



CHICAGO TITLE COMPANY

PRELIMINARY REPORT

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. 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 Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

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.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company, a Nebraska corporation.

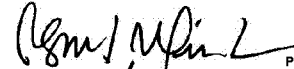
Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.


Countersigned



Chicago Title Company

BY  President

ATTEST  Secretary



Chicago Title Company

ISSUING OFFICE: 8050 N. Palm Ave., Suite 110 • Fresno, CA 93711

FOR SETTLEMENT INQUIRIES, CONTACT: Chicago Title Company - Visalia
1750 W. Walnut Avenue • Visalia, CA 93277
559 636-4300 • FAX 559 636-4365

PRELIMINARY REPORT

Escrow Officer: Beverly Coffman
Escrow No.: 11-**42119009**-BC

Title No.: 11-**44110695**
Locate No.: CACTI7710-7754-4421-0044110695

TO: Pearson Realty
3447 South Demaree Street
Visalia, CA 93277

ATTN: Jim Olivas

PROPERTY ADDRESS: Multiple Parcels, Fresno County, California

EFFECTIVE DATE: March 4, 2011, 07:30 A.M.

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

CLTA Standard Coverage Policy - 1990
ALTA Loan Policy (6/17/06)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Mary Alves, Trustee or the Successor Trustee of the Mary Alves Trust share of the Mary Luis Areias Living Trust dated May 26, 1992, as to an undivided one-half interest, and John Areias, Jr., Trustee of the John Areias, Jr. Trust share of the Mary Luis Areias Living Trust dated May 16, 1992, as an undivided one-half interest, AS TO PARCEL 1;

Areias Brothers Ranches, a General Partnership, subject to Exception No. 41, AS TO PARCEL 2

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

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

DM\DM 03/10/2011

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA OF THE COUNTY OF FRESNO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

APN 055-091-59S

A portion of Old APN 057-050-44S or New APN 057-050-95S

The East half of the East half and the East three-quarters of the West half of the East half of Section 25, Township 17 South, Range 20 East, Mount Diablo Base and Meridian, and the West half of the West half of the Northwest quarter of Section 30 Township 17 South, Range 21 East, Mount Diablo Base and Meridian, and particularly described as:

COMMENCING at the corner common to Sections 24 and 25 Township 17 South, Range 20 East, Mount Diablo Base and Meridian, and Sections 19 and 30 Township 17 South, Range 21 East, Mount Diablo Base and Meridian, as the said corner is designated and described on and according to the Survey of the Laguna De Tache Grant By I. Teilman in the year 1899, and running thence South 89°48' East, on the True Section line 660 feet to a point, thence South 2640 feet to the quarter Section line of said Section 30, thence North 89°48' West along said quarter Section line 660 feet to the quarter Section corner common to said Section 25 and 30, Township 17 South, Range 20 East thence South along the Township line 2,047 feet to the Southerly meandered boundary line of the said lot, piece or parcel of land, as run by H.L. Ward in April 1900; thence South 82°50' West 218.5 feet; thence South 71°21' West 700 feet; thence South 43°10' West 459.3 feet to the South line of said Section 25, at a point 1,448 feet East of the quarter Section corner common to the said Section 25 and Section 36, Township 17 South, Range 20 East, Mount Diablo Base and Meridian; thence North 89°48' West along the said last- mentioned Section line 1060.25 feet to a point 387.75 feet East of quarter Section corner common to the said Sections 25 and 36; thence North on true North line 5,280 feet to a point on Section line between the said Sections 24 and 25; thence South 89°48' East on true Section line 2,252.25 feet to the POINT OF BEGINNING.

Except one half of all oil, gas and other hydrocarbons and other minerals whether similar to those herein specified or not, now or at anytime hereafter within or underlying or that may be produced from the said real property as reserved in the deed from Mary West cook known as Mary West and formerly known as Mary Hoadley West, and James West, also known as James West, Jr. and Lyndell West, his wife grantors, to Frank L. Areias, Joe L. Areias, and Mary L. Areias, recorded September 23, 1963 as Document No. 74975.

