



First American Title™

First American Title Company

899 Pacific Street
San Luis Obispo, CA 93401
California Department of Insurance License No. 151

Jacob Bulotti
Kirk Consulting
8830 Morro Road
Atascadero, CA 93422

Title Officer:	Lisa Irot
Phone:	(805)786-2042
Fax No.:	(866)397-7092
E-Mail:	lirot@firstam.com

Property: Truesdale Road & Shell Creek Road
Shandon, CA 93461

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this 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 below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations 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 Exhibit A attached. **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.** Limitations 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 Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A 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.

Dated as of October 11, 2023 at 7:30 A.M.

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

Preliminary Title Report

A specific request should be made if another form or additional coverage is desired.

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

Dimello LP, a Delaware limited partnership as to Parcels 1 through 5; Kylix Vineyards California LP, a Delaware limited partnership, as to Parcels 6 through 11

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

Fee simple as to Parcels 1, 2, 3, 4, 6, 7 and 8; an easement as to Parcels 5, 6A, 6B, 9, 10 and 11

The Land referred to herein is described as follows:

(See attached Legal Description)

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

The Following Matters Affect Parcels 1 through 5:

1. Taxes and assessments not examined. A.P.N.'s 037-301-007; 020; 025 & 026
2. Terms, provisions, covenants, restrictions and conditions contained in a document executed pursuant to the California Land Conservation Act of 1965 (Williamson Act) and recorded February 13, 1972 as [Book 1653, Page 670](#) of Official Records.
3. The terms and provisions contained in the document entitled Grant of Easement recorded March 15, 1985 as [Book 2686, Page 981](#) of Official Records.

Document(s) declaring modifications thereof recorded February 13, 1986 as [Book 2801, Page 39](#) of Official Records.

4. An easement for utilities and incidental purposes, recorded April 3, 1985 as [Book 2692, Page 720](#) of Official Records.
In Favor of: Mildred Hansen and Kent Iver Hansen
Affects: portions of Parcel 4

5. An easement for ingress, egress, electricity, water lines, water wells and incidental purposes, recorded April 3, 1985 as [Book 2692, Page 721](#) of Official Records.
In Favor of: Mildred Hansen and Kent Iver Hansen
Affects: portions
6. Any facts, rights, interests or claims that may exist or arise by reason of matters, if any, disclosed by that certain Record of Survey filed January 30, 2009 in book [Book 101, page Page 38](#) .
7. An easement for electrical facilities and incidental purposes, recorded July 11, 2012 as Instrument No. [2012-037469](#) of Official Records.
In Favor of: Pacific Gas and Electric Company
Affects: portions
8. The terms and provisions contained in the document entitled "Recorded Notice of Agricultural Offset Clearance (CON2018-00001)" recorded June 10, 2020 as Instrument No. [2020-028309](#) of Official Records.
9. A deed of trust to secure an original indebtedness of \$250,000,000.00 recorded August 3, 2022 as Instrument No. [2022-031731](#) of Official Records.

Dated: August 2, 2022
Trustor: Dimello LP, a Delaware limited partnership
Trustee: First American Title Insurance Company
Beneficiary: American AgCredit, FLCA, A Federal Land credit association

10. The terms and provisions contained in the document entitled Notice of Additional Information recorded February 8, 2023 as Instrument No. [2023-003703](#) of Official Records.

(Affects Parcel 2)

11. Rights of the public in and to that portion of the land lying within Truesdale Road.
12. Water rights, claims or title to water, whether or not shown by the public records.
13. Rights of parties in possession.

The Following Matters Affect Parcel 6:

14. Taxes and assessments not examined. A.P.N. 037-321-001.
15. Terms, provisions, covenants, restrictions and conditions contained in a document executed pursuant to the California Land Conservation Act of 1965 (Williamson Act) and recorded February 15, 1972 as [Book 1653, Page 670](#) of Official Records.
16. Any easements and/or servitudes affecting easement parcel(s) Parcels 6A and 6B herein described.
17. Any claim that the Title is subject to a trust or lien created under The Perishable Agricultural Commodities Act, 1930 (7 U.S.C. §§499a, et seq.) or the Packers and Stockyards Act (7 U.S.C. §§181 et seq.) or under similar state laws.
18. Rights of the public in and to that portion of the land lying within any street, road, alley or highway.

