

CLTA STANDARD COVERAGE POLICY OF TITLE INSURANCE

Issued By:



CHICAGO TITLE INSURANCE COMPANY

Policy Number:

61104650

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, CHICAGO TITLE INSURANCE COMPANY, a Nebraska corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
 2. Any defect in or lien or encumbrance on the title;
 3. Unmarketability of the title;
 4. Lack of a right of access to and from the land;
- and, in addition, as to an insured lender only:
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
 6. The priority of any lien or encumbrance over the lien of the insured mortgage, said mortgage being shown in Schedule B in the order of its priority;
 7. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule B, or the failure of the assignment shown in Schedule B to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

IN WITNESS WHEREOF, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed by its duly authorized officers.

Chicago Title Company
500 E. Esplanade Dr, Suite 102
Oxnard, CA 93036

Countersigned By:

Authorized Officer or Agent



Chicago Title Insurance Company

By:

President

Attest:

Secretary

SCHEDULE A

Date of Policy	Amount of Insurance	Premium
October 19, 2017 at 08:00 AM	\$8,465,000.00	\$8,912.00

1. Name of Insured:

The State of California, acting by and through the California Department of Fish and Wildlife, Wildlife Conservation Board

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

A Fee as to Parcels 1, 3, 5, 6, 7, 8, 9, 10 and 11; and
An Easements more fully described below as to Parcels 2 and 4

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

The State of California, acting by and through the California Department of Fish and Wildlife, Wildlife Conservation Board

4. The land referred to in this policy is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED

END OF SCHEDULE A

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 041-0-260-195, 041-0-260-285, 041-0-290-495, 041-0-260-355, 041-0-290-505, 041-0-260-465, 041-0-260-445, 041-0-260-215, 041-0-260-255, 041-0-260-615 and 041-0-260-455

Parcel 1: Assessor's Parcel No. 041-0-260-195

That portion of that certain tract of land marked "Cienega" on the map of the Fillmore Subdivision of Sespe Rancho, in the County of Ventura, State of California, recorded in Book 3, Page 5 of Miscellaneous Records (Maps), in the office of the County Recorder of said County, described as follows:

Beginning at a point on the Southerly line of the right of way, 100 feet wide, of the Southern Pacific Railroad Company, at the Northwesterly corner of "Parcel 2" of the land described in the deed to William Shiells Company, recorded August 8, 1968, in Book 3348, Page 359 of Official Records; thence from said point of beginning along said Southerly line of the railroad right of way,

North 77° 15' 10" West 1533.05 feet to the Northeasterly corner of "Parcel 1" of the land described in the deed to the State of California, recorded on November 3, 1966, in Book 3063, Page 500 of Official Records; thence along the Easterly line of said "Parcel 1",

South 4° 12' 50" West 923.10 feet to the Southeasterly corner of "Parcel 1" which is the true point of beginning; thence from said true point of beginning along the Southwesterly and Westerly boundaries of said "Parcel 1" by the following two courses,

1st: North 70° 22' 18" West 1385.12 feet; thence,

2nd: North 16° 08' 50" East 90.00 feet; thence,

3rd: North 73° 51' 10" West 1100.00 feet; thence,

4th: South 14° 41' 16" West 760.56 feet; thence,

5th: East 150.00 feet; thence,

6th: South 41° 24' East 366.61 feet to a point on the Southeasterly line of that certain easement described as "Parcel 3" in said deed to the State of California, recorded in Book 3063, Page 500 of Official Records; thence,

7th: East 2125.33 feet to a point on the Southerly prolongation of said Easterly line of "Parcel 1"; thence along said prolonged line,

8th: North 4° 12' 50" East 153.47 feet to said true point of beginning.

EXCEPT an undivided 20% interest in all oil, gas and other mineral rights (excluding gravel) in said land, as granted to John E. Rhodes, et al., in deed recorded April 7, 1964, in Book 2516, Page 116 of Official Records.

ALSO EXCEPT an undivided 40% interest in and to all oil, gas, hydrocarbon and minerals of every kind lying more than 500 feet below the surface of said land, without right of surface entry as granted to

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Patricia W. Heath, et al., in deed recorded November 22, 1967, in Book 3226, Page 579 of Official Records, and subject to the conditions and restrictions contained in said deed.

ALSO EXCEPT therefrom "all minerals, oil, gas and other hydrocarbon substances lying in and under said land below a depth of 500 feet below the surface of said land", as reserved by Sespe Land and Water Company, et al., in deed recorded December 28, 1970, as Document No. 64440 of Official Records.

Parcel 2:

A non-exclusive easement for road and utility purposes along a strip of land 30 feet wide in that certain tract of land marked "Cienega" on the map of the Fillmore Subdivision of Sespe Rancho, in the County of Ventura, State of California, recorded in Book 3, Page 5 of Miscellaneous Records (Maps), in the office of the County Recorder of said County, the Westerly line of said strip of land being described as follows:

Beginning at a point on the Southerly line of the right of way, 100 feet wide, of the Southern Pacific Railroad Company, at the Northwestern corner of Parcel 2 of the land described in the deed to Shiells Company, recorded on August 8, 1968, in Book 3348, Page 359 of Official Records; thence from said point of beginning along said Southerly line of the railroad right of way,

North 77° 15' 10" West 1533.05 feet to the Northeasterly corner of Parcel 1 of the land described in the deed to the State of California, recorded on November 3, 1966, in Book 3063, Page 500 of Official Records; thence along the Northerly prolongation of the Easterly line of said Parcel 1,

North 4° 12' 50" East 526.23 feet to the true point of beginning on the Southerly line of the California State Highway, 100 feet wide, as described in the deed to the State of California, recorded June 5, 1937, in Book 507, Page 473 of Official Records, said true point of beginning being distant along said Southerly line of the State Highway South 89° 32' 50" East 392.78 feet from a point which bears South 0° 27' 10" West 50.00 feet from a bolt and washer set at the Westerly terminus of the course recited as "South 89° 32' 50" East 2644.83 feet" in said deed to the State of California, recorded in Book 507, Page 473 of Official Records; thence from said true point of beginning along said Northerly prolongation of the Easterly line and the Southerly prolongation of said Easterly line of Parcel 1 of the land described in said deed to the State of California, recorded in Book 3063, Page 500 of Official Records.

