

Appendix N



OFFICE OF THE PRESIDENT

OFFICE OF THE PRESIDENT
Real Estate Services Group
1111 Franklin Street, 6th Floor
Oakland, California 94607-5200

Fax: (510) 987-0199

March 7, 2007

John Bergin
Ashby USA, LLC
39252 Winchester Road
Suite 107-393
Murrieta, CA 92563

RE: Riverside County Assessor's Parcels 964-150-003; -004; -005; -006; -007; -008; -009; and upland portion of 964-180-015

Dear Mr. Bergin,

I am writing in response to your proposal on behalf of Ashby USA, LLC ("Ashby") to purchase the above property ("Property") from The Regents of the University of California ("University"), submitted February 8, 2007. The Property consists of approximately 125 acres, in 8 parcels of vacant land in unincorporated French Valley, Riverside County, California.

We would be willing to pursue with you the negotiation of a purchase and sale transaction of the Property on the following general terms and conditions:

Purchase Price. The purchase price for the Property would be One Million Dollars (\$1,000,000), payable in cash at closing ("Purchase Price").

Escrow and Deposit. Within five (5) calendar days after the date of execution of a Purchase and Sale Agreement by both parties, escrow would be opened with First American Title Insurance Company, 1850 Mt. Diablo Boulevard, Suite 300, Walnut Creek, CA 94596, attention Teri Dashwood. Ashby would deposit into escrow Ninety-Five Thousand Dollars (\$95,000) ("Deposit"), which deposit would be returned to Ashby if it should not proceed with the purchase of the Property prior to the expiration of the Feasibility Period, below; would be retained by University if Ashby proceeded with the purchase of the Property prior to the expiration of the Feasibility Period but failed to close the transaction thereafter; and would be applied to the Purchase Price if the transaction closed.

Feasibility Period – Ashby's Contingencies. Ashby would have a period of ninety (90) days from the date upon which escrow was opened ("Feasibility Period") to investigate all aspects of the Property, including but not limited to title matters; environmental conditions; approval of the Property for use in the mitigation of the loss of endangered species; and financing. Ashby would provide University with notice prior to the end of the Feasibility Period if it wished to proceed to closing.

Seller's Conditions Precedent. The University's obligation to perform would be subject to certain conditions precedent to Closing for the benefit of the University. Unless these conditions were satisfied within 30 days of the date upon which escrow was opened, the University would not be obligated to perform. The University's conditions precedent would include approval of the terms of the sale by Chief Investment Officer of the University of California.

Closing. Provided that Ashby gave notice prior to the expiration of the Feasibility Period that it wished to proceed to closing, and that Seller's Conditions Precedent had then been fulfilled, Closing would occur thirty (30) days following Ashby's notice to University.

Closing Costs. Transfer taxes would be paid for by University. Recording fees would be paid for by Ashby. Escrow fees would be split evenly between the parties. The premium for a standard ALTA title insurance policy and any extended coverage (and any ancillary costs, such as survey) would be paid by Ashby. Any other closing costs would be split evenly between the parties.

Legal Description of Property and Subdivision Map Act. The Property includes the upland portion of Riverside Assessor's Parcel 964-180-015. Attached as Exhibit "A" to this letter is a legal description and diagram prepared by Rick Engineering Company showing the boundaries between the upland and riparian portions of Assessor's Parcel 964-180-015.

Section 66428 (a)(2) of the Subdivision Map Act provides that "A parcel map shall not be required for: ... Land conveyed to or from a governmental agency, public entity, public utility, or for land conveyed to a subsidiary of a public utility for conveyance to that public utility for rights-of-way, unless a showing is made in individual cases, upon substantial evidence, that public policy necessitates a parcel map." Transfer of title from University to Ashby would be by grant deed, under the provisions of this section of the Subdivision Map Act. The University would take no responsibility for compliance with the requirements of the Subdivision Map Act beyond the provisions of this section, and Ashby would bear the responsibility for pursuing, at its own cost, any further steps it might wish to undertake to ensure conformance with the Subdivision Map Act.