19. Water rights, claims or title to water, whether or not shown by the Public Records.
20. Rights of parties in possession.

The Following Matters Affect Parcels 7 and 8:

21. Taxes and assessments, not examined. A.P.N.: 037-321-016 and 037-331-014.
22. An easement for ingress, egress; and incidental purposes, recorded November 24, 1964 as Book [1325, Page 449](#) of Official Records.
In Favor of: Avenales Land and Cattle Company
Affects: a portion of said land
23. The terms and provisions contained in the document entitled Declaration of Restrictive Covenants recorded December 22, 2000 as Instrument No. [2000-076029](#) of Official Records.
24. The terms and provisions contained in the document entitled Well Sharing and Easement Agreement recorded January 5, 2001 as Instrument No. [2001-000956](#) of Official Records.
25. The terms and provisions contained in the document entitled Roadway and Utility Easement recorded January 5, 2001 as Instrument No. [2001-000957](#) of Official Records.
26. An unrecorded lease dated January 31, 2022, executed by Kylix Vineyards California LP, a Delaware limited partnership as lessor and William & Doris Land & Energy Co., LLC, a California limited liability company as lessee, as disclosed by a Memorandum of Lease and Option to Purchase recorded January 31, 2022 as Instrument No. [2022-004456](#) of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.
27. An option in favor of William & Doris Land & Energy Co., LLC, a California limited liability company as contained in or disclosed by a document recorded January 31, 2022 as Instrument No. [2022-004456](#) of Official Records.
28. A deed of trust to secure an original indebtedness of \$250,000,000.00 recorded August 3, 2022 as Instrument No. [2022-031736](#) of Official Records.

Dated: August 3, 2022
Trustor: Kylix Vineyards California LP, a California limited partnership
Trustee: First American Title Insurance Company
Beneficiary: American AgCredit, FLCA, a federal land credit association
29. Any easements and/or servitudes affecting easement parcel(s) 9, 10 and 11 herein described.
30. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.

Prior to the issuance of any policy of title insurance, the Company will require:

31. With respect to Kylix Vineyards California LP, a Delaware limited partnership and Dimello LP, a Delaware limited partnership, a limited partnership:
 - a. That a certified copy of the application for registration, foreign limited partnership (form LP-5) and any amendments thereto (form LP-6) be recorded in the public records;
 - b. A full copy of the partnership agreement and any amendments;
 - c. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
 - d. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable 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. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the unincorporated area of Shandon, County of San Luis Obispo, State of California, described as follows:

PARCEL 1: (A.P.N.: 037-301-025)

THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 27 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, LN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAID LANDS APPROVED BY THE SURVEYOR GENERAL ON JUNE 25, 1856.

AS DESCRIBED LN CERTIFICATE OF COMPLIANCE RECORDED FEBRUARY 19, 1981 AS DOCUMENT NO. 7404 IN [BOOK 2306 AT PAGE 546](#) OF OFFICIAL RECORDS.

EXCEPTING FROM THE ABOVE DESCRIBED LAND THE SOLE AND EXCLUSIVE RIGHT TO EXPLORE AND DRILL FOR, PRODUCE, EXTRACT AND TAKE 1/2 OF ALL OIL, GAS, ASPHALTUM, AND ALL OTHER HYDROCARBON SUBSTANCES FROM AND STORE THE SAME UPON SAID LANDS, WITH THE RIGHT TO ENTER UPON SAID LAND AT ALL TIMES FOR SAID PURPOSES AND FROM TIME TO TIME TO CONSTRUCT, USE, MAINTAIN, ERECT, REPAIR, REPLACE THEREON ALL BUILDINGS, TANKS, MACHINERY, TELEPHONE AND TELEGRAPH WIRES, AND OTHER STRUCTURES, INCLUDING PIPE LINES, WHICH MAY BE NECESSARY IN CARRYING ON SUCH BUSINESS, AND REMOVE THE SAME THEREFROM, WITH THE RIGHT OF PASSAGE OVER, UPON AND ACROSS, AND INGRESS AND EGRESS FOR SUCH PURPOSES AS RESERVED BY C. W. CLARKE COMPANY LN THE DEED RECORDED JANUARY 15, 1943 IN [BOOK 335 AT PAGE 214](#) OF OFFICIAL RECORDS.