1st: South 4° 12' 50" West 1602.80 feet, at 475.64 feet to a point on the centerline of said 100 foot wide right of way to the Southern Pacific Railroad Company, at 526.23 feet said Northeasterly corner of Parcel 1, at 1449.33 feet the Southeasterly corner of said Parcel 1, at 1602.80 feet the terminus of this easement.

EXCEPT that portion thereof within the lines of the Southern Pacific Railroad Company's right of way, 100 feet wide.

Said easement is appurtenant to and for the benefit of Parcel 1 above described, and any part, parcel or subdivision thereof.

Parcel 3: Assessor's Parcel No. 041-0-260-285; 041-0-290-495

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That portion of that certain tract of land marked "Cienega" on the map of the Fillmore Subdivision of Sespe Rancho, in the County of Ventura, State of California, as per Map recorded in Book 3, Page 5 of Miscellaneous Records (Maps), in the office of the County Recorder of said Ventura County, and the Southeast one-quarter of the Northwest one-quarter; and the Southeast one-quarter of the Northwest one-quarter, Lot 3; Lot 4 and a portion of Lot 2 of Section 32, Township 4 North, Range 19 West, San Bernardino Meridian, according to the official plat of said land on file in the Bureau of Land Management, described as a whole as follows:

Beginning at Corner No. S-54 of Tract No. 2 of said Sespe Ranch; thence along the Westerly line the land described in the deed to William Shiells Company, recorded August 8, 1968, in Book 3348, Page 359 of Official Records,

1st: North 3° 23' 40" East 394.89 feet to a 2 inch iron pipe which bears South 3° 23' 40" West 736.69 feet from the point of intersection of said Westerly line with the Southerly line of the right of way, 100 feet wide, of the Southern Pacific Railroad Company; thence to and along the Southerly line of the land described in the deed to Alfred C. Beserra, et al., recorded December 28, 1970, in Book 3768, Page 154 of Official Records,

2nd: West 4121.60 feet, at 1530.75 feet the Southeasterly corner of said land of Beserra, at 4121.60 feet the Southwesterly corner of Parcel 2 as shown on that certain map recorded in Book 14, Page 49 of Parcel Maps and of Parcel 2 in the deed to Alfred C. Beserra et al., recorded July 3, 1973, in Book 4135, Page 534 of Official Records; thence along the Westerly line of said Parcel 2,

3rd: North 14° 41' 16" East 112.68 feet; thence,

4th: West to a point on the Westerly line of said Lot 2 of Section 32; thence,

5th: Southerly along said last-mentioned Westerly line to and along the Westerly line of said Southeast one-quarter of the Northwest one-quarter of Section 32 to a point which bears North 150.00 feet from the Southwest corner of said Southeast one-quarter of the Northwest one-quarter of Section 32; thence,

6th: East 150.00 feet; thence,

7th: South 150.00 feet to a point on the Southerly line of said Southeast one-quarter of the Northwest one-quarter of Section 32; thence along said Southerly line,

8th: East to and along the Southerly line of said Lots 3 and 4 of Section 32 to the Southeast corner of said Lot 4; thence,

9th: North along the Easterly line of said Lot 4 of Section 32 to a point on Line No. 52 of said Tract No. 2, Sespe Rancho; thence along the Southerly boundary of said Tract No. 2 by the following two courses,

10th: South 78° 30' East to Corner No. S-53; thence,

11th: North 69° 15' East 1188 feet to said Corner No. 554 at the point of beginning.

EXCEPT therefrom from that portion of said land lying within the said land marked "Cienega" the following:

(a) An undivided 20% interest in all oil, gas and other mineral rights (excluding gravel) in said land, as

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granted to John E. Rhodes, et al., in deed recorded April 7, 1964, in Book 2516, Page 116 of Official Records.

(b) An undivided 40% interest in and to all oil, gas, hydrocarbon and minerals of every kind lying more than 500 feet below the surface of said land, without right of surface entry, as granted to Patricia W. Heath, et al., in deed recorded November 22, 1967, in Book 3226, Page 579 of Official Records.

ALSO EXCEPT from that portion of said land lying within said Lots 2, 3 and 4, all oil, gas and other hydrocarbon substances and all other minerals in, under or that may be taken from said land, together with the sole and exclusive perpetual right to explore for, produce, extract, take and remove said substances (and water for such operations on said land), from and to store the same upon the said land, together with the right to construct, erect, maintain, operate, use, repair and replace thereon, and remove therefrom all derricks, tanks, machinery, buildings and equipment and structures which may be reasonable, necessary or convenient for such purposes, together with the rights of way for passage over, upon and across and ingress and egress to and from said land and for pipelines, telephone and power lines in connection with such operations on said land or elsewhere, as reserved by the Texas Company, a corporation, in deed recorded December 3, 1948, in Book 849, Page 225 of Official Records.

Parcel 4:

A non-exclusive easement for road purposes over a strip of land 40 feet wide in the tract of land marked "Cienega" on the map of the Fillmore Subdivision of the Sespe Rancho, in the County of Ventura, State of California, recorded in Book 3, Page 5 of Miscellaneous Records (Maps), in the office of the County Recorder of said Ventura County, the Northeasterly line of said strip being described as follows:

Beginning at a 1 1/2 inch iron pipe set at the point of intersection of the Southerly line of that certain tract of land 100 feet wide, as described in Parcel 2 in the deed to the State of California, recorded June 5, 1937 in Book 507, Page 473 of Official Records, and the Southwesterly line of the right of way, 100 feet wide of the Southern Pacific Railroad Company; thence from said point of beginning along said Southwesterly line by the following seven courses,

1st: South 43° 37' 10" East 63.49 feet to the beginning of a tangent curve concave Northeasterly and having a radius of 11,509.129 feet; thence,