PARCEL 2A:

A portion of Old APN 057-050-44S or New APN 057-050-93S

That certain parcel of real property described as BEGINNING at the quarter Section corner between Sections 19 and 30, Township 17 South, Range 21 East, Mount Diablo Base and Meridian, in the County of Fresno, State of California, as the said corner is designated and described on and according to the survey of the Laguna De Tache Grant Recorded in Book 1, Page 70 of Record of Surveys, Fresno County Records; and running thence South 89°48' East along the True Section line between Sections 19 and 30, 1320 feet to a point; thence South on a true South line 3326 feet to a point 274 feet North of the meander corner on top of levee as established by I. Teilman; thence South 66°15' West 740 feet to a point; thence South 48°45' West 420 feet to a point; thence South 57° West 500 feet to a point; thence North 85°20' West 600 feet to a point; thence South 62°30' West 253.3 feet to a point; thence South 71°10' West 960 feet to a point; thence South 82°50' West 781-1/2 feet to a point on Township line and the West line of Section 30, Township 17 South, Range 21 East, thence North on the True North line 2047 feet to the quarter Section corner between Section 25, Township 17 South, Range 20 East, and Section 30, Township 17 South, Range 21 East, thence South 89°48' East along the quarter of Section line 660 feet to a point; thence North on the true north line 2640 feet to a point on the North line of Section 30; thence South 89° 48' East on the True Section line 1980 feet to the POINT OF BEGINNING.

PARCEL 2B:

A portion of Old APN 057-050-44S or New APN 057-050-94S

That parcel of real property described as BEGINNING at a point from which the Northwest corner of Lot 6 in Section 30, Township 17 South, Range 21 East, Mount Diablo Base and Meridian, in the unincorporated area of the in the County of Fresno, State of California, according to the map of Laguna de Tache Grant recorded in Book 3, Page 28, of Record of Surveys, Bears North 686 feet, which point is the Southeast corner of Lloyd & Woods land; thence South 215.96 feet to a point; thence South 70°30' West 221.42 feet; thence South 62°00' West 144.86 feet; thence South 48°00' West 317.50 feet; thence South 33°30' West 468.82 feet; thence South 5°00' East 107.51 feet; thence South 17°30' West 543.96 feet; thence South 81°15' West 124.65 feet; thence North 89°00' West 145.26 feet; thence North 76°30' West 249.12 feet; thence North 53°00' West 620.07 feet to a point in the East bank of James Canal; thence North 36°28' East 400.6 feet to a point in the South line of Lloyd and Woods land; thence South 85°20' East 300 feet; thence North 57°00' East 550 feet; thence North 48° 45' East 420 feet; thence North 66°15' East 740 feet to the POINT OF BEGINNING.

APN: 055-091-59S New Number, 057-050-93, 94, 95 New Numbers, 057-050-44S Old Number

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

- 1. Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2011-2012.
- 2. Property taxes**, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2010-2011, Assessor's Parcel Number 055-091-59S.

Code Area Number: 125-004
1st Installment: \$2,389.66 PAID
2nd Installment: \$2,389.66 OPEN
Land: \$395,303.00
Improvements: \$77,879.00
Exemption: \$0.00
Personal Property: \$0.00

- 3. Property taxes**, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2010-2011, Assessor's Parcel Number 057-050-44S.

Code Area Number: 125-004
1st Installment: \$16,174.98 PAID
2nd Installment: \$16,174.98 OPEN
Land: \$674,200.00
Improvements: \$2,050,718.00
Exemption: \$0.00
Personal Property: \$0.00

- 4. The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.

- 5. Reservations** contained in the Patent from the United States of America

Which among other things recites as follows:

Subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of the courts; and also subject to the right of the proprietor of a vein or lode to extract and remove his ore therefrom should the same be found to penetrate or intersect the premises hereby granted, as provided by law; and the reservation from the lands hereby granted of a right of way thereon for ditches or canals constructed by the authority of the United States.

- 6. Said land** lies within the boundaries of Laguna Reclamation District and is subject to any assessments levied thereby.

7. **Said land** lies within the boundaries of Laguna Irrigation District and is subject to any assessments levied thereby.
8. **Said land** lies within the Boundaries of the Excelsior and Kings River Resource Conservation Districts and is subject to any assessments levied thereby.
9. **Any adverse claim** that some portion of said land has not at any time been within the boundaries of the County of Fresno.
10. **Any adverse claim** based upon the assertion that:
 - a. Said land or any part thereof is now or at any time has been below the highest of the high watermarks of the Kings River, in the event the boundary of said river has been artificially raised or is now or at any time has been below the high watermark, if said river is in its natural state.
 - b. Some portion of said land has been created by artificial means or has accreted to such portion so created.
 - c. Some portion of said land has been brought within the boundaries thereof by an avulsive movement of the Kings River, or has been formed by accretion to any such portion.
11. **Rights and easements** for navigation and fishery which may exist over that portion of said land lying beneath the waters of the Kings River.
12. **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.
13. **The land** referred to herein shall not be deemed to include any trailer(s), mobile and/or manufactured home(s) located thereon.
14. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to:	Reuben H. LLoyd and William S. Wood
Purpose:	Road
Recorded:	October 31, 1892, Book 148, Page 419, of Deeds
Affects:	Parcel 1