PARCEL 2: (A.P.N.: 037-301-026)

THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 27 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAID LAND APPROVED BY THE SURVEYOR GENERAL ON JUNE 25, 1856.

EXCEPTING FROM THE ABOVE DESCRIBED LAND THE SOLE AND EXCLUSIVE RIGHT TO EXPLORE AND DRILL FOR, PRODUCE, EXTRACT AND TAKE 1/2 OF ALL OIL, GAS, ASPHALTUM, AND ALL OTHER HYDROCARBON SUBSTANCES FROM AND STORE THE SAME UPON SAID LANDS, WITH THE RIGHT TO ENTER UPON SAID LAND AT ALL TIMES FOR SAID PURPOSES AND FROM TIME TO TIME TO CONSTRUCT, USE, MAINTAIN, ERECT, REPAIR, REPLACE THEREON ALL BUILDINGS, TALKS, MACHINERY, TELEPHONE AND TELEGRAPH WIRES, AND OTHER STRUCTURES, INCLUDING PIPELINES, WHICH MAY BE NECESSARY LN CARRYING ON SUCH BUSINESS, AND REMOVE THE SAME THEREFROM, WITH THE RIGHT OF PASSAGE OVER, UPON AND ACROSS, AND INGRESS AND EGRESS FOR SUCH PURPOSES AS RESERVED BY C. W. CLARKE COMPANY IN THE DEED RECORDED JANUARY 15, 1943 IN [BOOK 335 AT PAGE 214](#) OF OFFICIAL RECORDS.

PARCEL 3: (A.P.N.: 037-301-007)

SECTION 9, TOWNSHIP 27 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE PLAT OF THE SURVEY OF SAID LAND APPROVED BY THE SURVEYOR GENERAL ON JUNE 25, 1856.

AS DESCRIBED IN THAT CERTIFICATE OF COMPLIANCE RECORDED FEBRUARY 19, 1981 AS DOCUMENT NO. 1981-007402 IN [BOOK 2306 AT PAGE 534](#) OF OFFICIAL RECORDS.

EXCEPTING THEREFROM PARCELS 1 AND 2 THE SOLE AND EXCLUSIVE RIGHT TO EXPLORE AND DRILL

FOR, PRODUCE, EXTRACT AND TAKE OIL, GAS, ASPHALTUM AND ALL OTHER HYDROCARBON SUBSTANCES FROM AND STORE THE SAME UPON SAID LANDS, WITH THE RIGHT TO ENTER IN SAID LAND AT ALL TIMES FOR SAID PURPOSES AND FROM TIME TO TIME CONSTRUCT, USE, MAINTAIN, ERECT, REPAIR, REPLACE THEREON, ALL BUILDING, TANKS, MACHINERY, TELEPHONE AND TELEGRAPH WIRES AND OTHER STRUCTURES, INCLUDING ALL PIPE LINES WHICH THE GRANTOR MAY DESIRE IN CARRYING ON SUCH BUSINESS AND REMOVE THE SAME THEREFROM WITH THE RIGHT OF USE FOR PASSAGE OVER AND UPON AND ACROSS AND INGRESS TO AND EGRESS FROM SAID PREMISES FOR ALL SUCH PURPOSES, AS RESERVED IN THE DEED FROM C. W. CLARKE, CO., A CORPORATION, RECORDED JANUARY 15, 1943 IN [BOOK 335, AT PAGE 214](#) OF OFFICIAL RECORDS.

NOTE: DEED RECORDED OCTOBER 14, 1966, IN [BOOK 1413 PAGE 232](#) FROM CLARKE MINERAL CO., A NEVADA CORPORATION TO MILDRED E. HANSEN AND KENT IVER HANSEN, PURPORTS TO CONVEY 1/2 INTEREST IN AND TO ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN UNDER, OR THAT MAY BE PRODUCED FROM.

PARCEL 4: (A.P.N.: 037-301-020)

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 27 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO PLAT OF THE OFFICIAL SURVEY OF SAID LAND APPROVED BY THE SURVEYOR GENERAL ON JUNE 25, 1856.