2nd: Southeasterly along said curve through an angle of 0° 09' an arc distance of 30.13 feet to a point of compound curvature with a curve concave Northeasterly and having a radius of 5779.565 feet; thence,

3rd: Southeasterly along said compound curve through an angle of 0° 18' an arc distance of 30.26 feet to a point of compound curvature with a curve concave Northeasterly and having a radius of 3869.70 feet; thence,

4th: Southeasterly along said compound curve through an angle of 0° 27' an arc distance of 30.39 feet to a point of compound curvature with a curve concave Northeasterly and having a radius of 2914.837 feet; thence,

5th: Southeasterly along said compound curve through an angle of 31° 50' an arc distance of 1619.47 feet to a point of compound curvature with a curve concave Northerly and having a radius of 3969.70 feet; thence,

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6th: Easterly along said compound curve through an angle of 0° 27' an arc distance of 30.39 feet to a point of compound curvature with a curve concave Northerly and having a radius of 5779.565 feet; thence,

7th: Easterly along said compound curve through an angle of 0° 11' 38" an arc distance of 19.56 feet to the Northwestern corner of Parcel 2 as shown on that certain map recorded in Book 14, Page 49 of Parcel Maps and of Parcel 1 in the deed to Alfred C. Beserra et al., recorded July 3, 1973, in Book 4135, Page 534 of Official Records, the Southwesterly line of said 40 foot wide strip to be prolonged to terminate in said Southerly line of the 100 foot wide strip of land of the State of California, and the Westerly line of said Parcel 2 as shown on the map recorded in Book 14, Page 49 of Parcel Maps.

EXCEPT any portion described herein as Parcel 11.

Parcel 5: Assessor's Parcel No. 041-0-260-355; 041-0-290-505

That portion of that certain tract of land marked "Cienega" on the map of the Fillmore Subdivision of Sespe Rancho, in the County of Ventura, State of California, as per Map recorded in Book 3, Page 5 of Miscellaneous Records (Maps), in the office of the County Recorder of said Ventura County, together with a portion of Lot 2 of Section 32, Township 4 North, Range 19 West, San Bernardino Meridian, described as follows:

Beginning at a point in the North line of lands described in the deed to Alfred C. Beserra, et al., recorded on December 31, 1973, in Book 4206, Page 737 of Official Records, at the Southwest corner of Parcel "A" as shown on the map of said land recorded in Book 16, Page 3 of Parcel Map; thence from said point of beginning along said North line of lands of Beserra,

1st: West 1,000.00 feet; thence at right angles,

2nd: North 250.00 feet; thence,

3rd: South 87° 05' 28" East 1032.03 feet to a point on the West line of said Parcel "A"; thence along said West line,

4th: South 8° 49' 50" West 200.00 feet to said point of beginning.

EXCEPT an undivided 20% interest in and to all oil, gas, and other mineral rights (excluding gravel), as granted to John E. Rhodes and G. Bernice Rhodes, in deed recorded April 7, 1964, in Book 2516 Page 116 of Official Records.

ALSO EXCEPT an undivided 40% interest in and to all oil, gas, hydrocarbons and mineral of every kind lying more than 500 feet below the surface of said land, without right of surface entry, as granted to Patricia W. Heath, et al., in deed recorded November 22, 1967, in Book 3226 Page 579 of Official Records.

ALSO EXCEPT from that portion of said land lying within said Lot 2, all oil, gas and other hydrocarbon substances and all other minerals in, under or that may be taken from said land, together with the sole and exclusive perpetual right to explore for, produce, extract, take and remove said substances (and water for such operations on said land), from and to store the same upon the said land, together with the right to

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construct, erect, maintain, operate, use, repair and replace thereon, and remove therefrom all derricks, tanks, machinery, buildings and equipment and structures which ay be reasonable, necessary or convenient for such purposes, together with the rights of way for passage over, upon and across and ingress and egress to and from said land and for pipelines, telephone and power lines in connection with such operations on said land or elsewhere, as reserved by the Texas Company, a corporation, in deed recorded December 3, 1948, in Book 849, Page 225 of Official Records.

Parcel 6: Assessor's Parcel No. 041-0-260-465

That portion of that certain tract of land marked "Cienega" on the map of the Fillmore Subdivision of Sespe Rancho, in the County of Ventura, State of California, as per Map recorded in Book 3, Page 5 of Miscellaneous Records (Maps), in the office of the County Recorder of said Ventura County, described as follows:

Beginning at a point on the line common to the lands described in the deed of Alfred C. Beserra, et al., recorded December 31, 1973, in Book 4206, Page 737 of Official Records, and the South line of Parcel "A" as shown on the map of said land recorded in Book 16, Page 3 of Parcel Maps, said point of beginning being distant West 385.76 feet from the Southeast corner of said Parcel "A"; thence from said point of beginning along said common line,

1st: West 987.69 feet to the Southwest corner of said Parcel "A"; thence along the West line of said Parcel "A",

2nd: North 8° 49' 50" East 200.00 feet; thence,

3rd: South 83° 42' 57" East 976.95 feet to a point distant North 83° 42' 57" West 386.67 feet from a point on the East line of said Parcel "A" which bears North 14° 41' 16" East 50.00 feet from the Southwest corner of Parcel "A"; thence,

4th: South 8° 49' 50" West 91.78 feet to said point of beginning.

EXCEPT an undivided 20% interest in and to all oil, gas, and other mineral rights (excluding gravel), as granted to John E. Rhodes and G. Bernice Rhodes, in deed recorded April 7, 1964, in Book 2516, Page 116 of Official Records.

ALSO EXCEPT an undivided 40% interest in and to all oil, gas, hydrocarbons and mineral of every kind lying more than 500 feet below the surface of said land, without right of surface entry, as granted to Patricia W. Heath, et al., in deed recorded November 22, 1967, in Book 3226 Page 579 of Official Records.

