a document entitled "School Facilities Impact Mitigation Agreement" by and between Lake Elsinore Unified School District and BP Riverside 62, LLC, recorded December 16, 2005, as Instrument No. 05-1040861, of Official Records.

Reference is made to said document for full particulars.

Document(s) declaring modifications thereof recorded October 3, 2007, as Instrument No. 07-616812, Official Records.

9. The matters contained in a document entitled "Easement and Construction Reimbursement Agreement" recorded February 21, 2007, as Instrument No. 07-0120439, of Official Records.

Reference is made to said document for full particulars.

**END OF SCHEDULE B EXCEPTIONS**

**PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH FOLLOWS FOR  
INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION**

## REQUIREMENTS SECTION:

NONE

## INFORMATIONAL NOTES SECTION

- Note No. 1: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.
- Note No. 2: California insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.

**For wiring Instructions please contact your Title Officer or Title Company Escrow officer.**

- Note No. 3: Lawyers Title is a division of Commonwealth Land Title Insurance Company. The insurer in policies of title insurance, when issued in this transaction, will be Commonwealth Land Title Insurance Company.
- Note No. 4: The Company requires current beneficiary demands prior to closing. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:
- a) If the Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.
  - b) If the Company cannot obtain a verbal update on the demand, we will either pay off the expired demand or wait for the amended demand, at our discretion.
  - c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure the check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).

Processor: cph  
Date Typed: March 4, 2015

Attachment One (Revised 06-05-14)  
**CALIFORNIA LAND TITLE ASSOCIATION**  
**STANDARD COVERAGE POLICY – 1990**

**EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or 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.

**EXCEPTIONS FROM COVERAGE-SCHEDULE B, PART I**

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

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

Attachment One (6-5-14)

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**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)**  
**ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE**

**EXCLUSIONS**

- In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:
1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
    - a. building;
    - b. zoning;
    - c. land use;
    - d. improvements on the Land;
    - e. land division; and
    - f. environmental protection.
  - This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
  2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
  3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
  4. Risks:
    - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
    - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
    - c. that result in no loss to You; or
    - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.c., 25, 26, 27 or 28.
  5. Failure to pay value for Your Title.
  6. Lack of a right:
    - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
    - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
  7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
  8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
  9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**LIMITATIONS ON COVERED RISKS**

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

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

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

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

Attachment One (6-5-14)

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## 2006 ALTA LOAN POLICY (06-17-06) EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

### EXCEPTIONS FROM COVERAGE

Except as provided in Schedule B - Part II, this policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

#### PART I

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

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

#### PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:

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## 2006 ALTA OWNER'S POLICY (06-17-06)

### EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

### EXCEPTIONS FROM COVERAGE

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

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that 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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. Variable exceptions such as taxes, easements, CC&R's, etc. shown here.

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## ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)

### EXCLUSIONS FROM COVERAGE

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

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

#### Attachment One (6-5-14)

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File No: 615670979



Lawyers Title Company  
3480 Vine Street Suite 300  
Riverside, CA 92507  
Phone: (951) 774-0825  
Fax: ( )

Order No. 615670979

## Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

**FNF Underwritten Title Company**

LTC - Lawyers Title Company

**FNF Underwriter**

CLTIC - Commonwealth Land Title Insurance Co.

**Available Discounts**

**DISASTER LOANS (CLTIC)**

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

**EMPLOYEE RATE (LTC and CLTIC)**

No charge shall be made to employees (including employees on approved retirement) of the Company or its underwritten, subsidiary or affiliated title companies for policies or escrow services in connection with financing, refinancing, sale or purchase of the employees' bona fide home property. Waiver of such charges is authorized only in connection with those costs which the employee would be obligated to pay, by established custom, as a party to the transaction.

Notice of Available Discount

Mod. 10/21/2011

## FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing real estate- and loan-related services (collectively, "FNF", "our" or "we") respect and are committed to protecting your privacy. This Privacy Notice lets you know how and for what purposes your Personal Information (as defined herein) is being collected, processed and used by FNF. We pledge that we will take reasonable steps to ensure that your Personal Information will only be used in ways that are in compliance with this Privacy Notice. The provision of this Privacy Notice to you does not create any express or implied relationship, or create any express or implied duty or other obligation, between Fidelity National Financial, Inc. and you. See also **No Representations or Warranties** below.