EXCEPTING THEREFROM THE SOLE AND EXCLUSIVE RIGHT TO DRILL FOR, PRODUCE, EXTRACT AND TAKE OIL, GAS, ASPHALTUM, AND ALL OTHER HYDROCARBON SUBSTANCES FROM AND STORE THE SAME UPON SAID LANDS, WITH THE RIGHT TO ENTER UPON SAID LAND AT ALL TIMES FOR SAID PURPOSES AND FROM TIME TO TIME TO CONSTRUCT, USE, MAINTAIN, ERECT, REPAIR, REPLACE THEREON ALL BUILDING, TANKS, MACHINERY, TELEPHONE WIRES, AND OTHER STRUCTURES, INCLUDING ALL PIPELINES WHICH THE GRANTOR MAY DESIRE IN CARRYING ON SUCH BUSINESS, AND REMOVE THE SAME THEREFROM, WITH THE RIGHT OF USE FOR PASSAGE OVER, UPON AND ACROSS, AND INGRESS AND EGRESS FROM SAID PREMISES FOR ALL SUCH PURPOSES, AS RESERVED IN THE DEED FROM C.W. CLARKE CO., A CORPORATION, RECORDED JANUARY 15, 1943 IN [BOOK 335 AT PAGE 214](#) OF OFFICIAL RECORDS.

NOTE: A DEED RECORDED OCTOBER 14, 1966 IN [BOOK 1413 AT PAGE 232](#) FROM CLARKE MINERAL CO., A NEVADA CORPORATION, TO MILDRED E. HANSEN AND KENT IVER HANSEN PURPORTS TO CONVEY AN UNDIVIDED 1/2 INTEREST IN AN TO ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN, UNDER, OR THAT MAY BE PRODUCED FROM THE HEREIN DESCRIBED PROPERTY.

SAID LAND IS DESCRIBED IN CERTIFICATE OF COMPLIANCE RECORDED FEBRUARY 19, 1981 AS INSTRUMENT NO. 7401 IN [BOOK 2306 AT PAGE 529](#) OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 5:

A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES PRIMARILY OVER AN EXISTING ROADWAY THROUGH A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4, TOWNSHIP 27 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, LYING 15 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SAID SECTION 4, SAID POINT BEARING WEST, 568.83 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 4; THENCE NORTH 5°06'30" EAST, 2.82 FEET; THENCE ALONG A CURVE TO THE RIGHT WHOSE RADIUS IS 600.00 FEET THROUGH A CENTRAL ANGLE OF 16°2'05" FOR AN ARC LENGTH OF 171.23 FEET; THENCE NORTH 21°27'35" EAST, 100.03 FEET; THENCE ALONG A CURVE TO THE LEFT WHOSE RADIUS IS 300.00 FEET THROUGH A CENTRAL ANGLE OF 33°20'15" FOR AN ARC LENGTH OF

174.55 FEET; THENCE NORTH 11°52'40" WEST, 58.62 FEET; THENCE LEAVING THE EXISTING ROADWAY ALONG A CURVE TO THE RIGHT WHOSE RADIUS IS 100.00 FEET THROUGH A CENTRAL ANGLE OF 22°29'23" FOR AN ARC LENGTH OF 39.25 FEET; THENCE NORTH 10°36'48" EAST, 177.06 FEET; THENCE REJOINING THE EXISTING ROADWAY ALONG A CURVE TO THE RIGHT WHOSE RADIUS IS 60.00 FEET THROUGH A CENTRAL ANGLE OF 92°04'45" FOR AN ARC LENGTH OF 96.43 FEET; THENCE ALONG A CURVE TO THE LEFT WHOSE RADIUS IS 70.28 FEET THROUGH A CENTRAL ANGLE OF 53°12'29" FOR AN ARC LENGTH OF 65.27 FEET; THENCE NORTH 49°29'04" EAST, 38.50 FEET PLUS OR MINUS TO THE CENTERLINE OF TRUESDALE ROAD, COUNTY ROAD #5223, THE SIDE LINES OF SAID 30.00 FOOT EASEMENT TO BE LENGTHENED OR SHORTENED TO INTERSECT THE BOUNDARY LINES OF SAID SECTION 4.

PARCEL 6: (A.P.N.: 037-321-001)

ALL OF SECTION 16, TOWNSHIP 27 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAID LANDS, APPROVED BY THE SURVEYOR GENERAL ON JUNE 25, 1856.