Parcel 7: Assessor's Parcel No. 041-0-260-445

That portion of that certain tract of land marked "Cienega" on the map of the Fillmore Subdivision of Sespe Rancho, in the County of Ventura, State of California, recorded in Book 3, Page 5 of Miscellaneous Records (Maps), in the office of the County Recorder of said Ventura County, described as follows:

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Beginning at the Northerly terminus of the 3rd course, recited as "North 14° 41' 16" East 112.68 feet" in the deed to Alfred C. Beserra, et al., recorded December 31, 1973, in Book 4206, Page 737 of Official Records, said point being the Southeast corner of Parcel "A" as shown on the map of said land recorded in Book 16, Page 3 of Parcel Maps; thence from said point of beginning along the line common to said land of Beserra and said Parcel "A",

1st: South 385.76 feet; thence,

2nd: North 8° 49' 50" East 91.78 feet; thence,

3rd: South 83° 42' 57" East 386.67 feet to a point on the East line of said Parcel "A"; thence along said East line,

4th: South 14° 41' 16" West 50.00 feet to said point of beginning.

EXCEPT an undivided 20% interest in and to all oil, gas, and other mineral rights (excluding gravel), as granted to John E. Rhodes and G. Bernice Rhodes, in deed recorded April 7, 1964, in Book 2516 Page 116 of Official Records.

ALSO EXCEPT an undivided 40% interest in and to all oil, gas, hydrocarbons and mineral of every kind lying more than 500 feet below the surface of said land, without right of surface entry, as granted to Patricia W. Heath, et al., in deed recorded November 22, 1967, in Book 3226 Page 579 of Official Records.

Parcel 8: Assessor's Parcel No. 041-0-260-215

That portion of that certain tract of land marked "Cienega" on the map of the Fillmore Subdivision of Sespe Rancho, in the County of Ventura, State of California, as per Map recorded in Book 3, Page 5 of Miscellaneous Records (Maps), in the office of the County Recorder of said Ventura County, described as follows:

Beginning at a point on the Southerly line of the right of way, 100 feet wide, of the Southern Pacific Railroad Company, at the Northwestern corner of the land described as "Parcel I" in the deed to the State of California recorded November 3, 1966, in Book 3063, Page 500 of Official Records, and as particularly shown on the map of said land recorded in Book 9, Page 57 of Parcel Maps, a two inch iron pipe bears North 27° 32' East 2.28 feet from said point of beginning; thence along the Westerly line of said land of the State of California by the following three courses,

1st: South 16° 08' 50" West 400.00 feet to a point from which a 2 inch iron pipe bears North 32° 48' 50" East 2.59 feet thence,

2nd: North 77° 15' 10" West 29.73 feet; thence,

3rd: South 16° 08' 50" West 258.25 feet to a point on the Northerly boundary of "Parcel I" described in the deed to Alfred C. Beserra, et al., recorded on December 28, 1970, in Book 3768, Page 154 of Official Records; thence along said Northerly boundary,

4th: North 73° 51' 10" West 1100.00 feet; thence along the Northerly prolongation of the Westerly line of

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said land of Beserra,

5th: North 14° 41' 16" East 592.27 feet to a point on a curve concave Northerly and having a radius of 5779.565 feet in said Southerly line of the right of way of Southern Pacific Railroad Company, a radial line of said curve at said point bears South 13° 00' 12" West; thence along said railroad right of way line by the following 3 courses,

6th: Easterly along said curve through an angle of 0° 06' 22" an arc distance of 10.70 feet to a point of compound curvature with a curve concave to the North and having a radius of 11,509.129 feet; thence,

7th: Easterly along said compound curve through an angle of 0° 09' an arc distance of 30.13 feet; thence tangent to said curve,

8th: South 77° 15' 10" East 1105.94 feet to said point of beginning.

EXCEPT an undivided 20% interest in all oil, gas and other mineral rights (excluding gravel) in said land, as granted to John E. Rhodes, et al., in deed recorded April 7, 1964, in Book 2516, Page 116 of Official Records.

ALSO EXCEPT an undivided 40% interest in and to all oil, gas, hydrocarbon and minerals of every kind lying more than 500 feet below the surface of said land, without right of surface entry as granted to Patricia W. Heath, et al., in deed recorded November 22, 1967, in Book 3226, Page 579 of Official Records, and subject to the conditions and restrictions contained in said deed.

EXCEPT all oil, gas, minerals and other hydrocarbon substances lying in and under said land below a depth of 500 feet below the surface of said land, by deed recorded July 11, 1991, as Document No. 91-098201 of Official Records.

Parcel 9: Assessor's Parcel No. 041-0-260-255

That portion of that certain tract of land marked "Cienega" on the map of the Fillmore Subdivision of Sespe Rancho, in the County of Ventura, State of California, as per Map recorded in Book 3, Page 5 of Miscellaneous Records (Maps), in the office of the County Recorder of said Ventura County, described as follows:

Beginning at the most Westerly corner of the land described in the deed to Alfred C. Beserra, et al., recorded December 28, 1970, in Book 3768, Page 154 of Official Records; thence along the Southerly and Southwesterly line of said land of Beserra by the following two courses,

1st: East 150.00 feet; thence,

2nd: South 41° 24' East 366.61 feet to a point on the Southeasterly line of that certain easement described as "Parcel III" in the deed to the State of California, recorded November 3, 1966, in Book 3063, Page 500 of Official Records; thence along the Westerly prolongation of the Southerly line of said land of Beserra,

3rd: West 464.53 feet to a point on the Southwesterly prolongation of the Northwesterly line of said land of Beserra; thence along said prolonged line,

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4th: North 14° 41' 16" East 284.29 feet to said point of beginning.

EXCEPT an undivided 20% interest in all oil, gas and other mineral rights (excluding gravel) in said land, as granted to John E. Rhodes, et al., in deed recorded April 7, 1964, in Book 2516, Page 116 of Official Records.

ALSO EXCEPT an undivided 40% interest in and to all oil, gas, hydrocarbon and minerals of every kind lying more than 500 feet below the surface of said land, without right of surface entry as granted to Patricia W. Heath, et al., in deed recorded November 22, 1967, in Book 3226, Page 579 of Official Records, and subject to the conditions and restrictions contained in said deed.

