

**POLICY OF TITLE INSURANCE  
ISSUED BY**

**STEWART TITLE GUARANTY COMPANY**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, STEWART TITLE GUARANTY COMPANY, a Texas 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, Stewart Title Guaranty Company has caused this policy to be signed and sealed by its duly authorized officers as of Date of Policy shown in Schedule A.

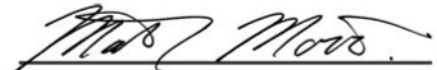
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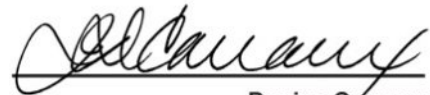
Authorized Countersignature

Stewart Title of California, Inc.  
7676 Hazard Center Drive Suite 1400  
San Diego, CA 92108  
Agent ID: 050203

**stewart**  
title guaranty company



Matt Morris  
President and CEO



Denise Carraux  
Secretary

File No.: 01180-173777

Page 1 of  
Policy  
Serial No.

**O-2228-000470185**

## 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 regulations (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 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 of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

## 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] [C], 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] [C], 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.

**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 or 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 of 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 an governmental agency or governmental instrumentality, if the agency or the 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.

**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 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 therefor.

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.

(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 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 therefrom, 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 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.

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 \$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 \$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, an 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 P.O. Box 2029, Houston, Texas 77252-2029, and identify this policy by its printed policy serial number which appears on the bottom of the front of the first page of this policy.

**STEWART TITLE GUARANTY COMPANY**

## SCHEDULE A

**File No.:** 01180-173777

**Policy No.:** O-2228-000470185

**Amount of Insurance:** \$48,440,000.00

**Premium:** \$43,414.00

**Date of Policy:** August 31, 2015 at 11:20AM

**1. Name of Insured:**

County of Monterey, County of Monterey Public Improvement Corporation, a nonprofit public benefit corporation and The Bank of New York Mellon Trust Company, N.A., a national banking association, as Trustee, pursuant to that certain Trust Agreement shown as Exception No. 103 of Schedule B, as their respective interest appear of record

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

A Fee; and

A Leasehold Estate created by that certain "Ground Lease" for the terms and upon the conditions as contained there dated September 1, 2015, executed by and between County of Monterey, a county and political subdivision of the State of California organized and existing under and by virtue of the laws of the State of California, as lessor and County of Monterey Public Improvement Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State of California, as lessee, recorded August 31, 2015, as Instrument / File No. 2015048783, Official Records; and

A Sub-Leasehold Estate created by that certain "Lease Agreement" for the terms and upon the conditions as contained there dated September 1, 2015, executed by and between County of Monterey Public Improvement Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State of California, as lessor and County of Monterey, a county and political subdivision of the State of California organized and existing under and by virtue of the laws of the State of California, as lessee, as disclosed by that certain "Memorandum of Lease Agreement" dated September 1, 2015 and recorded August 31, 2015, as Instrument / File No. 2015048784, Official Records.

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

As to the Fee Estate:

County of Monterey, California, a political subdivision of the State of California, as to Parcels A, B, C and D; The County of Monterey, Health Department - Behavioral Health Division, as to Parcel E; County of Monterey, a Political Subdivision of the State of California, as to Parcel F; County of Monterey, as to Parcel H; County of Monterey, a County and Political Subdivision of the State of California, as to Parcel I; and County of Monterey, a Body Politic, as to Parcel J;

As to the Leasehold Estate:

County of Monterey Public Improvement Corporation;

As to the Sub-Leasehold Estate:

County of Monterey

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

SEE EXHIBIT "A" ATTACHED HERETO

## EXHIBIT "A"

### LEGAL DESCRIPTION

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

PARCEL A (1441 SCHILLING PLACE, SALINAS)

PARCEL ONE

PARCEL A, IN THE CITY OF SALINAS, COUNTY OF MONTEREY, STATE OF CALIFORNIA, AS SHOWN ON THAT MAP FILED FEBRUARY 14, 1989 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY IN [VOLUME 17 OF PARCEL MAPS AT PAGE 164](#).

PARCEL TWO

CERTAIN REAL PROPERTY SITUATE IN THE RANCHO LLANO DE BUENA VISTA, CITY OF SALINAS, MONTEREY COUNTY, CALIFORNIA, BEING A PORTION OF EDEN STREET AND PARCEL "A" AS SHOWN ON MAP OF TRACT NO. 896, EDEN INDUSTRIAL PARK, RECORDED IN [VOLUME 14 OF CITIES AND TOWNS AT PAGE 31](#), RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF EDEN STREET, A 64 FOOT WIDE CITY STREET, SAID POINT BEING ALSO ON THE WESTERLY LINE OF CALIFORNIA STATE HIGHWAY ROUTE US 101, AT A FOUND CONCRETE MONUMENT AS SHOWN ON SAID MAP; THENCE ALONG SAID LINE

1) SOUTH 24° 47' 38" EAST, 905.00 FEET TO THE MOST NORTHERLY CORNER OF PARCEL A AS SHOWN ON SAID MAP; THENCE LEAVE SAID HIGHWAY LINE AND CONTINUE ALONG SAID STREET LINE, TANGENTIALLY

2) CURVING TO THE RIGHT ON A CIRCULAR ARC OF 139 FOOT RADIUS THROUGH AN ANGLE OF 22° 59' 56" FOR A DISTANCE OF 55.80 FEET; THENCE LEAVE SAID STREET LINE

3) CURVING TO THE LEFT ON A CIRCULAR ARC OF 55 FOOT RADIUS (THE CENTER OF THE CIRCLE OF WHICH SAID ARC IS A PART BEARS SOUTH 28° 15' 06" WEST) THROUGH AN ANGLE OF 71° 59' 20" FOR A DISTANCE OF 69.10 FEET TO A POINT ON THE WESTERLY LINE OF SAID STREET; THENCE ALONG SAID WESTERLY LINE