EXCEPTING THEREFROM THE SOLE AND EXCLUSIVE RIGHT TO EXPLORE AND DRILL FOR, PRODUCE, EXTRACT AND TAKE OIL, GAS, ASPHALTUM AND ALL OTHER HYDROCARBON SUBSTANCES FROM AND STORE THE SAME UPON SAID LANDS, WITH THE RIGHT TO ENTER IN SAID LAND AT ALL TIMES FOR SAID PURPOSES AND FROM TIME TO TIME CONSTRUCT, USE, MAINTAIN, ERECT, REPAIR, REPLACE THEREON, ALL BUILDING, TANKS, MACHINERY, TELEPHONE AND TELEGRAPH WIRES AND OTHER STRUCTURES, INCLUDING ALL PIPE LINES WHICH THE GRANTOR MAY DESIRE IN CARRYING ON SUCH BUSINESS AND REMOVE THE SAME THEREFROM WITH THE RIGHT OF USE FOR PASSAGE OVER AND UPON AND ACROSS AND INGRESS TO AND EGRESS FROM SAID PREMISES FOR ALL SUCH PURPOSES AS RESERVED IN THE DEED FROM C. W. CLARKE, CO., A CORPORATION, RECORDED JANUARY 15, 1943 IN [BOOK 335, PAGE 214](#) OF OFFICIAL RECORDS.

TOGETHER WITH AN UNDIVIDED ½ INTEREST IN THE ABOVE MENTIONED MINERALS HAS WHICH BEEN DEEDED TO MILDRED E. HANSEN AND KENT IVER HANSEN BY DEED RECORDED OCTOBER 14, 1966 IN [BOOK 1413, PAGE 232](#) OF OFFICIAL RECORDS.

PARCEL 6A:

1. AN APPURTENANT NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES PRIMARILY OVER AN EXISTING ROADWAY THROUGH A PORTION OF THE SOUTHEAST ¼ OF THE SOUTHEAST ¼ OF SECTION 4, TOWNSHIP 27 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS GRANTED IN AN INSTRUMENT RECORDED MARCH 15, 1985 IN [BOOK 2686, PAGE 981](#) OF OFFICIAL RECORDS, SAN LUIS OBISPO COUNTY, LYING 15 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SAID SECTION 4, SAID POINT BEARING WEST 568.83 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 4; THENCE NORTH 5° 06' 30" EAST, 2.82 FEET; THENCE ALONG A CURVE TO THE RIGHT WHOSE RADIUS IS 600.00 FEET THROUGH A CENTRAL ANGLE OF 16° 21' 05" FOR AN ARC LENGTH OF 171.23 FEET; THENCE NORTH 21° 27' 35" EAST, 100.03 FEET; THENCE ALONG A CURVE TO THE LEFT WHOSE RADIUS IS 300.00 FEET THROUGH A CENTRAL ANGLE OF 33° 20' 15" FOR AN ARC LENGTH OF 174.55 FEET; THENCE NORTH 11° 52' 40" WEST, 58.62 FEET; THENCE LEAVING THE EXISTING ROADWAY ALONG A CURVE TO THE RIGHT WHOSE RADIUS IS 100.00 FEET THROUGH A CENTRAL ANGLE OF 22° 29' 23" FOR AN ARC LENGTH OF 39.25 FEET; THENCE NORTH 10° 36' 48" EAST, 177.06 FEET; THENCE REJOINING THE EXISTING ROADWAY ALONG A CURVE TO THE RIGHT WHOSE RADIUS IS 60.00 FEET THROUGH A CENTRAL ANGLE OF 92° 04' 45" FOR AN ARC LENGTH OF 96.43 FEET; THENCE ALONG A CURVE TO THE LEFT WHOSE RADIUS IS 70.28 FEET THROUGH A CENTRAL ANGLE OF 53° 12' 29" FOR AN ARC LENGTH OF 65.27 FEET; THENCE NORTH 49° 29' 04" EAST, 38.50 FEET PLUS OR MINUS TO THE CENTERLINE OF

TRUESDALE ROAD, COUNTY ROAD #5223, THE SIDE LINES OF SAID 30.00 FOOT EASEMENT TO BE LENGTHENED OR SHORTENED TO INTERSECT THE BOUNDARY LINES OF SAID SECTION 4.