EXCEPT all oil, gas, minerals and other hydrocarbon substances lying in and under said land below a depth of 500 feet below the surface of said land, by deed recorded July 11, 1991, as Document No. 91-098201 of Official Records.

Parcel 10: Assessor's Parcel No. 0410-260-615

That portion of the tract of land marked "Cienega" on the map of the Fillmore Subdivision of Sespe Rancho, Tract No. 2, in the County of Ventura, State of California, as per Map recorded in Book 3, Page 5 of Maps, in the office of the County Recorder of said Ventura County and as also shown on the map of said land recorded in Book 37, Pages 70 through 72 of Records of Surveys, described as follows:

Beginning at a point on Line No. 59 of the final survey of said Sespe Rancho, at the Northeasterly corner of the land described in the deed to the Cienega Corporation recorded July 28, 1926, in Book 117, Page 410 of Official Records, said point bears South 76° 16' 12" East 895.50 feet along said Line No. 59 and the Northerly boundary of said "Cienega" by the following three courses,

1st: South 76° 16' 12" East 1761.04 feet to corner No. S"59" of said final survey of Sespe Rancho; thence,

2nd: South 38° 16' 12" East 415.08 feet to corner No. S"58" of said final survey of Sespe Rancho; thence,

3rd: South 89° 32' 50" East 393.31 feet to a point on the Easterly line of that certain roadway easement, 40 feet wide, described as Parcel 2 in the deed to the State of California, recorded November 3, 1966, in Book 3063, Page 500 of Official Records; thence along said Easterly line,

4th: South 8° 55' 10" West 269.43 feet to a point on the Northerly line of the right of way, 100 feet wide, of Southern Pacific Railroad Company; thence along said Northerly line by the following five courses,

5th: North 77° 15' 10" West 1279.61 feet to the beginning of a tangent curve concave Northerly and having a radius of 11,409.129 feet; thence,

6th: Westerly along said curve through an angle of 0° 09' an arc distance of 29.87 feet to a point of compound curvature with a curve concave Northerly and having a radius of 5,679.565 feet; thence,

7th: Westerly along said compound curve through an angle of 0° 18' an arc distance of 29.74 feet to a point of compound curvature with a curve concave Northerly and having a radius of 3,769.70 feet; thence,

8th: Westerly along said compound curve through an angle of 0° 27' an arc distance of 29.61 feet to a

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point of compound curvature with a curve concave to the Northeast and having a radius of 2,814.837 feet; thence,

9th: Northwesterly along said compound curve through an angle of 23° 32' 51" an arc distance of 1,156.84 feet to the most Southerly corner of said lands of Cienega Corporation, a radial line to said curve at said point bears South 37° 11' 41" West; thence along the Easterly line of said lands of Cienega Corporation,

10th: North 13° 43' 48" East 223.86 feet to said point of beginning.

EXCEPT that portion thereof lying Northerly of the Southerly line of the State Highway, 100 feet wide, as described in the deed to Herbert S. Faris, recorded January 30, 1939, in Book 583, Page 282 of Official Records.

ALSO EXCEPT that portion of said land, as described in the deed to State of California, recorded February 24, 1994, as Document No. 94-031648 of Official Records.

ALSO EXCEPT that portion of said land described in the Final Order of Condemnation, Superior Court of the State of California, County of Ventura, Case No. CIV 245419 filed February 22, 2011, a Certified Copy of which recorded March 3, 2011 as Instrument No. 20110303-00037283 of Official Records.

ALSO EXCEPT an undivided 20% interest in and to all oil, gas and other mineral rights (excluding gravel) as granted to John E. Rhodes and G. Bernice Rhodes, in deed recorded April 7, 1964, in Book 2516, Page 116 of Official Records.

ALSO EXCEPT an undivided 40% interest in and to all oil, gas, hydrocarbons and mineral of every kind lying more than 500 feet below the surface of said land, without right of surface entry, as granted to Patricia W. Heath, et al., in deed recorded November 22, 1967, in Book 3226, Page 579 of Official Records.

Parcel 11: Assessor's Parcel No. 041-0-260-455

That portion of that certain tract of land marked "Cienega" on the map of the Fillmore Subdivision of Sespe Rancho, in the County of Ventura, State of California, as per Map recorded in Book 3, Page 5 of Miscellaneous Records (Maps), in the office of the County Recorder of said Ventura County, being a portion of Parcel "A" as shown on the map of said land recorded in Book 16, Page 3 of Parcel Maps, described as follows:

Beginning at a point on a taper curve concave Northerly and having a radius of 5779.565 feet in the Southerly line of the right of way, 100 feet wide, of the Southern Pacific Railroad Company, a radial line to said curve at said point bears South 13° 00' 12" West, said point being the most Easterly corner of said Parcel "A"; thence from said point of beginning along said Southerly right of way line by the following three courses,

1st: Westerly along said taper curve through an angle of 0° 11' 38" an arc distance of 19.56 feet to a point of compound curvature with a taper curve concave Northerly and having a radius of 3869.70 feet; thence,

2nd: Westerly along said curve through an angle of 0° 27' an arc distance of 30.39 feet to a point of compound curvature with a curve concave Northerly and having a radius of 2914.837 feet; thence,

EXHIBIT "A"

Legal Description

3rd: Westerly along said curve through an angle of 1° 28' 43" an arc distance of 75.22 feet to a point from which a radial line to said curve bears North 15° 07' 33" East; thence,

4th: South 9° 49' 51" West 1478.14 feet to a point on the Easterly line of said Parcel "A" distant North 14° 41' 16" East 50.00 feet from the Southeasterly corner of said Parcel "A"; thence along said Easterly line,

5th: North 14° 41' 16" East 1474.44 feet to said point of beginning.

EXCEPT an undivided 20% interest in and to all oil, gas, and other mineral rights (excluding gravel), as granted to John E. Rhodes and G. Bernice Rhodes, in deed recorded April 7, 1964, in Book 2516, Page 116 of Official Records.