Encroachment. The parties each believe that certain building improvements located on Riverside Assessor's Parcel 943-160-019 encroach onto Riverside Assessor's Parcel 964-180-015. The University would not undertake any actions to correct such encroachment, or cause such correction. The University would consent to Ashby undertaking, at its own costs, such correction during the Feasibility Period, provided that the correction of such encroachment would not be a condition precedent to closing.

Access Reservation. The University would reserve in the grant deed for the Property, rights of access over the upland portion of Riverside Assessor's Parcel 964-180-015 to the riparian portion of that Parcel.

This letter does not constitute a formal and binding offer and it does not create any legal rights or obligations between us or any obligation to proceed with negotiations. It is intended that any and all legal rights and obligations between Ashby and University will come into existence only when an agreement is executed and delivered by both parties.

Mr. John Bergin
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If you concur with the terms outlined above as a basis for negotiating a purchase and sale agreement, please acknowledge the enclosed copy of this letter and return it to my attention by March 21, 2007. With that acknowledgement, we will prepare a draft purchase and sale agreement for your review and comment. If you have any questions on the preceding matters, please call me at (510) 987-9060.

Sincerely,

Allen Meacham
Assistant Director

Cc: Director Hjulberg
University Counsel Agate

We acknowledge that the business terms contained in this letter are an appropriate basis for proceeding with negotiation of a definitive agreement for the Property.

Dated: _____

Ashby USA, LLC:

By: _____

Its: _____

EXHIBIT "A"
CONSERVATION AREA

A portion of Section 22, Township 7 South, Range 2 West, San Bernardino Meridian, as shown on Record of Survey on file in Book 100, Pages 52 through 57 inclusive of Surveys, Records of Riverside County, State of California, also being a portion of the land described in the Grant Deed recorded December 31, 1996, as Instrument 491168 Records of said County, more particularly described as follows:

COMMENCING at the East one quarter corner of fractional Section 22 as shown on said Record of Survey, said corner also being Pauba Rancho corner P-14, per Record of Survey as filed in Book 49, Pages 93 and 94 of Surveys, Records of said County.

THENCE along the Southerly line of said fractional Section 22, and said Rancho Pauba Line, North 89°59'20" West, a distance of 3600.42 feet to the **TRUE POINT OF BEGINNING**;

THENCE continuing along said line, North 89°59'20" West, a distance of 374.67 feet;

THENCE North 2°37'56" East, a distance of 64.67 feet;

THENCE North 36°00'37" East, a distance of 89.10 feet;

THENCE North 2°58'26" East, a distance of 124.98 feet;

THENCE North 44°32'31" West, a distance of 71.64 feet;

THENCE North 23°33'56" East, a distance of 83.11 feet;

THENCE North 32°18'27" East, a distance of 195.62 feet;

THENCE North 24°30'10" East, a distance of 130.93 feet;

THENCE North 48°21'59" West, a distance of 97.59 feet;

THENCE South 70°09'03" West, a distance of 107.31 feet;

THENCE South 56°17'33" West, a distance of 153.40 feet;

THENCE North 84°00'54" West, a distance of 101.05 feet;

THENCE North 31°45'15" West, a distance of 127.16 feet;

THENCE North 16°50'47" West, a distance of 76.71 feet;

THENCE South 89°31'50" West, a distance of 98.88 feet;

THENCE South 19°33'58" West, a distance of 142.78 feet;

THENCE South 35°35'27" West, a distance of 101.66 feet;

THENCE South 55°54'07" West, a distance of 88.94 feet;

THENCE South 89°16'51" West, a distance of 33.84 feet to the Southeasterly line of the Parcel 'Part 1' as described in Grant Deed, recorded December 31, 1996, Instrument 2000-406170, Records of said County;