2. AN APPURTENANT NON-EXCLUSIVE UTILITY EASEMENT OVER A PORTION OF THE SOUTHEAST ¼ OF THE SOUTHEAST ¼ OF SECTION 4, TOWNSHIP 27 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS GRANTED IN AN INSTRUMENT RECORDED FEBRUARY 13, 1986 IN [BOOK 2801, PAGE 39](#) OF OFFICIAL RECORDS, SAN LUIS OBISPO COUNTY AND DESCRIBED AS FOLLOWS:

A STRIP OF LAND OF THE UNIFORM WIDTH OF 10 FEET LYING 5 FEET ON EACH SIDE OF THE LINE WHICH BEGINS AT A POINT IN AN EXISTING LINE OF POLES OF PACIFIC GAS AND ELECTRIC COMPANY WITHIN SAID LANDS AND RUNS THENCE SOUTH 43° 21' WEST APPROXIMATELY 95 FEET TO A POINT IN THE GENERAL NORTHEASTERLY BOUNDARY LINE OF THE COUNTY ROAD KNOWN AS TRUESDALE ROAD; SAID POINT OF BEGINNING BEARS NORTH 14°00 ½' WEST, 911.6 FEET DISTANT FROM THE FOUND 3-INCH BRASS CAPPED MONUMENT ACCEPTED AS MARKING THE SOUTHEAST CORNER OF SAID LANDS; THENCE SIDELINES OF SAID STRIP SHALL BE LENGTHENED OR SHORTENED AT THE SOUTHWESTERLY TERMINUS THEREOF SO AS TO TERMINATE IN SAID GENERAL NORTHEASTERLY BOUNDARY LINE, TOGETHER WITH AN ANCHOR EASEMENT 15 FEET EASTERLY OF THE EXISTING POWER POLE.

PARCEL 6B:

APPURTENANT EASEMENTS ACROSS SECTION 9, TOWNSHIP 27 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RESERVED IN THE DEED RECORDED APRIL 3, 1985 IN [BOOK 2692, PAGE 721](#) OF OFFICIAL RECORDS, SAN LUIS OBISPO COUNTY, DESCRIBED AS FOLLOWS:

1. AN EASEMENT FOR INGRESS THERETO, EGRESS THEREFROM, ELECTRICITY AND WATERLINES AS SHOWN ON MAP ON EXHIBIT "A" OF THE ABOVE MENTIONED DOCUMENT, 40 FEET IN WIDTH THE CENTERLINE OF WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF SAID SECTION 9 SAID POINT BEING THE "POINT OF BEGINNING" OF THE EASEMENT DESCRIBED BY DEED RECORDED IN [BOOK 2686, PAGE 981](#) OF OFFICIAL RECORDS, RECORDS OF SAN LUIS OBISPO COUNTY, THENCE SOUTHERLY ALONG THE FOLLOWING COURSES:

SOUTH 3° 29' 08" EAST, 568.04 FEET; SOUTH 9° 57' 30" WEST, 83.72 FEET; SOUTH 17° 18' 50" WEST, 130.89 FEET; SOUTH 14° 48' 31" WEST, 906.39 FEET; SOUTH 10° 16' 55" WEST, 230.17 FEET; SOUTH 25° 34' 41" WEST, 198.54 FEET; SOUTH 2° 23' 03" WEST, 112.41 FEET; SOUTH 17° 50' 53" EAST, 163.88 FEET; SOUTH 10° 13' 44" WEST, 105.62 FEET; SOUTH 19° 47' 29" WEST, 241.83 FEET; SOUTH 29° 18' 44" WEST, 175.32 FEET; SOUTH 22° 47' 45" WEST, 370.65 FEET; SOUTH 7° 28' 16" WEST, 64.38 FEET; SOUTH 6° 17' 32" EAST, 144.20 FEET; SOUTH 2° 19' 09" WEST, 114.75 FEET; SOUTH 16° 16' 31" EAST, 52.10 FEET; SOUTH 38° 21' 40" EAST, 99.19 FEET; SOUTH 5° 35' 02" EAST, 81.82 FEET; SOUTH 27° 46' 14" EAST, 135.05 FEET; SOUTH 21° 52' 59" EAST, 381.83 FEET; SOUTH 17° 25' 09" EAST, 351.12 FEET; SOUTH 5° 24' 00" WEST, 181.90 FEET; SOUTH 8° 40' 48" WEST, 200.77 FEET; SOUTH 18° 15' 05" WEST, 116.31 FEET; SOUTH 34° 20' 33" WEST, 216.24 FEET; SOUTH 7° 08' 37" WEST, 151.22 FEET; MORE OR LESS TO A POINT ON THE SOUTHERLY LINE OF SAID SECTION 9 LYING WEST 965.89 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 9.