ALSO EXCEPT an undivided 40% interest in and to all oil, gas, hydrocarbons and mineral of every kind lying more than 500 feet below the surface of said land, without right of surface entry, as granted to Patricia W. Heath, et al., in deed recorded November 22, 1967, in Book 3226, Page 579 of Official Records.

**SCHEDULE B
EXCEPTIONS FROM COVERAGE**

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

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, 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, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matter 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.

END OF SCHEDULE B - PART I

**SCHEDULE B
EXCEPTIONS FROM COVERAGE****PART II**

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

Code Area: 62004
Tax Identification No.: 041-0-260-195
Fiscal Year: 2017-2018
1st Installment: \$1,735.09 Paid
2nd Installment: \$1,735.09 Unpaid
Exemption: \$0.00
Land: \$48,730.00
Improvements: \$216,638.00

Affects: Parcel 1

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

Code Area: 62004
Tax Identification No.: 041-0-260-285
Fiscal Year: 2017-2018
1st Installment: \$625.26 Paid
2nd Installment: \$625.26 Unpaid
Exemption: \$0.00
Land: \$16,432.00
Improvements: \$36,261.00

Affects: A portion of Parcel 3

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

Code Area: 62004
Tax Identification No.: 041-0-290-495
Fiscal Year: 2017-2018
1st Installment: \$173.92 Paid
2nd Installment: \$173.92 Unpaid
Exemption: \$0.00
Land: \$27,414.00
Improvements: \$0.00

Affects: A portion of Parcel 3

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

Code Area: 62004
Tax Identification No.: 041-0-260-355
Fiscal Year: 2017-2018
1st Installment: \$13.65 Paid
2nd Installment: \$13.65 Unpaid
Exemption: \$0.00
Land: \$579.00
Improvements: \$0.00

Affects: A portion of Parcel 5

SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

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

Code Area: 62004
Tax Identification No.: 041-0-290-505
Fiscal Year: 2017-2018
1st Installment: \$2.26 Paid
2nd Installment: \$2.26 Unpaid
Exemption: \$0.00
Land: \$376.00
Improvements: \$0.00

Affects: A portion of Parcel 5

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

Code Area: 62004
Tax Identification No.: 041-0-260-465
Fiscal Year: 2017-2018
1st Installment: \$95.40 Paid
2nd Installment: \$95.40 Unpaid
Exemption: \$0.00
Land: \$12,892.00
Improvements: \$0.00

Affects: Parcel 6

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

Code Area: 62004
Tax Identification No.: 041-0-260-445
Fiscal Year: 2017-2018
1st Installment: \$0.00 no taxes due
2nd Installment: \$0.00 no taxes due

Affects: Parcel 7

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

Code Area: 62004
Tax Identification No.: 041-0-260-215
Fiscal Year: 2017-2018
1st Installment: \$758.08 Paid
2nd Installment: \$758.08 Unpaid
Exemption: \$0.00
Land: \$102,476.00
Improvements: \$11,909.00

Affects: Parcel 8

SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

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

Code Area: 62004
Tax Identification No.: 041-0-260-255
Fiscal Year: 2017-2018
1st Installment: \$60.97 Paid
2nd Installment: \$60.97 Unpaid
Exemption: \$0.00
Land: \$6,305.00
Improvements: \$1,727.00

Affects: Parcel 9

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

Code Area: 62004
Tax Identification No.: 041-0-260-615
Fiscal Year: 2017-2018
1st Installment: \$1,926.13 Paid
2nd Installment: \$1,926.13 Unpaid
Exemption: \$0.00
Land: \$284,976.00
Improvements: \$25,123.00

Affects: Parcel 10

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

Code Area: 62004
Tax Identification No.: 041-0-260-455
Fiscal Year: 2017-2018
1st Installment: \$102.84 Paid
2nd Installment: \$102.84 Unpaid
Exemption: \$0.00
Land: \$6,925.00
Improvements: \$7,926.00

Affects: Parcel 11

12. 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.

SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

13. Any adverse claim based upon the assertion that:
- a. Some portion of said Land has been created by artificial means, or has accreted to such portion so created.
 - b. Some portion of said Land has been brought within the boundaries thereof by an avulsive movement of Santa Clara River or has been formed by accretion to any such portion.
14. Rights and easements for navigation and fishery which may exist over that portion of said Land lying beneath the waters of Santa Clara River.
15. Any rights in favor of the public which may exist on said Land if said Land or portions thereof are or were at any time used by the public.
16. The terms and effect of the Agreement between N.A.M. Kellogg and the Sespe Land and Water Company in relation to the waters from the "Kellogg Spring" and right of way for pipelines therefrom, recorded September 25, 1894, Book 43, Page 310 of Deeds.

Affects: Parcels 4 and 6

17. Easements over the following described portions of said land for a public highway and incidents thereto, as granted to the County of Ventura or to the State of California, by the following deeds:
- (a) A 60-foot wide strip of land, by Deed recorded April 4, 1917, Book 154, Page 484 of Deeds
 - (b) A 100-foot wide strip of land and a small triangular parcel of land in the northwesterly corner of said land, by Deed recorded June 5, 1937, Book 507, Page 473 of Official Records
 - (c) A 100-foot wide strip of land, by Deed recorded June 5, 1937, Book 522, Page 98 of Official Records
 - (d) A 100-foot wide strip of land, by Deed recorded August 26, 1937, Book 522, Page 260 of Official Records

By Abandonment Proceedings dated April 9, 1940, recorded April 12, 1940, Book 577, Page 654 of Official Records, the following described portions of said highway were abandoned:

"All those portions of said right of way along said Telegraph Road, lying outside a strip of land 100 feet wide, being 50 feet on each side of the centerline of new State Highway, as said centerline is designated and delineated on the Maps filed in State Highway Map Book No. 2, Pages 50 and 51, Records of Ventura County."