THENCE along said Southeasterly line, North 10°48'10" East, a distance of 156.30 feet;

THENCE along said Southeasterly line, North 25°09'46" East, a distance of 264.44 feet;

THENCE South 81°29'50" East, a distance of 114.64 feet;

THENCE North 83°32'09" East, a distance of 96.95 feet;

THENCE South 38°23'29" East, a distance of 99.01 feet;

THENCE South 29°45'06" East, a distance of 154.89 feet;

THENCE North 66°48'08" East, a distance of 51.07 feet;

THENCE North 19°26'25" East, a distance of 120.88 feet;

THENCE North 58°40'16" East, a distance of 180.54 feet;

THENCE South 55°43'30" East, a distance of 171.09 feet;

THENCE South 10°51'40" East, a distance of 141.94 feet;

THENCE South 25°37'27" West, a distance of 198.65 feet;

THENCE South 11°07'59" West, a distance of 205.68 feet;

THENCE South 9°33'09" West, a distance of 253.95 feet;

THENCE South 36°52'09" East, a distance of 76.99 feet;

THENCE North 56°00'22" East, a distance of 137.95 feet;

THENCE North 82°34'06" East, a distance of 155.53 feet;

THENCE North 90°00'00" East, a distance of 107.28 feet;

THENCE North 70°20'46" East, a distance of 99.68 feet;
THENCE North 70°01'01" East, a distance of 78.48 feet;
THENCE South 84°40'04" East, a distance of 101.14 feet;
THENCE North 85°57'19" East, a distance of 95.87 feet;
THENCE North 65°54'29" East, a distance of 130.15 feet;
THENCE North 76°33'58" East, a distance of 153.13 feet;
THENCE North 65°49'16" East, a distance of 98.63 feet;
THENCE North 57°59'41" East, a distance of 207.87 feet;
THENCE North 29°40'40" East, a distance of 190.70 feet;
THENCE North 23°37'45" East, a distance of 117.10 feet;
THENCE North 9°05'25" East, a distance of 169.76 feet;
THENCE North 25°33'28" East, a distance of 150.72 feet;
THENCE North 70°42'35" East, a distance of 194.54 feet;
THENCE North 61°37'35" East, a distance of 128.93 feet;
THENCE North 68°44'59" East, a distance of 129.50 feet;
THENCE North 21°02'17" East, a distance of 93.39 feet;
THENCE North 19°39'15" West, a distance of 99.68 feet;
THENCE North 36°38'57" East, a distance of 44.57 feet;
THENCE North 88°45'17" East, a distance of 84.48 feet;
THENCE North 83°19'12" East, a distance of 137.96 feet;
THENCE North 55°18'18" East, a distance of 106.02 feet;
THENCE North 53°07'48" East, a distance of 134.10 feet;
THENCE North 37°06'22" East, a distance of 104.93 feet;

THENCE South 86°21'50" East, a distance of 50.79 feet;
THENCE South 55°44'35" East, a distance of 203.05 feet;
THENCE South 70°03'53" East, a distance of 376.98 feet;
THENCE South 73°24'19" East, a distance of 289.32 feet;
THENCE South 45°23'23" East, a distance of 190.87 feet;
THENCE South 54°15'59" East, a distance of 170.87 feet to the West line of the Parcel defined in Grant Deed, recorded February 04, 2002, Instrument 2002-62998, Records of said County;
THENCE along the said line, South 0°23'32" West, a distance of 251.54 feet;
THENCE North 45°00'00" West, a distance of 27.73 feet;
THENCE North 3°21'59" West, a distance of 114.19 feet;
THENCE North 33°54'10" West, a distance of 89.77 feet;
THENCE North 64°54'55" West, a distance of 203.84 feet;
THENCE North 48°40'38" West, a distance of 91.59 feet;
THENCE North 77°33'37" West, a distance of 127.86 feet;
THENCE North 61°44'09" West, a distance of 193.88 feet;
THENCE North 75°33'51" West, a distance of 191.50 feet;
THENCE North 81°17'47" West, a distance of 135.63 feet;
THENCE North 43°21'49" West, a distance of 166.01 feet;
THENCE South 84°48'21" West, a distance of 74.06 feet;
THENCE South 25°01'01" West, a distance of 110.99 feet;
THENCE South 60°18'22" West, a distance of 87.04 feet;
THENCE South 80°09'58" West, a distance of 139.77 feet;
THENCE South 48°44'35" West, a distance of 139.22 feet;