2. AN EASEMENT FOR A WATER WELL SITE, ACCESS POWER AND WATER LINES ON EXHIBIT "B" OF THE ABOVE MENTIONED DOCUMENT AS SHOWN ON THE MAP AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF SAID SECTION 9, SAID POINT BEING THE "POINT OF BEGINNING" OF THE EASEMENT DESCRIBED BY DEED RECORDED IN [BOOK 2686, PAGE 981](#) OF OFFICIAL RECORDS, RECORDS OF SAN LUIS OBISPO COUNTY, THENCE SOUTH 3° 29' 08" EAST, 249.70 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 86° 30' 52" EAST, 77.24 FEET; THENCE SOUTH 3° 29' 08" EAST, 50.00 FEET; THENCE SOUTH 86° 30' 52" WEST, 77.24 FEET; THENCE

NORTH 3° 29' 08" WEST, 50.00 FEET TO THE TRUE POINT OF BEGINNING.

3. AN EASEMENT FOR UTILITY PURPOSES, TOGETHER WITH INCIDENTAL RIGHTS OF INSTALLATION, REPAIR AND MAINTENANCE, ACROSS THE WESTERLY 10 FEET OF SAID SECTION 9 REFERRED TO ABOVE.

PARCEL 7: (CERTIFICATE OF COMPLIANCE [2000-076027](#)) (A.P.N.: 037-321-016)

ALL OF SECTION 21; THE WEST HALF OF THE WEST HALF OF SECTION 22, THAT PORTION OF SECTION 28 AND THE WEST HALF OF THE WEST HALF OF SECTION 27 LYING NORTHERLY OF A LINE BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 28 WHICH LIES S 00°14'13" W 2,807.71 FEET FROM THE 1/2" REBAR WITH THE TAG LS 5145 SET AT THE NORTHWEST CORNER OF SAID SECTION 28, THENCE S 89°38'08" E 6,670.75 FEET TO A 1/2" REBAR WITH TAG LS 5145 SET IN THE EAST LINE OF SAID WEST HALF OF THE WEST HALF OF SECTION 27; ALL IN TOWNSHIP 27 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LANDS APPROVED BY THE SURVEYOR GENERAL ON JUNE 25, 1856.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER MINERALS AND MINERAL RIGHTS, WHETHER METALLIC OR NON-METALLIC, THEREIN AND THEREUNDER TOGETHER WITH THE PERPETUAL RIGHT OF INGRESS AND EGRESS TO AND FROM SAID LANDS FOR THE PURPOSE OF DRILLING, EXPLORING AND MINING AND IN EVERY WAY OPERATING FOR SUCH OIL, GAS AND MINERALS AND REMOVING THE SAME AS RESERVED BY AVENALES LAND AND CATTLE CO., A CALIFORNIA CORPORATION AND IN DEED RECORDED NOVEMBER 24, 1964 IN [BOOK 1325, PAGE 449](#) OF OFFICIAL RECORDS.

PARCEL 8: (CERTIFICATE OF COMPLIANCE [2000-076028](#)) (A.P.N.: 037-331-014)

ALL OF SECTION 33; THE WEST HALF OF THE WEST HALF OF SECTION 34; THAT PORTION OF SECTION 28 AND THE WEST HALF OF THE WEST HALF OF SECTION 27 LYING SOUTHERLY OF A LINE BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 28 WHICH LIES S 00°14'13" W 2,807.71 FEET FROM THE 1/2" REBAR WITH THE TAG LS 5145 SET AT THE NORTHWEST CORNER OF SAID SECTION 28, THENCE S 89°38'08" E 6,670.75 FEET TO A 1/2" REBAR WITH TAG LS 5145 SET IN THE EAST LINE OF SAID WEST HALF OF THE WEST HALF OF SECTION 27; THE NORTHERLY 1,306.06 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 32, ALL IN TOWNSHIP 27 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LANDS APPROVED BY THE SURVEYOR GENERAL ON JUNE 25, 1856.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER MINERALS AND MINERAL RIGHTS, WHETHER METALLIC OR NON-METALLIC, THEREIN AND THEREUNDER TOGETHER WITH THE PERPETUAL RIGHT OF INGRESS AND EGRESS TO AND FROM SAID LANDS FOR THE PURPOSE OF DRILLING, EXPLORING AND MINING AND IN EVERY WAY OPERATING FOR SUCH OIL, GAS AND MINERALS AND REMOVING THE SAME AS RESERVED BY AVENALES LAND AND CATTLE CO., A CALIFORNIA CORPORATION AND IN DEED RECORDED NOVEMBER 24, 1964 IN [BOOK 1325, PAGE 449](#) OF OFFICIAL RECORDS.