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

Affects: Parcel 10

SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

18. Waiver of any claims for damages to said Land by reason of the location, construction, landscaping or maintenance of the street or highway adjoining said Land, as contained in the deed to

County/City/State: State of California
Recorded: Book 507, Page 473 of Official Records

Affects: Parcels 2 and 10

19. Privilege and right to extend drainage structures and excavation and embankment slopes beyond the limit of the State Highway, as contained in the document set forth below:

Recording Date: July 11, 1938
Recording No.: Book 577, Page 304 of Official Records

20. The effect of an instrument dated June 26, 1941, recorded September 2, 1941, Book 640, Page 663 of Official Records, wherein Sespe Land and Water Company:

- (a) Requests the State of California to raise a distance of 3 feet measured vertically, the existing bridge on the state highway across that certain stream known as pole creek, and releases and discharges said State of California from any and all damages of whatsoever nature that may have accrued, or that may thereafter accrue to said land by reason of any possible effect upon the flow of storm waters in pole creek occasioned by the existing highway bridge or by the elevated bridge; and
- (b) Consents to the raising of the grade of the state highway beginning at the existing grade of the highway 400 feet on each side of pole creek, and raising said grade to conform to the new elevated bridge at pole creek, and waives any and all claim to damages, by reason of such change of grade

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

Affects: Parcel 10

21. A non-exclusive easement to use the channel of the Santa Clara River where said channel passes through said land for the flow of water released by normal operation of the San Felicia Dam in favor of United Water Conservation District, recorded December 19, 1960, Book 1941, Page 28 of Official Records.

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

Affects: Parcels 1 through 7, 10 and 11

By deed dated February 28, 1973, recorded March 8, 1973, Book 4084, Page 347 of Official Records, United Water Conservation District quitclaimed to Sespe Land and Water Company, a California corporation, certain rights as therein described.

SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

22. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable laws, as set forth in the document referred to in the numbered item last above shown.
23. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: State of California
Purpose: Transporting, moving or flowing water, together with the right of constructing and maintaining a channel for such
Recording Date: November 3, 1966
Recording No.: Book 3063, Page 500 of Official Records
Affects: A portion of Parcel 1, 8, 9 and 10
24. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: State of California
Purpose: Road
Recording Date: November 3, 1966
Recording No.: Book 3063, Page 500 of Official Records
Affects: The Easterly 40 feet of Parcel 10
25. The rights, interest and claims of Department of Public Works, Division of Water Resources and of Division of Fish and Games, Department of Natural Resources, State of California, to the use of the waters of an unnamed stream, as disclosed by a License Agreement filed March 29, 1946, as Document No. 7892 of Official Records.
- Said license was modified by an order as provided therein, recorded February 20, 1967, Book 3107, Page 119 of Official Records.
- Affects: Parcels 1, 3, 5, 6, 7, 10 and 11
26. Covenants, conditions and provisions contained in the deed conveying 40% interest in and to the oil, gas, hydrocarbons and minerals excepted from the description, recorded November 22, 1967, Book 3226, Page 579 of Official Records.
- Affects: Parcels 3, 5, 6, 7, 10 and 11.
27. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: Southern California Edison Company
Purpose: Public utilities and incidental purposes
Recording Date: March 13, 1972
Recording No.: Book 3930, Page 670 of Official Records
Affects: A portion of Parcel 3

SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

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

Granted to: Southern California Edison Company
Purpose: Public utilities and incidental purposes
Recording Date: September 15, 1972
Recording No.: Book 4009, Page 689 of Official Records
Affects: A portion of Parcel 8

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

Granted to: Southern California Edison Company
Purpose: Public utilities and incidental purposes
Recording Date: September 27, 1972
Recording No.: Book 4014, Page 487 of Official Records
Affects: A portion of Parcel 1 and 2

30. Matters contained in that certain document

Entitled: General Release of All Claims and Covenants Not to Sue,
Running With the Land
Executed by: Sespe Land and Water Company
Recording Date: May 22, 1973
Recording No.: Book 4116, Page 722 of Official Records

Reference is hereby made to said document for full particulars.

Affects: Parcels 1, 3, 8 and 9

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

Granted to: Southern California Edison Company
Purpose: Public utilities and incidental purposes
Recording Date: November 16, 1973
Recording No.: Book 4191, Page 405 of Official Records
Affects: A portion of Parcel 11

32. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Map: Record of Survey
Recording No.: Book 37, Page 70 of Record of Surveys

Affects: Parcels 2 and 10

33. Easement(s) for the purpose(s) shown below and rights incidental thereto, as delineated on or as offered for dedication on

Map/Plat: Parcel Map
Recording No.: Book 16, Page 3 of Parcel Maps
Purpose: Proposed roadway
Affects: A portion of Parcel 4

SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

34. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on
- Map: Parcel Map
Recording No.: Book 14, Page 49 of Parcel Maps
- Affects: Parcels 1, 8 and 9
35. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: Southern California Edison Company
Purpose: Public utilities and incidental purposes
Recording Date: April 9, 1982
Recording No.: as Document No. 34098 of Official Records
Affects: A portion of Parcel 8
36. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: Southern California Edison Company
Purpose: Public utilities and incidental purposes
Recording Date: February 26, 1988
Recording No.: as Document No. 88-24614 of Official Records
Affects: A portion of Parcel 3
37. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: ABC Rhubard Farms, Inc.
Purpose: Drainage
Recording Date: January 15, 1990
Recording No.: as Document No. 90-90126 of Official Records
Affects: A portion of Parcel 1
38. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document
- Recording Date: February 28, 1992
Recording No.: as Document No. 92-32521 of Official Records
- Affects: Parcel 1
39. Intentionally deleted
40. Intentionally deleted

SCHEDULE B
EXCEPTIONS FROM COVERAGE
(continued)

41. Matters contained in that certain document

Entitled: Notice of Intent to Preserve Interest
Dated: October 20, 2009
Executed by: James G. Allen, Attorney for
Alfred C. Beserra and Teresa P. Beserra
Recording Date: October 26, 2009
Recording No.: as Document No. 20091026-174692 of Official Records

Reference is hereby made to said document for full particulars.