THENCE South 15°06'34" West, a distance of 190.20 feet;
THENCE South 0°49'06" East, a distance of 128.55 feet;
THENCE South 59°28'11" East, a distance of 83.14 feet;
THENCE South 6°00'33" East, a distance of 140.32 feet;
THENCE South 67°26'33" East, a distance of 129.24 feet;
THENCE South 0°53'00" West, a distance of 55.39 feet;
THENCE North 83°17'24" West, a distance of 114.78 feet;
THENCE North 45°00'00" West, a distance of 161.20 feet;
THENCE North 18°26'07" West, a distance of 63.61 feet;
THENCE North 71°57'01" West, a distance of 58.75 feet;
THENCE South 60°55'05" West, a distance of 120.22 feet;
THENCE South 66°36'53" West, a distance of 105.59 feet;
THENCE South 78°55'47" West, a distance of 86.07 feet;
THENCE South 52°13'15" West, a distance of 65.20 feet;
THENCE South 14°16'04" West, a distance of 44.53 feet;
THENCE South 82°13'34" East, a distance of 118.68 feet;
THENCE South 58°19'29" East, a distance of 101.41 feet;
THENCE South 62°51'01" East, a distance of 160.96 feet;
THENCE South 72°50'17" East, a distance of 130.68 feet;
THENCE South 63°55'48" East, a distance of 96.92 feet;
THENCE South 34°21'46" East, a distance of 37.73 feet to the Northerly line of the Parcel 'Part 2' of Grant Deed, recorded December 31, 1996 Instrument 2000-496179 in said County;
THENCE along said line of, North 75°53'19" West, a distance of 386.13 feet;

THENCE North 79°16'51" West, a distance of 166.02 feet

THENCE North 84°55'28" West, a distance of 73.97 feet;

THENCE South 53°43'47" West, a distance of 82.23 feet;

THENCE South 32°22'50" West, a distance of 89.15 feet;

THENCE South 36°32'23" West, a distance of 156.08 feet;

THENCE South 61°20'20" West, a distance of 67.78 feet;

THENCE South 48°47'13" West, a distance of 145.64 feet;

THENCE South 72°41'16" West, a distance of 121.81 feet;

THENCE South 70°15'13" West, a distance of 144.31 feet;

THENCE South 74°34'40" West, a distance of 108.33 feet to the Northwesterly line of the Parcel 'Part 2' of Grant Deed, recorded December 31, 1996 Instrument 2000-496179 in said County;

THENCE continuing along said Northwesterly line, North 71°08'21" West, a distance of 139.56 feet;

THENCE along the Westerly line of said Parcel, South 75°28'50" West, a distance of 482.31 feet to the TRUE POINT OF BEGINNING

The above-described parcel contains 20.53 acres, more or less.