4) CURVING TO THE LEFT ON A CIRCULAR ARC OF 75 FOOT RADIUS (THE CENTER OF THE CIRCLE OF WHICH SAID ARC IS A PART BEARS NORTH 86° 40' 14" WEST) THROUGH AN ANGLE OF 28° 07' 24" FOR A DISTANCE OF 36.81 FEET; THENCE TANGENTIALLY

5) NORTH 24° 47' 38" WEST, 905.00 FEET; THENCE TANGENTIALLY

6) CURVING TO THE LEFT ON A CIRCULAR ARC OF 100 FOOT RADIUS THROUGH AN ANGLE OF 39° 20' 30" FOR A DISTANCE OF 68.66 FEET; THENCE LEAVE SAID WESTERLY LINE

7) CURVING TO THE LEFT ON A CIRCULAR ARC OF 55 FOOT RADIUS (THE CENTER OF THE CIRCLE OF WHICH SAID ARC IS A PART BEARS NORTH 70° 06' 18" WEST) THROUGH AN ANGLE OF 114° 09' 11" FOR A DISTANCE OF 109.58 FEET TO A POINT ON THE EASTERLY LINE OF SAID STREET; THENCE ALONG SAID LINE

8) CURVING TO THE RIGHT ON A CIRCULAR ARC OF 164 FOOT RADIUS (THE CENTER OF THE CIRCLE OF WHICH SAID ARC IS A PART BEARS SOUTH 4° 15' 29" EAST) THROUGH AN ANGLE OF 69° 27' 51" FOR A DISTANCE OF 198.83 FEET TO THE POINT OF BEGINNING.

PARCEL THREE

CERTAIN REAL PROPERTY SITUATE IN THE RANCHO LLANO DE BUENA VISTA, CITY OF SALINAS, MONTEREY COUNTY, CALIFORNIA, BEING A PORTION OF EDEN STREET AND PARCEL "A" AS SHOWN ON MAP OF TRACT NO. 896, EDEN INDUSTRIAL PARK, RECORDED IN [VOLUME 14 OF CITIES AND TOWNS AT PAGE 31](#), RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF PARCEL "A" AS SHOWN ON SAID MAP; THENCE ALONG THE EASTERLY BOUNDARY THEREOF AND THE WESTERLY LINE OF CALIFORNIA STATE HIGHWAY ROUTE US 101

- 1) SOUTH 24° 47' 38" EAST, 87.37 FEET TO A POINT; THENCE LEAVE SAID BOUNDARY AND HIGHWAY LINE,
- 2) CURVING TO THE LEFT ON A CIRCULAR ARC OF 55 FOOT RADIUS (THE CENTER OF THE CIRCLE OF WHICH SAID ARC IS A PART BEARS SOUTH 65° 12' 22" WEST) THROUGH AN ANGLE OF 36° 57' 16" FOR A DISTANCE OF 35.47 FEET TO A POINT ON THE EASTERLY LINE OF EDEN STREET; THENCE ALONG SAID LINE
- 3) CURVING TO THE LEFT ON A CIRCULAR ARC OF 139 FOOT RADIUS (THE CENTER OF THE CIRCLE OF WHICH SAID ARC IS A PART BEARS SOUTH 88° 12' 18" WEST) THROUGH AN ANGLE OF 22° 59' 56" FOR A DISTANCE OF 55.30 FEET TO THE POINT OF BEGINNING.

APN: [177-181-024](#)

PARCEL B (1488 SCHILLING PLACE, SALINAS)

LOTS 7, 8 AND 9, AS SHOWN ON THE MAP ENTITLED, "TRACT 896, EDEN INDUSTRIAL PARK", IN THE CITY OF SALINAS, COUNTY OF MONTEREY, STATE OF CALIFORNIA, ACCORDING TO THE MAP FILED JULY 30, 1980 IN [BOOK 14, PAGE 31](#) OF MAPS OF CITIES AND TOWNS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CERTIFICATE OF COMPLIANCE RECORDED MAY 9, 2003, [INSTRUMENT NO. 2003-053999](#) OF OFFICIAL RECORDS.

EXCEPTING THEREFROM ANY AND ALL WATER, BUT WITHOUT THE RIGHT OF ENTRY OR TO MAKE ANY WITHDRAWAL OF WATER WHICH WILL RESULT IN DAMAGE TO ANY BUILDING OR STRUCTURE, AS GRANTED IN THE DEED TO CALIFORNIA WATER SERVICE COMPANY, RECORDED OCTOBER 21, 1980 IN [BOOK 1441 OF REELS, PAGE 576](#), OFFICIAL RECORDS.

APN: [177-181-014](#)

177-181-015  
177-181-016

PARCEL C (1484 SCHILLING PLACE, SALINAS)

LOTS 10 AND 11 OF TRACT 896, EDEN INDUSTRIAL PARK, IN THE CITY OF SALINAS, COUNTY OF MONTEREY, STATE OF CALIFORNIA, FILED JULY 30, 1980 IN [BOOK 14 OF CITIES AND TOWNS, PAGE 31](#), OFFICIAL RECORDS OF MONTEREY COUNTY, CALIFORNIA.

APN: [177-181-017](#)

177-181-018

PARCEL D (1494 SCHILLING PLACE, SALINAS)

PARCEL ONE

THAT CERTAIN PARCEL OF LAND BEING A PORTION OF RANCHO LLANO BUENA VISTA AND BOUNDED BY THE SOUTHERLY BOUNDARY OF LANDS DESCRIBED IN THE DEED TO MCCORMICK AND CO., RECORDED AUGUST 26, 1965 IN [REEL 421 OF OFFICIAL RECORDS OF MONTEREY COUNTY, AT PAGE 774](#), THE NORTHEASTERLY BOUNDARY OF SOUTHERN PACIFIC RAILROAD'S STRIP OF LAND AND THE SOUTHWESTERLY LINE OF



CALIFORNIA STATE HIGHWAY U.S. 101, DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA DATED AUGUST 24, 1953 IN [VOLUME 1486 OF OFFICIAL RECORDS OF MONTEREY COUNTY AT PAGE 163](#).