This Privacy Notice is only in effect for any generic information and Personal Information collected and/or owned by FNF, including collection through any FNF website and any online features, services and/or programs offered by FNF (collectively, the "Website"). This Privacy Notice is not applicable to any other web pages, mobile applications, social media sites, email lists, generic information or Personal Information collected and/or owned by any entity other than FNF.

### How Information is Collected

The types of personal information FNF collects may include, among other things (collectively, "Personal Information"): (1) contact information (e.g., name, address, phone number, email address); (2) demographic information (e.g., date of birth, gender marital status); (3) Internet protocol (or IP) address or device ID/UDID; (4) social security number (SSN), student ID (SIN), driver's license, passport, and other government ID numbers; (5) financial account information; and (6) information related to offenses or criminal convictions.

In the course of our business, we may collect Personal Information about you from the following sources:

- Applications or other forms we receive from you or your authorized representative;
- Information we receive from you through the Website;
- Information about your transactions with or services performed by us, our affiliates, or others; and
- From consumer or other reporting agencies and public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others.

### Additional Ways Information is Collected Through the Website

**Browser Log Files.** Our servers automatically log each visitor to the Website and collect and record certain information about each visitor. This information may include IP address, browser language, browser type, operating system, domain names, browsing history (including time spent at a domain, time and date of your visit), referring/exit web pages and URLs, and number of clicks. The domain name and IP address reveal nothing personal about the user other than the IP address from which the user has accessed the Website.

**Cookies.** From time to time, FNF or other third parties may send a "cookie" to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive and that can be re-sent to the serving website on subsequent visits. A cookie, by itself, cannot read other data from your hard disk or read other cookie files already on your computer. A cookie, by itself, does not damage your system. We, our advertisers and

other third parties may use cookies to identify and keep track of, among other things, those areas of the Website and third party websites that you have visited in the past in order to enhance your next visit to the Website. You can choose whether or not to accept cookies by changing the settings of your Internet browser, but some functionality of the Website may be impaired or not function as intended. See the Third Party Opt Out section below.

**Web Beacons.** Some of our web pages and electronic communications may contain images, which may or may not be visible to you, known as Web Beacons (sometimes referred to as "clear gifs"). Web Beacons collect only limited information that includes a cookie number; time and date of a page view; and a description of the page on which the Web Beacon resides. We may also carry Web Beacons placed by third party advertisers. These Web Beacons do not carry any Personal Information and are only used to track usage of the Website and activities associated with the Website. See the Third Party Opt Out section below.

**Unique Identifier.** We may assign you a unique internal identifier to help keep track of your future visits. We may use this information to gather aggregate demographic information about our visitors, and we may use it to personalize the information you see on the Website and some of the electronic communications you receive from us. We keep this information for our internal use, and this information is not shared with others.

**Third Party Opt Out.** Although we do not presently, in the future we may allow third-party companies to serve advertisements and/or collect certain anonymous information when you visit the Website. These companies may use non-personally identifiable information (e.g., click stream information, browser type, time and date, subject of advertisements clicked or scrolled over) during your visits to the Website in order to provide advertisements about products and services likely to be of greater interest to you. These companies typically use a cookie or third party Web Beacon to collect this information, as further described above. Through these technologies, the third party may have access to and use non-personalized information about your online usage activity. You can opt-out of certain online behavioral services through any one of the ways described below. After you opt-out, you may continue to receive advertisements, but those advertisements will no longer be as relevant to you.

- You can opt-out via the Network Advertising Initiative industry opt-out at <http://www.networkadvertising.org>.
- You can opt-out via the Consumer Choice Page at <http://www.aboutads.info>.
- For those in the U.K., you can opt-out via the IAB UK's industry opt-out at <http://www.youonlinechoices.com>.
- You can configure your web browser (Chrome, Firefox, Internet Explorer, Safari, etc.) to delete and/or control the use of cookies.