SEE EXHIBIT "B" ATTACHED HERETO MADE A PART THEREOF


Robert A. Stockton, RCE 33591

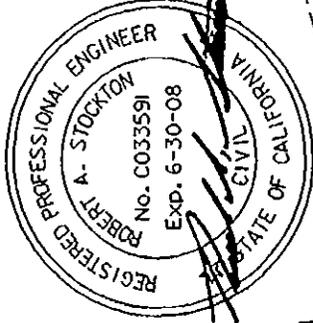
9/11/16
Date



FAI4548\legals\Riparian.doc

16 15 21 22 15 14 22 23

NORTH SECTION LINE FRACTIONAL SECTION 22



EASTERLY LINE 'PART 1'
GRANT DEED #2000-406170
REC. 12/31/96,
SECTION 22
T7S
R2W

WESTERLY LINE
GRANT DEED #2002-62998
REC. 2/04/02,

APN 958-260-009

APN 958-260-004

APN 958-260-024

APN 958-260-024

55' WIDE ANZA ROAD
DEDICATION PER
PMB 96/45-46

APN 958-260-025

NORTHERLY LINE 'PART 2'
GRANT DEED #2000-406170
REC. 12/31/96,

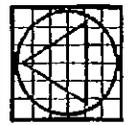
APN 958-260-008

N89°59'20"W 3600.42'
PAUBA RANCHO LINE

E1/4 COR SEC 22 & P14 OF
PAUBA RANCHO PER RS 49/93-94

POC

TPOB



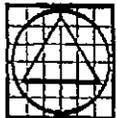
RICK ENGINEERING COMPANY

San Diego Riverside Orange Phoenix Tucson
1223 University Ave., Ste. 240 - Riverside, CA 92507-3413 - (909)782-0707 - FAX (909)782-0723 - www.rickeng.com