PARCEL TWO

A NON-EXCLUSIVE EASEMENT FOR ROAD AND UTILITY PURPOSES OVER, UNDER AND ACROSS THAT CERTAIN PARCEL OF LAND DESCRIBED AS FOLLOWS:

PARCEL "A" IN THE CITY OF SALINAS, COUNTY OF MONTEREY, STATE OF CALIFORNIA, AS SAID PARCEL IS SHOWN ON THAT CERTAIN MAP ENTITLED, "TRACT NO. 896, EDEN INDUSTRIAL PARK", FILED JULY 30, 1980 IN [VOLUME 14, PAGE 31 OF MAPS](#) OF CITIES AND TOWNS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL THREE

A NON-EXCLUSIVE EASEMENT FOR ROAD AND UTILITY PURPOSES OVER, UNDER AND ACROSS THE FOLLOWING DESCRIBED PARCEL:

PARCEL "B" IN THE CITY OF SALINAS, COUNTY OF MONTEREY, STATE OF CALIFORNIA, AS SAID PARCEL IS SHOWN ON THAT CERTAIN MAP ENTITLED, "TRACT NO. 896, EDEN INDUSTRIAL PARK", FILED JULY 30, 1980 IN [VOLUME 14, PAGE 31 OF MAPS](#) OF CITIES AND TOWNS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL FOUR

PARCEL "B" IN THE CITY OF SALINAS, COUNTY OF MONTEREY, STATE OF CALIFORNIA, AS SAID PARCEL IS SHOWN ON THAT CERTAIN MAP ENTITLED, "TRACT NO. 896, EDEN INDUSTRIAL PARK", FILED JULY 30, 1980 IN [VOLUME 14, PAGE 31 OF MAPS](#) OF CITIES AND TOWNS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: [177-134-003](#) (PARCEL ONE)  
[177-181-020](#) (PARCEL FOUR)

PARCEL E (298 TWELFTH STREET, MARINA)

CERTAIN REAL PROPERTY SITUATE, LYING AND BEING IN MONTEREY CITY LANDS TRACT NO. 1, THE FORT ORD MILITARY RESERVATION AND THE CITY OF MARINA, MONTEREY COUNTY, CALIFORNIA, BEING ALL OF THAT CERTAIN 6.144 ACRE PARCEL OF LAND SHOWN ON MAP FILED IN [VOLUME 19 OF SURVEYS AT PAGE 50](#), RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1" DIAMETER IRON PIPE TAGGED LS 5992 AT THE NORTHWESTERLY CORNER OF SAID PARCEL OF LAND FROM WHICH A 1" DIAMETER PIPE TAGGED RCE 15310 AT CORNER NUMBERED "8" OF THE "PATTON SCHOOL" BOUNDARY SHOWN ON MAP FILED IN [VOLUME 19 OF SURVEYS AT PAGE 22](#), RECORDS OF SAID COUNTY BEARS NORTH 1° 32' 06" EAST 182.09 FEET DISTANT; RUNNING THENCE ALONG THE BOUNDARY OF SAID 6.144 ACRE PARCEL,

(1) NORTH 72° 58' 32" EAST 380.38 FEET TO A 1" DIAMETER PIPE TAGGED LS 5992; THENCE

(2) SOUTH 42° 13' 35" EAST 131.43 FEET TO A 1" DIAMETER PIPE TAGGED LS 5992; THENCE

(3) SOUTH 28° 33' 53" EAST 155.77 FEET TO A 1" DIAMETER PIPE TAGGED LS 5992; THENCE

(4) SOUTH 26° 11' 31" EAST 209.10 FEET TO A 1" DIAMETER IRON PIPE TAGGED LS 5992 IN THE WESTERLY LINE OF FOURTH AVENUE (A 40 FOOT WIDE STREET AT THIS POINT); THENCE ALONG SAID STREET LINE, NON-TANGENTIALLY

(5) CURVING TO THE LEFT ON A CIRCULAR ARC OF 1430 FOOT RADIUS (THE CENTER OF THE CIRCLE OF WHICH SAID ARC IS A PART BEARS SOUTH 66° 07' 36" EAST, THROUGH AN ANGLE OF 7° 11' 47" FOR A DISTANCE OF 179.61 FEET TO A 1" DIAMETER IRON PIPE TAGGED LS 5992; THENCE TANGENTIALLY

(6) SOUTH 16° 40' 37" WEST 1.94 FEET TO A 1" DIAMETER IRON PIPE TAGGED LS 5992; THENCE

(7) SOUTH 51° 33' 29" WEST 14.00 FEET TO A 1" DIAMETER IRON PIPE TAGGED LS 5992 IN THE NORTHERLY LINE OF TWELFTH STREET (A 60 FOOT WIDE STREET AT THIS POINT); THENCE LEAVING THE LINE OF FOURTH AVENUE AND ALONG SAID LINE OF TWELFTH STREET,

(8) NORTH 73° 09' 00" WEST 662.00 FEET TO A 1" DIAMETER IRON PIPE TAGGED LS 5992; THENCE LEAVE SAID STREET LINE,

(9) NORTH 16° 34' 00" EAST 310.32 FEET TO THE POINT OF BEGINNING.

APN: [031-251-017](#)

PARCEL F (20 EAST ALISAL STREET, SALINAS)

PARCEL 2, AS SHOWN ON THE PARCEL MAP FILED FOR RECORD MARCH 30, 1982 IN THE MONTEREY COUNTY RECORDER'S OFFICE IN [VOLUME 15 OF PARCEL MAPS, PAGE 53](#).

APN: [002-232-015](#)

PARCEL G

**INTENTIONALLY DELETED.**

PARCEL H (1590 MOFFETT STREET, SALINAS)

LOT 7, AS SHOWN ON THE MAP ENTITLED, "TRACT NO. 922, UNIT NO. 1, SALINAS AIRPORT BUSINESS", FILED FOR RECORD MAY 6, 1981 IN [VOLUME 14 OF "CITIES AND TOWNS" AT PAGE 57](#), IN THE OFFICE OF THE COUNTY RECORDER OF MONTEREY COUNTY.