- 15. Provisions** as shown in that certain Deed recorded May 28, 1892, Book 148, Page 431, of Deeds, which among other things states:

"It being expressly understood that no Riparian Rights in Kings River are hereby conveyed, in the contrary the said first parties reserve to themselves all rights belonging to them as riparian properties and all rights which they have or might acquire by virtue of being owners of said hereinabove described land bordering upon Kings River, to the water in said Kings River, or any part thereof, for irrigation, agricultural or other purposes. It is understood and agreed, however, that the grantees shall have the right to use all water which may be necessary or proper for irrigation, agricultural, stock or domestic uses upon said land, said water to be taken at convenient places from Kings River or from ditches running through said land or adjacent thereto and belonging now to the parties of the first part".

Affects: Parcel 2

- 16. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: County of Fresno
 Purpose: Public road
 Recorded: January 8, 1900, Book 242, Page 176, of Deeds
 Affects: said land

Reference is made to said document for full particulars.

- 17. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Fresno Canal and Irrigation Company, a Corporation
 Purpose: Canal
 Recorded: August 15, 1900, Book 246, Page 107, of Deeds
 Affects: Parcel 1

Reference is made to said document for full particulars.

- 18. A covenant and agreement** entitled "Indenture"

Executed by: William S. Wood and Mary B. Wood
 In favor of: The Fresno Canal and Irrigation Company, a Corporation
 Recorded: August 15, 1900, Book 246, Page 107, of Deeds

Reference is hereby made to said document for full particulars.

Affects: Parcel 1

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

Granted to: The Fresno Canal and Irrigation Company, a corporation
Purpose: Canals
Recorded: Book 246, Page 282, of Deeds
Affects: Parcel 2

Reference is made to said document for full particulars.

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

Granted to: County of Fresno
Purpose: Road
Recorded: February 12, 1907, Book 366, Page 437, of Deeds
Affects: Parcel 1

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

Granted to: The County of Fresno
Purpose: Public road
Recorded: May 14, 1917, Book 596, Page 220, of Deeds
Affects: Parcel 1

Reference is made to said document for full particulars.

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

Granted to: The County of Fresno
Purpose: Public road
Recorded: February 15, 1924, Instrument No. 5436, Book 431, Page 19,
of Official Records
Affects: Parcel 1

Reference is made to said document for full particulars.

23. A covenant and agreement entitled "Easement Agreement"

Executed by: John Areias, Frank Areias, Joe Areias and Frank J. Machado
In favor of: Frank J. Machado
Recorded: February 27, 1962, Instrument No. 16567, Book 4684, Page 327, of Official
Records

Which among other things provides: as provided for within said instrument

Reference is hereby made to said document for full particulars.

Affects: Parcel 2

24. Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document;

Reserved by: Mary West Cook aka Mary West, and fka Mary Hoadley West and James West aka James West, Jr. and Lyndell West his wife

Purpose: All rights, easements, rights of way, and servitude, in under, and upon said land necessary or convenient to explore, test or survey said land and to drill or mine for, produce, extract and take any of said minerals form said land and to treat and store any of said minerals on said land and to inject, store and withdraw gas and to construct use maintain erect, replace, change location of all fixtures and all related matters as referenced and delineated within said instrument

Recorded: September 23, 1963, Instrument No. 74975, of Official Records
Affects: Parcel 2

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

Granted to: Kings River Conservation District

Purpose: A perpetual easement and right of way to clear, construct, reconstruct, enlarge, repair, operate and maintain the Kings River Channel improvements

Recorded: October 4, 1963, Book 4913, Page 875, of Official Records
Affects: Parcel 1

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

Granted to: Kings River Conservation District

Purpose: A perpetual easement and right of way to clear, construct, reconstruct, enlarge, repair, operate and maintain the Kings River Channel improvements

Recorded: October 28, 1963, Book 4922, Page 359, of Official Records
Affects: Parcel 2

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

Granted to: Kings River Conservation District

Purpose: A perpetual easement and right of way to clear, construct, reconstruct, enlarge, repair, operate and maintain the Kings River Channel improvements

Recorded: October 28, 1963, Book 4922, Page 365, of Official Records
Affects: Parcel 1

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

Granted to: Kings River Conservation District
Purpose: A perpetual easement and right of way to clear, construct, reconstruct, enlarge, repair, operate and maintain the Kings River Channel improvements
Recorded: August 31, 1964, Book 5058, Page 288, of Official Records
Affects: Parcel 1

29. Covenants and restrictions imposed by a Land Conservation Contract executed pursuant to Section 51200 et seq. California Government Code.