A PORTION OF
GERTRUDIS CREEK
CONSERVATION AREA

SCALE: 1" = 500' DATE: AUG 28, 2006

No.	DIRECTION	DISTANCE	No.	DIRECTION	DISTANCE
L1	N 89° 59' 20" W	374.67'	L62	N 55° 44' 35" W	203.05'
L2	N 2° 37' 56" E	64.67'	L63	N 70° 03' 53" W	376.98'
L3	N 36° 00' 37" E	89.10'	L64	N 73° 24' 19" W	289.32'
L4	N 2° 58' 26" E	124.98'	L65	N 45° 23' 23" W	190.87'
L5	N 44° 32' 31" W	71.64'	L66	N 54° 15' 59" W	170.87'
L6	N 23° 33' 56" E	83.11'	L67	N 89° 59' 22" W	250.00'
L7	N 32° 18' 27" E	195.62'	L68	N 0° 23' 32" E	803.43'
L8	N 24° 30' 10" E	130.93'	L69	N 0° 23' 32" E	421.77'
L9	N 48° 22' 00" W	97.59'	L70	N 0° 23' 32" E	251.54'
L10	N 70° 09' 03" E	107.31'	L71	N 78° 10' 31" W	255.06'
L11	N 56° 17' 33" E	153.40'	L72	N 0° 23' 32" E	1424.52'
L12	N 84° 00' 54" W	101.05'	L73	N 45° 00' 00" W	27.73'
L13	N 31° 45' 15" W	127.16'	L74	N 3° 21' 59" W	114.19'
L14	N 16° 50' 47" W	76.71'	L75	N 33° 54' 10" W	89.77'
L15	N 89° 31' 50" E	98.88'	L76	N 64° 54' 55" W	203.84'
L16	N 19° 33' 58" E	142.78'	L77	N 48° 40' 38" W	91.59'
L17	N 35° 35' 27" E	101.66'	L78	N 77° 33' 37" W	127.86'
L18	N 55° 54' 07" E	88.94'	L79	N 61° 44' 09" W	193.88'
L19	N 89° 16' 51" E	33.84'	L80	N 75° 33' 51" W	191.50'
L20	N 10° 48' 10" E	156.30'	L81	N 81° 17' 47" W	135.63'
L21	N 25° 09' 46" E	264.44'	L82	N 43° 21' 49" W	166.01'
L22	N 81° 29' 50" W	114.64'	L83	N 84° 48' 21" E	74.06'
L23	N 83° 32' 09" E	96.95'	L84	N 25° 01' 01" E	110.99'
L24	N 38° 23' 29" W	99.01'	L85	N 60° 18' 22" E	87.04'
L25	N 29° 45' 06" W	154.89'	L86	N 80° 09' 58" E	139.77'
L26	N 66° 48' 08" E	51.07'	L87	N 48° 44' 35" E	139.22'
L27	N 19° 26' 25" E	120.88'	L88	N 15° 06' 34" E	190.20'
L28	N 58° 40' 16" E	180.54'	L89	N 0° 49' 06" W	128.55'
L29	N 55° 43' 30" W	171.09'	L90	N 59° 28' 11" W	83.14'
L30	N 10° 51' 40" W	141.94'	L91	N 6° 00' 33" W	140.32'
L31	N 25° 37' 27" E	198.65'	L92	N 67° 26' 33" W	129.24'
L32	N 11° 07' 59" E	205.68'	L93	N 0° 53' 00" E	55.39'
L33	N 9° 33' 09" E	253.95'	L94	N 83° 17' 24" W	114.78'
L34	N 36° 52' 09" W	76.99'	L95	N 45° 00' 00" W	161.20'
L35	N 56° 00' 22" E	137.95'	L96	N 18° 26' 07" W	63.61'
L36	N 82° 34' 06" E	155.53'	L97	N 71° 57' 01" W	58.75'
L37	N 90° 00' 00" E	107.28'	L98	N 60° 55' 05" E	120.22'
L38	N 70° 20' 46" E	99.68'	L99	N 66° 36' 53" W	105.59'
L39	N 70° 01' 01" E	78.48'	L100	N 78° 55' 47" E	86.07'
L40	N 84° 40' 04" W	101.14'	L101	N 52° 13' 15" E	65.20'
L41	N 85° 57' 19" E	95.87'	L102	N 14° 16' 04" E	44.53'
L42	N 65° 54' 29" E	130.15'	L103	N 82° 13' 34" W	118.68'
L43	N 76° 33' 58" E	153.13'	L104	N 58° 19' 29" W	101.41'
L44	N 65° 49' 16" E	98.63'	L105	N 62° 51' 01" W	160.96'
L45	N 57° 59' 41" E	207.87'	L106	N 72° 50' 17" W	130.68'
L46	N 29° 40' 40" E	190.70'	L107	N 63° 55' 48" W	96.92'
L47	N 23° 37' 45" E	117.10'	L108	N 34° 21' 46" W	37.73'
L48	N 9° 05' 25" E	169.76'	L109	N 75° 53' 19" W	386.13'
L49	N 25° 33' 28" E	150.72'	L110	N 79° 16' 51" W	166.02'
L50	N 70° 42' 35" E	194.54'	L111	N 84° 55' 28" W	73.97'
L51	N 61° 37' 35" E	128.93'	L112	N 53° 43' 47" E	82.23'
L52	N 68° 44' 59" E	129.50'	L113	N 32° 22' 50" E	89.15'
L53	N 21° 02' 17" E	93.39'	L114	N 36° 32' 23" E	156.08'
L54	N 19° 39' 15" W	99.68'	L115	N 61° 20' 20" E	67.78'
L55	N 36° 38' 57" E	44.57'	L116	N 48° 47' 13" E	145.64'
L56	N 88° 45' 17" E	84.48'	L117	N 72° 41' 16" E	121.81'
L57	N 83° 19' 12" E	137.96'	L118	N 70° 15' 13" E	144.31'
L58	N 55° 18' 18" E	106.02'	L119	N 74° 34' 40" E	108.33'
L59	N 53° 07' 48" E	134.10'	L120	N 71° 08' 21" W	139.56'
L60	N 37° 06' 22" E	104.93'	L121	N 75° 28' 50" E	482.31'
L61	N 86° 21' 50" W	50.79'			



RICK ENGINEERING COMPANY

San Diego Riverside Orange Phoenix Tucson

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SCALE: 1" = 40' DATE: JAN-12-05