APN: [003-863-009](#)

PARCEL I (240 CHURCH STREET, SALINAS)

BEING A PORTION OF THE LANDS OF MONTEREY COUNTY, AND BEING A PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN THAT CERTAIN CERTIFICATE OF COMPLIANCE DATED JUNE 6, 2013 AND RECORDED JUNE 7, 2013 AS [DOCUMENT NO. 2013-036397](#), OFFICIAL RECORDS OF MONTEREY COUNTY, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF SAID DESCRIBED PARCEL, SAID POINT BEING AT THE INTERSECTION OF THE NORTHERLY LINE OF WEST ALISAL STREET (A CITY STREET 75.5 FEET WIDE) WITH THE WESTERLY LINE OF CHURCH STREET (A CITY STREET 60 FEET WIDE); THENCE FROM SAID POINT OF BEGINNING AND ALONG SAID NORTHERLY LINE OF WEST ALISAL STREET,

- 1) SOUTH 80° 36' 07" WEST 321.95 FEET; THENCE LEAVING SAID NORTHERLY STREET LINE
- 2) NORTH 09° 23' 53" WEST 190.72 FEET TO A POINT ON THE NORTHERLY BOUNDARY OF SAID DESCRIBED PARCEL; THENCE ALONG SAID NORTHERLY BOUNDARY
- 3) NORTH 80° 43' 19" EAST 30.80 FEET; THENCE
- 4) NORTH 09° 16' 41" WEST 12.25 FEET; THENCE
- 5) NORTH 82° 43' 25" EAST 35.23 FEET; THENCE
- 6) SOUTH 09° 31' 28" EAST 10.64 FEET; THENCE
- 7) NORTH 80° 55' 55" EAST 165.35 FEET; THENCE

- 8) SOUTH 09° 51' 54" EAST 6.22 FEET; THENCE
- 9) NORTH 80° 45' 41" EAST 90.54 FEET TO THE NORTHEASTERLY CORNER OF SAID DESCRIBED PARCEL, BEING ALSO A POINT ON THE AFORESAID WESTERLY LINE OF CHURCH STREET; THENCE LEAVING SAID NORTHERLY BOUNDARY AND ALONG SAID WESTERLY STREET LINE
- 10) SOUTH 09° 22' 54" EAST 183.54 FEET TO THE POINT OF BEGINNING.

SAID DESCRIPTION IS THE SAME AS CONTAINED AND DESCRIBED IN THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 14, 2015 AS [DOCUMENT NO. 2015-025123](#), OFFICIAL RECORDS.

APN: 002-253-032 (NEW)  
[002-253-031](#) (OLD)

PARCEL J (1428-1432 ABBOTT STREET, SALINAS)

CERTAIN REAL PROPERTY SITUATE IN THE CITY OF SALINAS, RANCHO LLANO DE BUENA VISTA, COUNTY OF MONTEREY, STATE OF CALIFORNIA, BEING A PORTION OF THAT CERTAIN 66.323 GROSS ACRE TRACT OF LAND DESCRIBED IN THE DEED TO HARDEN FARMS, INC., A CORPORATION, AND RECORDED APRIL 9, 1964 IN [REEL 307 OF OFFICIAL RECORDS AT PAGE 293](#), RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHWESTERLY BOUNDARY OF SAID 66.323 GROSS ACRE TRACT OF LAND, ON THE SOUTHWEST SIDE OF THE CALIFORNIA STATE HIGHWAY - U.S. HIGHWAY 101 (NOW KNOWN AS ABBOTT STREET), AS WIDENED TO A WIDTH OF 100 FEET BY THAT CERTAIN 0.21 ACRE TRACT OF LAND CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED MARCH 2, 1943 IN [VOLUME 792 OF OFFICIAL RECORDS AT PAGE 113](#), RECORDS OF SAID COUNTY, FROM WHICH THE MOST NORTHERLY CORNER OF SAID 66.323 ACRE TRACT OF LAND BEARS ALONG THE NORTHWESTERLY BOUNDARY THEREOF, NORTH 23° 44' EAST 10.47 FEET DISTANT; THENCE FROM SAID POINT OF BEGINNING, LEAVING THE LAST MENTIONED NORTHWESTERLY BOUNDARY AND RUNNING ALONG THE SOUTHWESTERLY LINE OF SAID 0.21 ACRE TRACT OF LAND

1. SOUTH 62° 10' EAST 787.0 FEET, MORE OR LESS, TO THE NORTHWEST CORNER OF THAT CERTAIN 1.0 ACRE TRACT OF LAND DESCRIBED IN THE DECREE TERMINATING JOINT TENANCIES, DATED APRIL 6, 1953 AND RECORDED IN [VOLUME 1446 OF OFFICIAL RECORDS AT PAGE 427](#), RECORDS OF SAID COUNTY; THENCE LEAVING THE SOUTHWESTERLY LINE OF SAID 0.21 ACRE TRACT OF LAND AND RUNNING ALONG THE NORTHWESTERLY BOUNDARY OF SAID 1.0 ACRE TRACT OF LAND

2. SOUTH 23° 44' WEST 277.46 FEET; THENCE LEAVING THE LAST MENTIONED NORTHWESTERLY BOUNDARY

3. NORTH 62° 10' WEST 787.0 FEET, MORE OR LESS, TO THE NORTHWESTERLY BOUNDARY OF SAID 66.323 ACRE TRACT OF LAND AND THE SOUTHEASTERLY BOUNDARY OF THAT CERTAIN LOT 1 OF BLOCK 2 OF TRACT NUMBER 542 "BUENA VISTA INDUSTRIAL PARK", AS SHOWN ON THE MAP FILED IN [VOLUME 9 OF CITIES AND TOWNS AT PAGE 15](#), RECORDS OF SAID COUNTY; THENCE RUNNING ALONG THE LAST MENTIONED NORTHWESTERLY BOUNDARY

4. NORTH 23° 44' EAST 277.46 FEET TO THE POINT OF BEGINNING.

APN: [002-822-002](#)  
002-822-003

(End of Legal Description)

## SCHEDULE B

### PART I

#### EXCEPTIONS FROM COVERAGE

**File No.: 01180-173777**

**Policy No.: O-2228-000470185**

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 the taxing authority that levies taxes or assessments on real property or by the public records.