Dated: February 11, 1992
Executed by: Mary L. Areias and the County of Fresno
Recorded: February 19, 1992, Instrument No. 92019582, of Official Records
Affects: This and other property

and re-recorded November 20, 1992, Instrument No. 92176791, of Official Records

30. Covenants and restrictions imposed by a Land Conservation Contract executed pursuant to Section 51200 et seq. California Government Code.

Dated: February 11, 1992
Executed by: Mary L. Areias and the County of Fresno
Recorded: February 19, 1992, Instrument No. 92019583, of Official Records
Affects: This and other property

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

Granted to: The County of Fresno
Purpose: Road
Recorded: November 21, 1997, Instrument No. 97154648, of Official Records
Affects: Parcel 2

Reference is made to said document for full particulars.

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

Granted to: The County of Fresno
Purpose: Public road
Recorded: November 21, 1997, Instrument No. 97154650, of Official Records
Affects: Parcel 1

Reference is made to said document for full particulars.

33. Any facts, rights, interests, or claims which may exist or arise by reason of the following facts disclosed by survey, Job No. 1419, dated July 14, 2003 prepared by Tri-City Engineers:

Utility poles, underground utilities and overhead utility lines.

Affects: This and other property

34. A financing statement filed in the Office of the County Recorder, showing

Debtor: Areias Brothers Dairy, Inc.
Areias Brothers Ranches
Areias Family Living Trust
Richard and Mary Alves Family Living Trust
John Areias, Jr. Trust share of the Mary Luis Areias Living Trust
Mary Alves Trust share of the Mary Luis Areias Living Trust
Alves, Mary A.
Alves, Richard M.
Areias, John Jr.
Areias, Patricia
Areias, John L. Jr.
Alves, Mary
Secured Party: Farm Credit West, PCA
Date: None Shown
No.: N/A
Recorded: June 4, 2004, Instrument No. 2004-0124269, of Official Records

A change to the above financing statement was filed

Date: None Shown
No.: N/A
Nature of Change: Continuation Statement
Recorded: April 2, 2009, Instrument No. 2009-0044516, of Official Records

Affects: The herein described land and other land.

35. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Subordination Agreement
Agricultural Lease
Lessor: Areias Brothers Ranches, a General Partnership
Lessee: Tos Farms, Inc., a California Corporation
Recorded: July 22, 2004, Instrument No. 2004-0159299, of Official Records

An agreement which states that this instrument was subordinated to the document or interest described in the instrument

Recorded: July 22, 2004, Instrument No. 2004-0159302, of Official Records

By agreement

Recorded: July 22, 2004, Instrument No. 2004-0159299, of Official Records

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects: The herein described land and other land.

36. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Subordination Agreement
Agricultural Lease

Lessor: Areias Brothers Dairy, Inc., a California Corporation

Lessee: Tos Farms, Inc., a California Corporation

Recorded: July 22, 2004, Instrument No. 2004-0159300, of Official Records

An agreement which states that this instrument was subordinated to the document or interest described in the instrument

Recorded: July 22, 2004, Instrument No. 2004-0159302, of Official Records

By agreement

Recorded: July 22, 2004, Instrument No. 2004-0159300, of Official Records

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects: The herein described land and other land.

37. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$5,584,000.00

Dated: July 2, 2004

Trustor: Areias Brothers Dairy, Inc., a California Corporation; Areias Brothers Ranches, a General Partnership; John Areias, Jr., Trustee of the John Areias, Jr. Trust share of the Mary Luis Areias Living Trust dated May 26, 1992; and Mary Alves, Trustee of the Mary Alves Trust share of the Mary Luis Areias Living Trust dated May 26, 1992

Trustee: Farm Credit West, FLCA

Beneficiary: Farm Credit West, FLCA

Loan No.: 3794660

Recorded: July 22, 2004, Instrument No. 2004-0159302, of Official Records

Affects: The herein described land and other land.