More information can be found in the Help system of your browser. Note: If you opt-out as described above, you should not delete your cookies. If you delete your cookies, you will need to opt-out again.

### Use of Personal Information

Information collected by FNF is used for three main purposes:

- To provide products and services to you or one or more third party service providers (collectively, "Third Parties") who are obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services that we perform for you or for Third Parties.

To communicate with you and to inform you about FNF's, FNF's affiliates and third parties' products and services.

#### When Information Is Disclosed By FNF

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 agents, brokers, representatives, 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 who provide services or perform marketing services or other functions on our behalf;
- To law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders; 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.

In addition to the other times when we might disclose information about you, we might also disclose information when required by law or in the good-faith belief that such disclosure is necessary to: (1) comply with a legal process or applicable laws; (2) enforce this Privacy Notice; (3) respond to claims that any materials, documents, images, graphics, logos, designs, audio, video and any other information provided by you violates the rights of third parties; or (4) protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep the Personal Information that is disclosed to us secure. We provide Personal Information and non-Personal Information to our subsidiaries, affiliated companies, and other businesses or persons for the purposes of processing such information on our behalf and promoting the services of our trusted business partners, some or all of which may store your information on servers outside of the United States. We require that these parties agree to process such information in compliance with our Privacy Notice or in a similar, industry-standard manner, and we use reasonable efforts to limit their use of such information and to use other appropriate confidentiality and security measures. The use of your information by one of our trusted business partners may be subject to that party's own Privacy Notice. 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.

We also reserve the right to disclose Personal Information and/or non-Personal Information to take precautions against liability, investigate and defend against any third-party claims or allegations, assist government enforcement agencies, protect the security or integrity of the Website, and protect the rights, property, or personal safety of FNF, our users or others.

We reserve the right to transfer your Personal Information, as well as any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets. We also cannot make any representations regarding the

use or transfer of your Personal Information or other information that we may have in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors, and you expressly agree and consent to the use and/or transfer of your Personal Information or other information in connection with a sale or transfer of some or all of our assets in any of the above described proceedings. Furthermore, we cannot and will not be

#### Information From Children

We do not collect Personal Information from any person that we know to be under the age of thirteen (13). Specifically, the Website is not intended or designed to attract children under the age of thirteen (13). You affirm that you are either more than 18 years of age, or an emancipated minor, or possess legal parental or guardian consent, and are fully able and competent to enter into the terms, conditions, obligations, affirmations, representations, and warranties set forth in this Privacy Notice, and to abide by and comply with this Privacy Notice. In any case, you affirm that you are over the age of 13, as **THE WEBSITE IS NOT INTENDED FOR CHILDREN UNDER 13 THAT ARE UNACCOMPANIED BY HIS OR HER PARENT OR LEGAL GUARDIAN.**

Parents should be aware that FNF's Privacy Notice will govern our use of Personal Information, but also that information that is voluntarily given by children – or others – in email exchanges, bulletin boards or the like may be used by other parties to generate unsolicited communications. FNF encourages all parents to instruct their children in the safe and responsible use of their Personal Information while using the Internet.

#### Privacy Outside the Website

The Website may contain various links to other websites, including links to various third party service providers. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites. Other than under agreements with certain reputable organizations and companies, and except for third party service providers whose services either we use or you voluntarily elect to utilize, we do not share any of the Personal Information that you provide to us with any of the websites to which the Website links, although we may share aggregate, non-Personal Information with those other third parties. Please check with those websites in order to determine their privacy policies and your rights under them.

#### European Union Users

If you are a citizen of the European Union, please note that we may transfer your Personal Information outside the European Union for use for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information, you consent to both our collection and such transfer of your Personal Information in accordance with this Privacy Notice.

#### Choices With Your Personal Information

Whether you submit Personal Information to FNF is entirely up to you. You may decide not to submit Personal Information, in which case FNF may not be able to provide certain services or products to you.