Proceeding 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 by making inquiry of 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 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.

## SCHEDULE B

### PART II

File No.: 01180-173777

Policy No.: O-2228-000470185

#### Taxes:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes, to be levied for the fiscal year 2015 - 2016.
- B. Intentionally Deleted.
- C. Assessments, if any, for Community Facility Districts affecting said land which may exist by virtue of assessment maps or notices filed by said districts. Said assessments are collected with the County Taxes.
- D. 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.
- E. Premises may lie within the boundaries of the Monterey Regional Water Pollution Control Agency and may be subject to assessments and obligations therein. Verification of current status should be made prior to the close of this transaction.  
Phone No.: (831) 372-2385

#### Exceptions:

THE FOLLOWING EXCEPTIONS AFFECT PARCEL A (1441 SCHILLING PLACE, SALINAS)

1. Easements as follows as shown on filed map of Tract 896, Eden Industrial Park in [Map Book 14, Page 31](#) and [Map Book 17, Page 164](#)
  - For : public utilities
  - Affects : as shown on the filed maps
  - For : landscape purposes
  - Affects : as shown on the filed maps
  - For : pump and controls easement
  - Affects : as shown on the filed maps
  - For : a non-access strip
  - Affects : as shown on the filed maps

No representation is made as to the present ownership of said easements.

2. Covenants, Conditions, and Restrictions as set forth in an instrument, but omitting, except to the extent permitted by any applicable federal or state law, covenants or restrictions, if any, based on race, color, religion, sex, familial status, national origin, handicap, sexual orientation, marital status, ancestry, source of income, disability, medical condition, or other unlawful basis.

Recorded: December 18, 1981 in [Book 1522, Page 1078](#). Official Records

Said Covenants, Conditions, and Restrictions provide that a violation thereof shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value.

3. Liens and charges for upkeep and maintenance as set forth in the Declaration of Covenants, Conditions and Restrictions, payable to Eden Park Association, an unincorporated non-profit association.

## SCHEDULE B

### PART II

4. Instruments entitled "Covenant and Agreement with Monterey Regional Water Pollution Control Agency Regarding Exemption Sewer Connection Permit" recorded July 13, 1987 in [Book 2120, Page 1183](#); in [Book 2120, Page 1188](#); in [Book 2120, Page 1193](#); in [Book 2120, Page 1198](#); and [Book 2120, Page 1203](#), all of Official Records.
5. An instrument entitled "Minor Subdivision Agreement" to which reference is made for full particulars, recorded February 6, 1989 in [Book 2328, Page 583](#), Official Records.
6. An instrument entitled "Land Disposition Agreement" to which reference is made for full particulars by and between Alexander Hamilton Life Insurance Company of America, a Michigan Corporation, and Salinas, a municipal corporation, recorded December 27, 1994 in [Book 3185, Page 1141](#), Official Records.
7. An easement for road purposes and public utilities and rights incidental thereto as reserved in a document reserved by Salinas, a municipal corporation, recorded December 27, 1994 in [Book 3185, Page 1148](#), Official Records, which affects a portion of said land as described therein.

No representation is made as to the present ownership of said easement.

Said easement is also shown and delineated upon that Record of Survey filed February 1, 1995 in [Book 19 of Surveys, Page 41](#).

8. Matters as shown or cited on Record of Survey filed February 1, 1995 in [Book 19 of Surveys, Page 41](#), including, but not limited to, the following easement: an easement or other provisions for the purpose of public access and rights incidental thereto.
9. Intentionally Deleted.
10. Intentionally Deleted.
11. Intentionally Deleted.

THE FOLLOWING EXCEPTIONS AFFECT PARCEL B (1488 SCHILLING PLACE, SALINAS)

12. An easement for public utilities and rights incidental thereto in favor of Pacific Gas and Electric Company as set forth in a document recorded January 3, 1949 in [Book 1108, Page 184](#), Official Records, affects: reference is made to said document for full particulars.

No representation is made as to the present ownership of said easement.

13. The fact that the ownership of said land does not include any rights of access to the state freeway, said rights having been relinquished together with a waiver of any claims for damages, in the deed from Walter Schween, to the State of California, recorded October 21, 1953 in [Book 1486, Page 163](#), Official Records.
14. An easement for drainage easement and rights incidental thereto in favor of the City of Salinas as set forth in a document recorded February 8, 1966 in [Reel 446, Page 1122](#), Official Records, affects the rear 20 feet.

No representation is made as to the present ownership of said easement.

## SCHEDULE B

### PART II

15. An easement or other provisions for the purpose of public utilities and rights incidental thereto as shown on the recorded map of Tract No. 896, Eden Industrial Park in [Volume 14 Cities and Towns, Page 31](#), which affects the frontage 11 feet.

No representation is made as to the present ownership of said easement.

16. Covenants, Conditions, and Restrictions as set forth in an instrument, but omitting, except to the extent permitted by any applicable federal or state law, covenants or restrictions, if any, based on race, color, religion, sex, familial status, national origin, handicap, sexual orientation, marital status, ancestry, source of income, disability, medical condition, or other unlawful basis.

Recorded : December 18, 1981 in [Reel 1522, Page 1078](#), Official Records

Said Covenants, Conditions, and Restrictions provide that a violation thereof shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value.