An additional advance to be secured by said deed of trust, as disclosed by an instrument:

Amount of advance: \$718,000.00
Recorded: September 1, 2006, Instrument No. 2006-0185967, of Official Records

An additional advance to be secured by said deed of trust, as disclosed by an instrument:

Amount of advance: \$1,355,000.00
Recorded: November 30, 2006, Instrument No. 2006-0252235, of Official Records

38. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$6,813,000.00, \$700,000.00
Dated: May 4, 2004
Trustor: Areias Brothers Dairy, Inc., a California Corporation; Areias Brothers Ranches, a General Partnership; Mary Alves, Trustee of the Mary Alves Trust share of the Mary Luis Areias Living Trust dated May 26, 1992; and John Areias, Jr., Trustee of the John Areias, Jr. Trust share of the Mary Luis Areias Living Trust dated May 26, 1992
Trustee: Farm Credit West, PCA
Beneficiary: Farm Credit West, PCA
Loan No.: None Shown
Recorded: July 22, 2004, Instrument No. 2004-0159303, of Official Records

Affects: The herein described land and other land.

An agreement which states that this instrument was subordinated to the document or interest described in the instrument

Recorded: July 22, 2004, Instrument No. 2004-0159302, of Official Records

By agreement

Recorded: September 1, 2006, Instrument No. 2006-0185968, of Official Records

An agreement which states that this instrument was subordinated to the document or interest described in the instrument

Recorded: July 22, 2004, Instrument No. 2004-0159302, of Official Records

By agreement

Recorded: November 30, 2006, Instrument No. 2006-0252236, of Official Records

Note: The Deed of Trust set forth above is purported to be a "Credit Line" Deed of Trust. It is a requirement that the Trustor of said Deed of Trust provide written authorization to close said credit line account to the Lender when the Deed of Trust is being paid through the Company or other Settlement/Escrow Agent.

39. A financing statement filed in the Office of the County Recorder, showing

Debtor: Areias Brothers Dairy, Inc.,
Areias Brothers Ranches
Richard and Mary Alves Family Living Trust
Areias Family Living Trust
Mary Alves Trust share of the Mary Luis Areias Living Trust
Alves, Richard M.
Alves, Mary
Alves, Mary A.
Areias, John Jr.
Areias, John L. Jr.
Areias, Patricia
John Areias, Jr. Trust share of the Mary Luis Areias Living Trust

Secured Party: Farm Credit West, FLCA
Date: None Shown
No.: N/A
Recorded: September 8, 2004, Instrument No. 2004-0201868, of Official Records

A change to the above financing statement was filed

Date: None Shown
No.: N/A
Nature of Change: Continuation Statement
Recorded: July 29, 2009, Instrument No. 2009-0088290, of Official Records

Affects: The herein described land and other land.

40. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$500,000.00
Dated: November 2, 2009
Trustor: Areias Brothers Ranches, a California General Partnership
Trustee: Chicago Title Company, a California Corporation
Beneficiary: Western Milling, LLC, a California Limited Liability Company
Loan No.: None Shown
Recorded: November 25, 2009, Instrument No. 2009-0161219, of Official Records

Affects: Parcel 2

41. A Deed:

From: Areias Brothers Ranches, a California General Partnership
 To: John L. Areias, Jr. and Patricia Areias, Co-Trustees of the John L. and Patricia Areias Revocable Family Trust dated January 19, 2005, as to an undivided fifty-percent (50%) ownership interest and Richard M. Alves and Mary Alves, Co-Trustees of the Richard M. and Mary Alves Revocable Family Trust dated January 24, 2005, as to an undivided fifty-percent (50%) ownership interest, all as tenants in common
 Dated: December 29, 2009
 Recorded: January 12, 2010, Instrument No. 2010-0003449, of Official Records

For insurance purposes, the Company is not willing to divest the interest of Areias Brothers Ranches, a California General Partnership.

An inquiry of the parties shall be required.

Affects: Parcel 2

42. Matters which may be disclosed by an inspection and/or by a correct ALTA/ACSM Land Title Survey of said land that is satisfactory to this Company, and/or by inquiry of the parties in possession thereof.

43. Any easements not disclosed by those public records which impart constructive notice as to matters affecting title to real property and which are not visible and apparent from an inspection of the surface of said land.

44. Water rights, claims or title to water, whether or not disclosed by the public records.

45. Any invalidity or defect in the title of the vestees in the event that the trust referred to herein is invalid or fails to grant sufficient powers to the trustee(s) or in the event there is a lack of compliance with the terms and provisions of the trust instrument.

If title is to be insured in the trustee(s) of a trust, (or if their act is to be insured), this Company will require a **Trust Certification pursuant to California Probate Code Section 18100.5**. The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

46. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

- 47. We find various Liens and Judgments**, that are of record against persons with similar or the same name as that of our vestee(s) shown herein. In order to complete this report, this Company requires a **Statement of Information** to be provided for the following vestee(s), which may allow and assist elimination of some or all of said Liens and Judgments. After review of the requested Statement(s) of Information, the Company reserves the right to add additional items or make further requirements prior to the issuance of any Policy of Title Insurance.