PARCEL 9:

AN EASEMENT FOR ROADWAY PURPOSES, INCLUDING THE RIGHT TO CONSTRUCT, MAINTAIN AND OPERATE A ROADWAY AND ANY PUBLIC UTILITIES ON, OVER OR UNDER A STRIP OF LAND 84 FEET WIDE OVER A PORTION OF SECTION 22, IN TOWNSHIP 27 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LANDS APPROVED BY THE SURVEYOR GENERAL ON JUNE 25, 1856 LYING 42 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE: BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 22; A LINE FROM SAID QUARTER CORNER TO THE SOUTH QUARTER CORNER OF SAID SECTION 22 IS ASSUMED TO HAVE A BEARING OF SOUTH 0°14'31" WEST,

FOR PURPOSES OF THIS DESCRIPTION; THENCE SOUTH 01°41'31" WEST, 1,135.15 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 33°24'28" WEST, 1,244.41 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 600.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 29°57'22" A DISTANCE OF 313.70 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 63°21'50" WEST, 490.00 FEET, MORE OR LESS TO THE EAST LINE OF THE WEST QUARTER OF SAID SECTION 22; THE SIDELINES OF THE DESCRIBED 84 FEET WIDE STRIP OF LAND TO BE PROLONGED OR SHORTENED SO AS TO TERMINATE AT SAID EAST LINE OF SAID WEST QUARTER OF SAID SECTION 22.

PARCEL 10:

AN EASEMENT FOR ROADWAY PURPOSES, INCLUDING THE RIGHT TO CONSTRUCT, MAINTAIN AND OPERATE A ROADWAY AND ANY PUBLIC UTILITIES ON, OVER OR UNDER A STRIP OF LAND 84 FEET WIDE OVER A PORTION OF SECTIONS 14, 15 & 22, IN TOWNSHIP 27 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LANDS APPROVED BY THE SURVEYOR GENERAL ON JUNE 25, 1856 LYING 42 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE: BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 22; A LINE FROM SAID QUARTER CORNER TO THE SOUTH QUARTER CORNER OF SAID SECTION 22 IS ASSUMED TO HAVE A BEARING OF SOUTH 01°41'31" WEST, FOR PURPOSES OF THIS DESCRIPTION; THENCE SOUTH 01°41'31" WEST, 1135.15 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 33°24'28" EAST 1,064.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 600.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23°25'44" A DISTANCE OF 245.35 FEET; THENCE TANGENT TO SAID CURVE NORTH 09°58'44" EAST, 250.81 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 900.00 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°09'10" A DISTANCE OF 206.00 FEET; THENCE TANGENT TO SAID CURVE NORTH 03°10'26" WEST, 1,027.74 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 1,120.00 FEET THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 76°40'49" A DISTANCE OF 1,498.92 FEET; THENCE TANGENT TO SAID CURVE NORTH 73°30'24" EAST, 1,900.00 FEET MORE OR LESS TO THE WESTERLY LINE OF THE SAN LUIS OBISPO COUNTY ROAD; THE SIDELINES OF THE DESCRIBED 84 FEET WIDE STRIP OF LAND TO BE PROLONGED OR SHORTENED SO AS TO TERMINATE AT SAID WESTERLY LINE OF SAID COUNTY ROAD.

PARCEL 11:

AN EASEMENT FOR ROADWAY AND UTILITY PURPOSES AS CREATED IN THE DOCUMENT ENTITLED "ROADWAY AND UTILITY EASEMENT" RECORDED JANUARY 5, 2001 AS INSTRUMENT NO. [2001-000957](#) OF OFFICIAL RECORDS.

APN: 037-301-007, 020, 025 & 026 and 037-321-001 & 016 and 037-331-014

NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

CLTA 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.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
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.e., 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>
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$5,000

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, [t[or T]his 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:]

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 or

- 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 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.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)

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, 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.



First American Title

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site. There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.