17. The requirement that the Company be presented with a letter from the Eden Park Association stating that all liens/dues are current.
18. The matters contained in an instrument entitled "Reciprocal Easement Agreement" dated March 9, 1995, by and between The Salinas Development Group upon the terms therein provided recorded March 21, 1995 in [Reel 3210, Page 1401](#), Official Records. Affects: Lots 8 and 9.
19. The terms and provisions contained in the document entitled, "Declaration Pursuant to California Civil Code Section 813", recorded April 20, 1995 in [Reel 3221, Page 59](#), Official Records. Affects: Lots 8 and 9.
20. The matters contained in an instrument entitled "Grant of Avigation Easement Agreement" dated none shown, by and between Salinas Development Group and the City of Salinas upon the terms therein provided recorded October 30, 2003 as [Document No. 2003-132949](#), Official Records.
21. The matters contained in an instrument entitled "Grant of Avigation Easement Agreement" dated none shown, by and between Salinas Development Group and the City of Salinas upon the terms therein provided recorded October 30, 2003 as [Document No. 2003-132950](#), Official Records.
22. The matters contained in an instrument entitled "Grant of Avigation Easement Agreement" dated none shown, by and between Salinas Development Group and the City of Salinas upon the terms therein provided recorded October 30, 2003 as [Document No. 2003-132951](#), Official Records.
23. A Notice of Pendency of Fire Violations, executed by the City of Salinas, recorded April 14, 2011 as [Document No. 2011-021674](#), Official Records. Affects: Lot 8.
24. The terms, provisions and easements contained in the document entitled, "Easement Deed by Court Order in Settlement of Landowner Action", recorded December 20, 2013 as [Document No. 2013-076460](#), Official Records. Affects: Lots 8 and 9.
25. The terms, provisions and easements contained in the document entitled, "Easement Deed by Court Order in Settlement of Landowner Action", recorded January 30, 2014 as [Document No. 2014-004413](#), Official Records. Affects: Lots 8 and 9.
26. Intentionally Deleted.

## SCHEDULE B

### PART II

27. Intentionally Deleted.

28. Intentionally Deleted.

THE FOLLOWING EXCEPTIONS AFFECT PARCEL C (1484 SCHILLING PLACE, SALINAS)

29. An easement or other provisions for the purpose of public utilities and rights incidental thereto as shown on the recorded map of Tract 896, Eden Industrial Park in [Book 14 Cities and Towns, Page 31](#), which affects the frontage 11 feet.

No representation is made as to the present ownership of said easement.

30. Covenants, Conditions, and Restrictions as set forth in an instrument, but omitting, except to the extent permitted by any applicable federal or state law, covenants or restrictions, if any, based on race, color, religion, sex, familial status, national origin, handicap, sexual orientation, marital status, ancestry, source of income, disability, medical condition, or other unlawful basis.

Recorded: December 18, 1981 in [Book 1522, Page 1078](#), Official Records

Said Covenants, Conditions, and Restrictions provide that a violation thereof shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value.

31. Liens and charges for upkeep and maintenance as set forth in the Declaration of Covenants, Conditions and Restrictions, payable to Eden Park Association.

32. Instruments entitled "Covenant and Agreement with Monterey Regional Water Pollution Control Agency Regarding Exemption Sewer Connection Permit" recorded July 13, 1987 in [Book 2120, Page 1183](#); in [Book 2120, Page 1188](#); in [Book 2120, Page 1193](#); in [Book 2120, Page 1198](#); and [Book 2120, Page 1203](#), all of Official Records.

33. An instrument entitled "Minor Subdivision Agreement" to which reference is made for full particulars, recorded February 6, 1989 in [Book 2328, Page 583](#), Official Records.

34. An easement for road purposes and public utilities and rights incidental thereto as reserved in a document reserved by Salinas, a municipal corporation, recorded December 27, 1994 in [Book 3185, Page 1148](#), Official Records, which affects a portion of said land as described therein.

No representation is made as to the present ownership of said easement.

35. The terms, provisions and easements contained in the document entitled, "Easement Deed by Court Order in Settlement of Landowner Action", recorded December 20, 2013 as [Document No. 2013-076460](#), Official Records.

36. The terms, provisions and easements contained in the document entitled, "Easement Deed by Court Order in Settlement of Landowner Action", recorded January 30, 2014 as [Document No. 2014-004413](#), Official Records.

37. Intentionally Deleted.

38. Intentionally Deleted.

39. Intentionally Deleted.



## SCHEDULE B

### PART II

THE FOLLOWING EXCEPTIONS AFFECT PARCEL D (1494 SCHILLING PLACE, SALINAS)

40. An easement for public utilities and rights incidental thereto in favor of Pacific Gas and Electric Company as set forth in a document recorded January 3, 1949 in [Book 1108, Page 184](#), Official Records, affects: reference is made to said document for full particulars.

No representation is made as to the present ownership of said easement.

41. The fact that the ownership of said land does not include any rights of access to the state freeway, said rights having been relinquished together with a waiver of any claims for damages, in the deed from Walter Schween, to the State of California, recorded October 21, 1953 in [Book 1486, Page 163](#), Official Records.

42. An easement for pedestrian and vehicular traffic and rights incidental thereto in favor of Martha E. Bardin as set forth in a document recorded August 26, 1965 in [Reel 421, Page 781](#), Official Records, affects a portion of Parcel Four.

No representation is made as to the present ownership of said easement.

43. An easement for drainage easement and rights incidental thereto in favor of the City of Salinas as set forth in a document recorded February 8, 1966 in [Reel 446, Page 1122](#), Official Records, affects the rear 20 feet.

No representation is made as to the present ownership of said easement.

44. An easement for storm drainage and rights incidental thereto in favor of City of Salinas as set forth in a document recorded November 14, 1967 in [Reel 530, Page 1052](#), Official Records, affects: reference is made to said document for full particulars.

No representation is made as to the present ownership of said easement.