Vestee(s): Mary Luis Areias

END OF ITEMS

- Note 1.** There are NO deeds affecting said land, recorded within twenty-four (24) months of the date of this report.

Affects: Parcels 1

The only deeds affecting said land, which recorded within twenty-four (24) months of the date of this report, as are follows:

Grantor: Areias Brothers Ranches, a California General Partnership
 Grantee: John L. Areias, Jr. and Patricia Areias, Co-Trustees of the John L. and Patricia Areias Revocable Family Trust dated January 19, 2005, as to an undivided fifty-percent (50%) ownership interest and Richard M. Alves and Mary Alves, Co-Trustees of the Richard M. and Mary Alves Revocable Family Trust dated January 24, 2005, as to an undivided fifty-percent (50%) ownership interest, all as tenants in common
 Recorded: January 12, 2010, Instrument No. 2010-0003449, of Official Records

Affects: Parcel 2

- Note 2.** Escrow Information Note: Arb No.

055-009- -27, 057-005- -44

- Note 3.** If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

Note 4. Wiring instructions for Chicago Title Company, Visalia, CA, are as follows:

Receiving Bank: Bank of America
275 Valencia Blvd, 2nd Floor
Brea, CA 92823-6340
ABA Routing No.: 026009593
Credit Account Name: Chicago Title Company - Visalia
1750 W. Walnut Avenue, Visalia, CA 93277
Credit Account No.: 12355-73185
Escrow No.: 11-**42119009**-BC

These wiring instructions are for this specific transaction involving the Title Department of the Fresno office of Chicago Title Company. These instructions therefore should not be used in other transactions without first verifying the information with our accounting department. It is imperative that the wire text be exactly as indicated. Any extraneous information may cause unnecessary delays in confirming the receipt of funds.

Note 5. Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

END OF NOTES

ATTACHMENT ONE
AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) 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 any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.

3. Title Risks:

- that are created, allowed, or agreed to by you
- that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
- that result in no loss to you
- that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

- to any land outside the area specifically described and referred to in Item 3 of Schedule A
- or
- in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.
4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and 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 a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:

- (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
- (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
- (c) resulting in no loss or damage to the insured claimant;
- (d) attaching or created subsequent to Date of Policy; or
- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate 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.

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

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

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, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE
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 and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) 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 (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or

material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at 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.
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 statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
(iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

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) which arise by reason of:

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

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION 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

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:

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.

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
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 and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) 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 estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

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) which arise by reason of:

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

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed, or agreed to by the Insured Claimant;

(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant;

(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or

(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

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

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.

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
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 any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. Land use
 - d. improvements on Land
 - e. Land division
 - f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
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 apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear 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.d, 22, 23, 24 or 25.
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 18.

LIMITATIONS ON COVERED RISKS

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

- For Covered Risk 14, 15, 16 and 18, 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 14:	1.00% of Policy Amount or \$ 2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 15:	1.00% of Policy Amount or \$ 5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 16:	1.00% of Policy Amount or \$ 5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 18:	1.00% of Policy Amount or \$ 2,500.00 (whichever is less)	\$ 5,000.00

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
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.

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

**ATTACHMENT ONE
(CONTINUED)**

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
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 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 improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas 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. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this 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) 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 damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
(e) resulting in loss or damage which 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 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, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. 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 limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
(a) The time of the advance; or
(b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

**ATTACHMENT ONE
(CONTINUED)**

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (02/03/10)
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 which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been

sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

Notice

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must - prior to the close of the current transaction - inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

Fidelity National Financial, Inc.
Privacy Statement

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Disclosure to Affiliated Companies - We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties - We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access To Personal Information/ Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

Notice of Available Discounts

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

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

FNF Underwritten Title Company

CTC – Chicago Title Company

FNF Underwriter

CTIC – Chicago Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 or 36 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

FEE REDUCTION SETTLEMENT PROGRAM (CTC and CTIC)

Eligible customers shall receive a \$20.00 reduction in their title and/or escrow fees charged by the Company for each eligible transaction in accordance with the terms of the Final Judgments entered in *The People of the State of California et al. v. Fidelity National Title Insurance Company et al.*, Sacramento Superior Court Case No. 99AS02793, and related cases.