You may choose to prevent FNF from disclosing or using your Personal Information under certain circumstances ("opt out"). You may opt out of any disclosure or use of your Personal Information for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization by notifying us by one of

the methods at the end of this Privacy Notice. Furthermore, even where your Personal Information is to be disclosed and used in accordance with the stated purposes in this Privacy Notice, you may elect to opt out of such disclosure to and use by a third party that is not acting as an agent of FNF. As described above, there are some uses from which you cannot opt-out.

Please note that opting out of the disclosure and use of your Personal Information as a prospective employee may prevent you from being hired as an employee by FNF to the extent that provision of your Personal Information is required to apply for an open position.

If FNF collects Personal Information from you, such information will not be disclosed or used by FNF for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you disclosure and use.

You may opt out of online behavioral advertising by following the instructions set forth above under the above section "Additional Ways That Information Is Collected Through the Website," subsection "Third Party Opt Out."

#### **Access and Correction**

To access your Personal Information in the possession of FNF and correct inaccuracies of that information in our records, please contact us in the manner specified at the end of this Privacy Notice. We ask individuals to identify themselves and the information requested to be accessed and amended before processing such requests, and we may decline to process requests in limited circumstances as permitted by applicable privacy legislation.

#### **Your California Privacy Rights**

Under California's "Shine the Light" law, California residents who provide certain personally identifiable information in connection with obtaining products or services for personal, family or household use are entitled to request and obtain from us once a calendar year information about the customer information we shared, if any, with other businesses for their own direct marketing uses. If applicable, this information would include the categories of customer information and the names and addresses of those businesses with which we shared customer information for the immediately prior calendar year (e.g., requests made in 2015 will receive information regarding 2014 sharing activities).

To obtain this information on behalf of FNF, please send an email message to [privacy@fnf.com](mailto:privacy@fnf.com) with "Request for California Privacy Information" in the subject line and in the body of your message. We will provide the requested information to you at your email address in response.

Please be aware that not all information sharing is covered by the "Shine the Light" requirements and only information on covered sharing will be included in our response.

Additionally, because we may collect your Personal Information from time to time, California's Online Privacy Protection Act requires us to disclose how we respond to "do not track" requests and other similar mechanisms. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

#### **No Representations or Warranties**

By providing this Privacy Notice, Fidelity National Financial, Inc. does not make any representations or warranties whatsoever concerning any products or services provided to you by its majority-owned subsidiaries. In addition, you also expressly agree that your use of the Website is at your own risk. Any services provided to you by Fidelity National Financial, Inc. and/or the Website are provided "as is" and "as available" for your use, without representations or warranties of any kind, either express or implied, unless such warranties are legally incapable of exclusion. Fidelity National Financial, Inc. makes no representations or warranties that any services provided to you by it or the Website, or any services offered in connection with the Website are or will remain uninterrupted or error-free, that defects will be corrected, or that the web pages on or accessed through the Website, or the servers used in connection with the Website, are or will remain free from any viruses, worms, time bombs, drop dead devices, Trojan horses or other harmful components. Any liability of Fidelity National Financial, Inc. and your exclusive remedy with respect to the use of any product or service provided by Fidelity National Financial, Inc. including on or accessed through the Website, will be the re-performance of such service found to be inadequate.

#### **Your Consent To This Privacy Notice**

By submitting Personal Information to FNF, you consent to the collection and use of information by us as specified above or as we otherwise see fit, in compliance with this Privacy Notice, unless you inform us otherwise by means of the procedure identified below. If we decide to change this Privacy Notice, we will make an effort to post those changes on the Website. Each time we collect information from you following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you may submit in any manner that we may choose without notice or compensation to you.

If you have additional questions or comments, please let us know by sending your comments or requests to:

Fidelity National Financial, Inc.

601 Riverside Avenue

Jacksonville, Florida 32204

Attn: Chief Privacy Officer

(888) 934-3354

[privacy@fnf.com](mailto:privacy@fnf.com)

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PRIVACY NOTICE EFFECTIVE AS OF: JANUARY 6, 2015