45. Covenants, Conditions, and Restrictions as set forth in an instrument, but omitting, except to the extent permitted by any applicable federal or state law, covenants or restrictions, if any, based on race, color, religion, sex, familial status, national origin, handicap, sexual orientation, marital status, ancestry, source of income, disability, medical condition, or other unlawful basis.

Recorded: December 18, 1981 in [Book 1522, Page 1078](#), Official Records

Said Covenants, Conditions, and Restrictions provide that a violation thereof shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value.

46. Liens and charges for upkeep and maintenance as set forth in the Declaration of Covenants, Conditions and Restrictions, payable to Eden Park Association.

47. An easement for road and utility purposes and rights incidental thereto in favor of Evelyn Bowen, et al as set forth in a document recorded September 10, 1990 in [Reel 2553, Page 631](#), Official Records, affects Parcel One, reference is made to said document for full particulars.

Said document was re-recorded December 7, 1990 in [Reel 2585, Page 356](#), Official Records.

No representation is made as to the present ownership of said easement.

## SCHEDULE B

### PART II

48. An easement for road and utility purposes and rights incidental thereto in favor of Evelyn Bowen, et al as set forth in a document recorded December 7, 1990 in [Reel 2585, Page 363](#), Official Records, affects Parcel Four, reference is made to said document for full particulars..

No representation is made as to the present ownership of said easement.

49. An easement for a water pipeline and rights incidental thereto in favor of California Water Service Company as set forth in a document recorded July 11, 1995 in [Reel 3248, Page 1548](#), Official Records, affects Parcel One, reference is made to said document for full particulars.

No representation is made as to the present ownership of said easement.

An easement for a water pipeline and rights incidental thereto in favor of California Water Service Company as set forth in a document recorded July 14, 1995 in [Reel 3250, Page 934](#), Official Records, affects Parcel One, reference is made to said document for full particulars.

No representation is made as to the present ownership of said easement.

50. The terms, provisions and easements contained in the document entitled, "Easement Deed by Court Order in Settlement of Landowner Action", recorded December 20, 2013 as [Document No. 2013-076460](#), Official Records.
51. The terms, provisions and easements contained in the document entitled, "Easement Deed by Court Order in Settlement of Landowner Action", recorded January 30, 2014 as [Document No. 2014-004413](#), Official Records.
52. Intentionally Deleted.
53. Intentionally Deleted.
54. Intentionally Deleted.

THE FOLLOWING EXCEPTIONS AFFECT PARCEL E (298 TWELFTH STREET, MARINA)

55. Covenants, Conditions, and Restrictions as set forth in an instrument, but omitting, except to the extent permitted by any applicable federal or state law, covenants or restrictions, if any, based on race, color, religion, sex, familial status, national origin, handicap, sexual orientation, marital status, ancestry, source of income, disability, medical condition, or other unlawful basis.  
Recorded : August 13, 1997 in [Reel 3557, Page 517](#), Official Records
- Said Covenants, Conditions and Restrictions DO provide for reversion of title in the event of a breach thereof.
56. The fact that said land is included within a project area of the City of Marina Redevelopment Agency, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document recorded November 5, 1999 as [Instrument No. 1999-82746](#), Official Records.
57. An easement for water and waste water distribution systems and rights incidental thereto in favor of Fort Ord Reuse Authority ("FORA") as set forth in a document recorded October 26, 2001 as [Instrument No. 2001-90792](#), Official Records, affects: reference is made to said document for full particulars.

## SCHEDULE B

### PART II

Assignment of Easements on former Fort Ord and Ord Military Community, County of Monterey, and Quitclaim Deed for Water and Waste Water Systems recorded October 26, 2001 as [Instrument No. 2001-90793](#), Official Records

Said document was re-recorded November 7, 2001 as [Instrument No. 2001-94583](#), Official Records.

No representation is made as to the present ownership of said easement.

58. The fact that said land is included within a project area of the Fort Ord Redevelopment Agency, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document recorded March 22, 2002 as [Instrument No. 2002-28022](#), Official Records.
59. A covenant and agreement entitled, "Covenant to Restrict Use of Property Environmental Restriction", executed by the United States of America in favor of the State of California, acting by and through the Department of Toxic Substances Control and the Central Coast Regional Water Quality Control Board, recorded May 22, 2002 as [Instrument No. 2002-48597](#), Official Records.

Reference is made to said document for full particulars.

60. The herein described property lies within the boundaries of a Mello-Roos Community Facilities District (CFD), as follows:

CFD No: Ft Ord Reuse Authority Basewide Community Facilities District

For: Community Facilities

Disclosed by: Notice of Special Tax Lien Fort Ord Reuse Authority Basewide Facilities District

Recorded: May 22, 2002 as [Instrument No. 2002-48932](#), Official Records

This property, along with all other parcels in the CFD, is liable for an annual special tax. This special tax is included with and payable with the general property taxes of the County of Monterey. The tax may not be prepaid.

Said document was modified by an instrument recorded October 27, 2005 as [Instrument No. 2005-114953](#), Official Records.

61. Covenants, Conditions, and Restrictions as set forth in an instrument, but omitting, except to the extent permitted by any applicable federal or state law, covenants or restrictions, if any, based on race, color, religion, sex, familial status, national origin, handicap, sexual orientation, marital status, ancestry, source of income, disability, medical condition, or other unlawful basis.  
Recorded : December 7, 2009 as [Instrument No. 2009-77918](#), Official Records

THE FOLLOWING EXCEPTIONS AFFECT PARCEL F (20 EAST ALISAL STREET, SALINAS)

62. The fact that said land is included within a project area of the City of Salinas Redevelopment Agency, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document recorded January 23, 1995 in [Reel 3193, Page 584](#), Official Records.

Said document was modified by an instrument recorded August 5, 1999 as [Instrument No. 1999-59522](#), Official Records.

## SCHEDULE B

### PART II

Said document was modified by an instrument recorded August 26, 2004 as [Instrument No. 2004-90113](#), Official Records.

Said document was modified by an instrument recorded December 12, 2007 as [Instrument No. 2007-92136](#), Official Records.