42. Matters contained in that certain document

Entitled: Covenant Running With the Land for the Waiver of Claims for Injury Resulting from Flooding, Ponding or the Impoundment of Water or Interference With or Redirection of Drainage of Water
Dated: May 19, 2013
Executed by: Alfred C Beserra and Teresa P. Beserra, as Trustees of the Alfred C. and Theresa P. Beserra Living Trust dated 1995
Recording Date: June 28, 2013
Recording No.: as Document No. 20130628-116310 of Official Records

Reference is hereby made to said document for full particulars.

43. Matters contained in that certain document

Entitled: Easement Agreement
Dated: March 31, 2013
Executed by: Ventura County Transportation Commission; and
Alfred Beserra and Teresa Beserra, individually and as Trustee of the
Alfred C. Beserra and Teresa P. Beserra Living Trust dated 1995
Recording Date: April 29, 2015
Recording No.: as Document No. 20150429-64074 of Official Records

Reference is hereby made to said document for full particulars.

44. Any easements or lesser right to continue to maintain flood control improvements and revetments.

45. A permanent trespass as declared in the State of Decision made a part of that certain Judgment, Ventura County Superior Court of California, Case No. 56-2009-00342446-CU-OR-VTA filed November 19, 2015.

46. Any rights, interests or claims which a correct survey would disclose and are not disclosed by the public records.

END OF SCHEDULE B - PART II

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 to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land, (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with 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 or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.

CONDITIONS AND STIPULATIONS**1. DEFINITION OF TERMS**

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors. The term "insured" also includes
 - (i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12(c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land);
 - (ii) any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not;
 - (iii) the parties designated in Section 2(a) of these Conditions and Stipulations.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "insured lender": the owner of an insured mortgage.
- (d) "insured mortgage": a mortgage shown in Schedule B, the owner of which is named as an insured in Schedule A.
- (e) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- (f) "land": the land described, or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (g) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (h) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (i) "unmarketability of the title" an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the insured mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

(continued)

2. CONTINUATION OF INSURANCE**(a) After Acquisition of Title by Insured Lender.**

If this policy insures the owner of the indebtedness secured by the insured mortgage, the coverage of this policy shall continue in force as of Date of Policy in favor of (i) such insured lender who acquires all of any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage; (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds; and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage.

(b) After Conveyance of Title by an Insured.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants or warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from an insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to an insured.

(c) Amount of Insurance.

The amount of insurance after the acquisition or after the conveyance by an insured lender shall in neither event exceed the least of:

- (i) the amount of insurance stated in Schedule A;
- (ii) the amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or
- (iii) the amount paid by any governmental agency or governmental instrumentality, if the agency or instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

An insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to that insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) Upon written request by an insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of such insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of such insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by an insured in the defense of those causes of action which allege matters not insured against by this policy.
- (b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to an insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently,
- (c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.
- (d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, an insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such insured for this purpose. Whenever requested by the Company, an insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of an insured to furnish the required cooperation, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(continued)

5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by each insured claimant shall be furnished to the Company within ninety (90) days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of an insured claimant to provide the required proof of loss or damage, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, an insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by an insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of an insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that insured for that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

- (i) to pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or
- (ii) in case loss or damage is claimed under this policy by the owner of the indebtedness secured by the insured mortgage, to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage, together with any collateral security, to the Company upon payment therefore.

Upon the exercise by the Company of the option provided for in paragraph a(i), all liability and obligations to the insured under this policy, other than to make the payment required in that paragraph, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

Upon the exercise by the Company of the option provided for in paragraph a(ii) the Company's obligation to an insured Lender under this policy for the claimed loss or damage, other than the payment required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

- (i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or
- (ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs b(i) or b(ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy to an insured lender shall not exceed the least of:

- (i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2(c) of these Conditions and Stipulations;
- (ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or
- (iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the insured lender has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.

(continued)

- (c) The liability of the Company under this policy to an insured owner of the estate or interest in the land described in Schedule A shall not exceed the least of:
 - (i) the Amount of the Insurance stated in Schedule A; or,
 - (ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.
- (d) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. LIMITATION OF LIABILITY

- (a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals there from, adverse to the title, or, if applicable, to the lien of the insured mortgage, as insured.
- (c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.
- (d) The Company shall not be liable to an insured lender for: (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

9. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

- (a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of insurance pro tanto. However, as to an insured lender, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2.a. of these Conditions and Stipulations shall not reduce pro tanto the amount of insurance afforded under this policy as to any such insured, except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.
- (b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A.
- (c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company to an insured lender except as provided in Section 2(a) of these Conditions and Stipulations.

10. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

The provisions of this Section shall not apply to an insured lender, unless such insured acquires title to said estate or interest in satisfaction of the indebtedness secured by an insured mortgage.

11. PAYMENT OF LOSS

- (a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
- (b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within thirty (30) days thereafter.

12. SUBROGATION UPON PAYMENT OR SETTLEMENT

- (a) **The Company's Right of Subrogation.**

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated (i) as to an insured owner, to all rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss; and (ii) as to an insured lender, to all rights and remedies of the insured claimant after the insured claimant shall have recovered its principal, interest, and costs of collection.

(continued)

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) **The Insured's Rights and Limitations.**

Notwithstanding the foregoing, the owner of the indebtedness secured by an insured mortgage, provided the priority of the lien of the insured mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness.

When the permitted acts of the insured claimant occur and the insured has knowledge of any claim of title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of an insured mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(c) **The Company's Rights Against Non-insured Obligors.**

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of an insured mortgage by an obligor (except an obligor described in Section 1(a)(ii) of these Conditions and Stipulations) who acquires the insured mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an insured under this policy, notwithstanding Section 1(a)(i) of these Conditions and Stipulations.

13. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is One Million And No/100 Dollars (\$1,000,000) or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of One Million And No/100 Dollars (\$1,000,000) shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

- (a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the insured mortgage or of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.
- (c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, and Assistant Secretary, or validating officer or authorized signatory of the Company.

15. SEVERABILITY

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

16. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at:

Chicago Title Insurance Company
P.O. Box 45023
Jacksonville, FL 32232-5023
Attn: Claims Department

END OF CONDITIONS AND STIPULATIONS