DISASTER LOANS (CTIC)

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

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC)

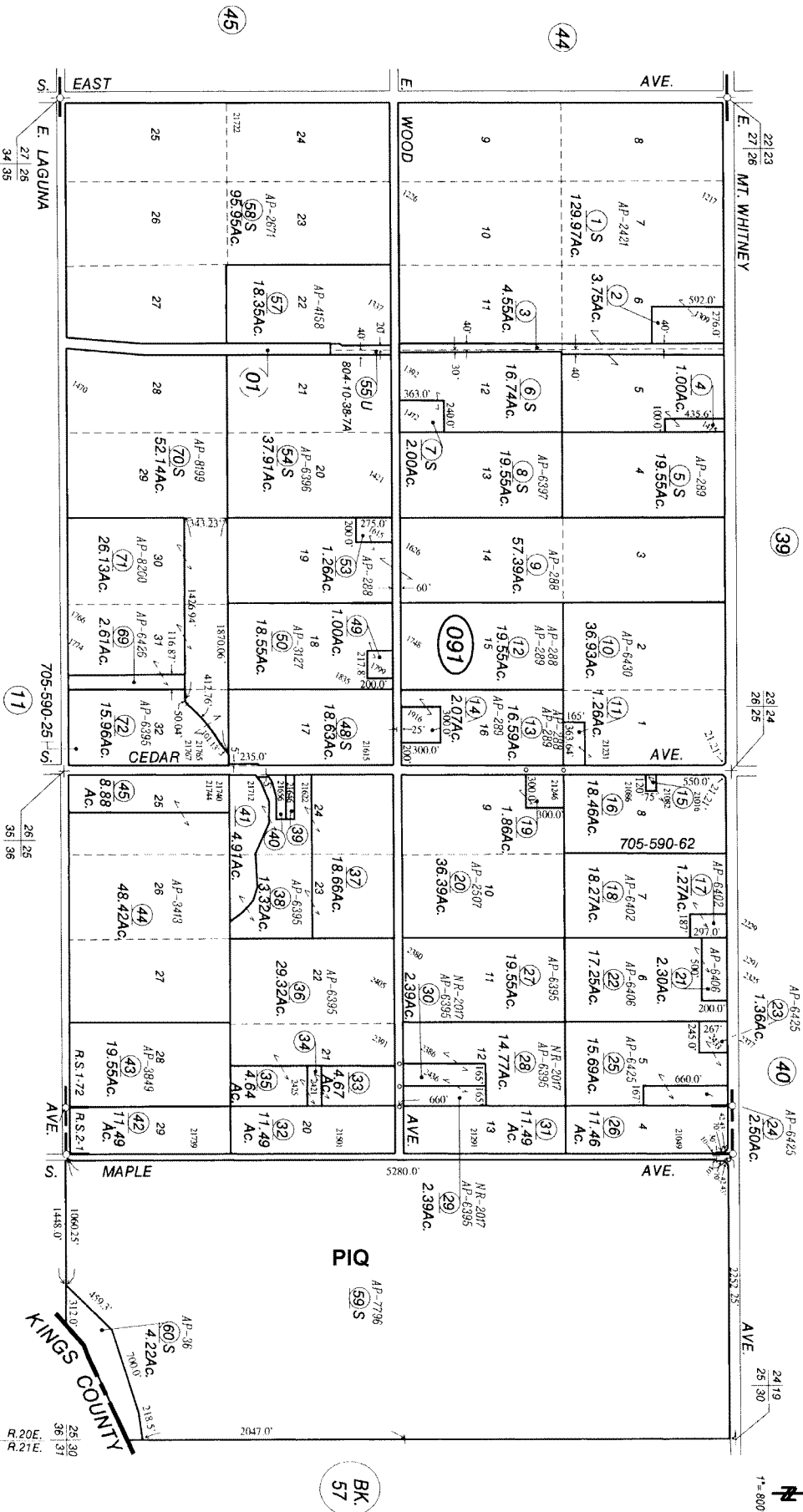
On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% or 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 32% or 50% of the appropriate title insurance rate, depending on the type of coverage selected.

NOTE: This map is for Assessment purposes only. It is not to be construed as portraying legal ownership or divisions of land for purposes of zoning or subdivision law.

SUBDIVIDED LAND & POR. SEC'S. 25&26, T.17S., R20E., M.D.B. & M

Tax Rate Area 125-004

055-09



Laguna Detache Grant - R.S. Bk. 1, Pg. 72
 Laguna Detache Grant - R.S. Bk. 2, Pg. 1
 Agricultural Preserve

NOTE - Assessor's Block Numbers Shown in Ellipses.
 Assessor's Parcel Numbers Shown in Circles.

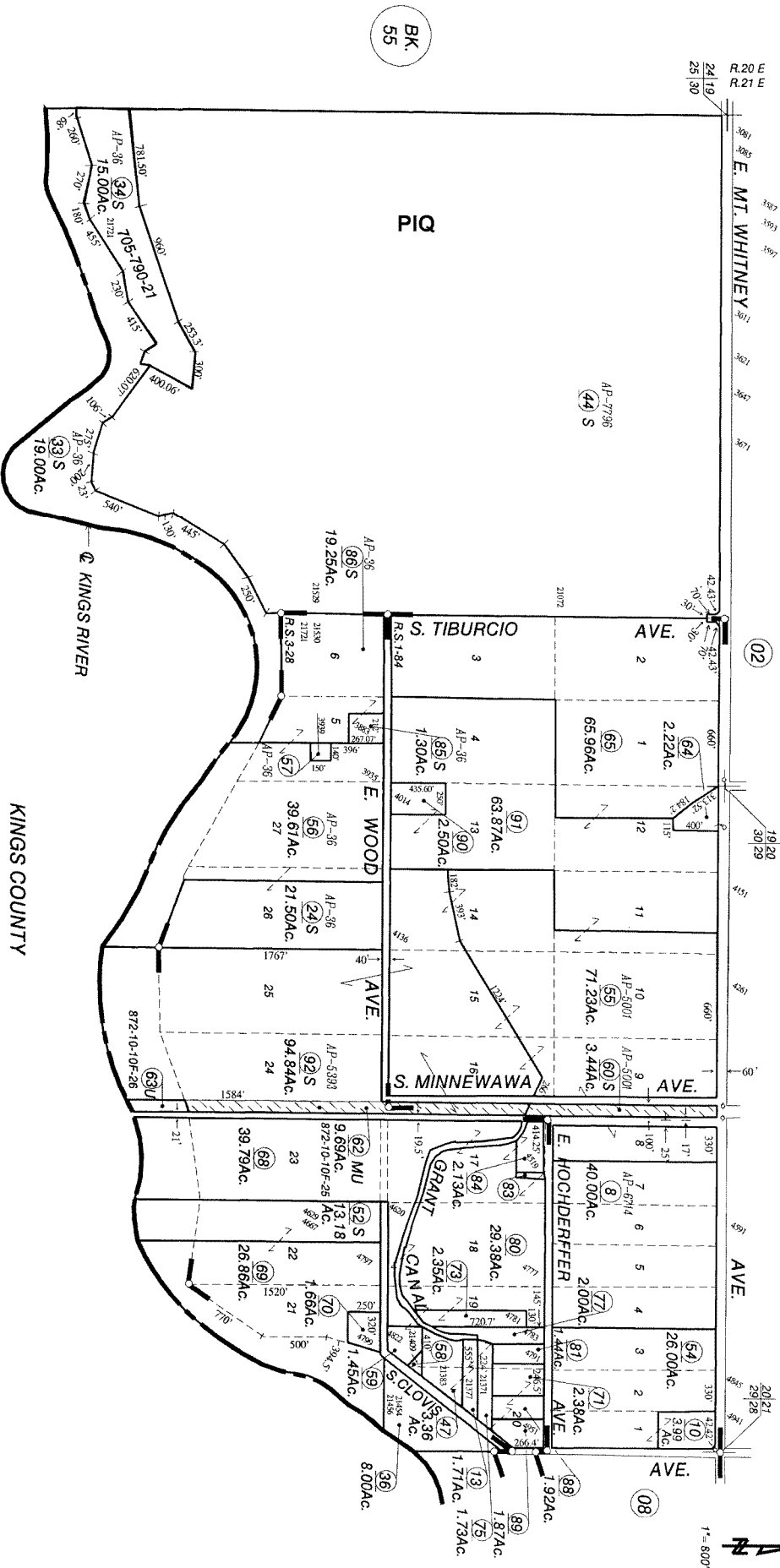
Assessor's Map Bk. 55 - Pg. 09
 County of Fresno, Calif.

NOTE
 This map is for Assessment purposes only. It is not to be construed as portraying legal ownership or divisions for purposes of zoning or subdivision law.

SUBDIVIDED LAND & POR. SEC'S. 29 & 30, T.17S., R.21E., M.D.B.&M.

Tax Rate Area
 125-004

057-05



Agricultural Preserve
 Laguna De Tache Grant - R.S. Bk. 1, Pg. 84
 Laguna De Tache Grant - R.S. Bk. 3, Pg. 28

NOTE - Assessor's Block Numbers Shown in Ellipses.
 Assessor's Parcel Numbers Shown in Circles.

Assessor's Map Bk 057 - Pg. 05
 County of Fresno, Calif.