63. Intentionally Deleted.

64. Intentionally Deleted.

65. Intentionally Deleted.

THE FOLLOWING EXCEPTION AFFECT PARCEL G (970 CIRCLE DRIVE, SALINAS)

66. Intentionally Deleted.

67. Intentionally Deleted.

68. Intentionally Deleted.

69. Intentionally Deleted.

70. Intentionally Deleted.

71. Intentionally Deleted.

72. Intentionally Deleted.

THE FOLLOWING EXCEPTIONS AFFECT PARCEL H (1590 MOFFETT STREET, SALINAS)

73. Covenants, Conditions, and Restrictions as set forth in an instrument, but omitting, except to the extent permitted by any applicable federal or state law, covenants or restrictions, if any, based on race, color, religion, sex, familial status, national origin, handicap, sexual orientation, marital status, ancestry, source of income, disability, medical condition, or other unlawful basis.

Recorded : May 7, 1981 in [Reel 1480, Page 227](#), Official Records

Said Covenants, Conditions and Restrictions DO NOT provide for reversion of title in the event of a breach thereof.

74. An easement for public utilities and rights incidental thereto in favor of the City of Salinas as set forth in a document recorded August 19, 1982 in [Reel 1573, Page 283](#), Official Records, affects the northwesterly and northeasterly 6 feet.

No representation is made as to the present ownership of said easement.

75. Covenants, Conditions, and Restrictions as set forth in an instrument, but omitting, except to the extent permitted by any applicable federal or state law, covenants or restrictions, if any, based on race, color, religion, sex, familial status, national origin, handicap, sexual orientation, marital status, ancestry, source of income, disability, medical condition, or other unlawful basis.

Recorded : September 21, 1982 in [Reel 1579, Page 142](#), Official Records

## SCHEDULE B

### PART II

Said Covenants, Conditions, and Restrictions provide that a violation thereof shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value.

Said Covenants, Conditions and Restrictions DO NOT provide for reversion of title in the event of a breach thereof.

76. An easement for underground conduits and rights incidental thereto in favor of Pacific Gas and Electric Company as set forth in a document recorded December 15, 1982 in [Reel 1597, Page 568](#), Official Records, affects the northerly 10 feet of the northwest 25 feet.

No representation is made as to the present ownership of said easement.

77. An easement for underground conduits and rights incidental thereto in favor of Pacific Gas and Electric Company as set forth in a document recorded September 21, 1984 in [Reel 1771, Page 831](#), Official Records, affects the southeasterly portion, reference is made to said document for full particulars.

No representation is made as to the present ownership of said easement.

78. Intentionally Deleted.

79. Intentionally Deleted.

80. Intentionally Deleted.

THE FOLLOWING EXCEPTIONS AFFECT PARCEL I (240 CHURCH STREET, SALINAS)

81. An easement for public utilities and rights incidental thereto in favor of The Pacific Telephone and Telegraph Company as set forth in a document recorded July 12, 1928 in [Book 156, Page 451](#), Official Records, affects as described therein.

No representation is made as to the present ownership of said easement.

82. An easement for public utilities and rights incidental thereto in favor of Sierra and San Francisco Power Company as set forth in a document recorded May 24, 1929 in [Book 195, Page 10](#), Official Records, affects as described therein.

No representation is made as to the present ownership of said easement.

83. An easement for road and rights incidental thereto as reserved in a document reserved by Lee L. Jacks, et al., recorded September 2, 1937 in [Book 537, Page 476](#), Official Records, which affects as described therein.

No representation is made as to the present ownership of said easement.

84. An easement for sewers and public utilities and rights incidental thereto as reserved in a document reserved by the City of Salinas, recorded October 31, 1963 in [Reel 245, Page 504](#), Official Records, which affects as described therein.

No representation is made as to the present ownership of said easement.

## SCHEDULE B

### PART II

A Resolution summarily vacating a portion of a public utility easement, recorded February 26, 2004, as [Document 2004-017463](#) of Official Records.

85. The fact that said land is included within a project area of the City of Salinas Redevelopment Agency, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document recorded January 23, 1995 in [Reel 3193, Page 584](#), Official Records.
86. An easement for in-pavement lighted pedestrian crosswalk and rights incidental thereto in favor of the City of Salinas as set forth in a document recorded October 31, 2006, as [Document 2006-096364](#), Official Records, affects as described therein.

No representation is made as to the present ownership of said easement.

87. Intentionally Deleted.
88. Intentionally Deleted.
89. Intentionally Deleted.
90. Intentionally Deleted.
91. Certificate of Compliance executed by the Monterey County Resource Management Agency, recorded May 14, 2015 as [Document No. 2015-025123](#), Official Records.
92. Intentionally Deleted.
93. Intentionally Deleted.
94. Intentionally Deleted.

THE FOLLOWING EXCEPTIONS AFFECT PARCEL J (1428-1432 ABBOTT STREET, SALINAS)

95. Water or water rights as granted in the deed by and between Spreckels Sugar Company, N.P. Johansen and Cora Johansen, recorded December 29, 1934 in [Book 421, Page 144](#), Official Records.

Reference is made to said document for full particulars.

96. A waiver in favor of the State of California of any claims for damages to said land by the reasons of location, construction, landscaping or maintenance shown in connection with a highway contiguous thereto, contained in the deed from N.P. Johansen and Cora Johansen, recorded March 2, 1943 in [Book 792, Page 113](#), Official Records.
97. Notes relative to the establishment of boundaries, as depicted on that certain map entitled, "Record of Survey of the Lands of the County of Monterey, as determined by Bestor Engineers, Inc., filed for record August 19, 1994 in [Volume 18 of Surveys, Page 143](#).
98. The matters contained in an instrument entitled Covenant and Agreement with Monterey Regional Water Pollution Control Agency regarding Sewer Connection Permit Transfer dated July 26, 1994, by and between the County of Monterey upon the terms therein provided recorded August 23, 1994 in [Reel 3141, Page 1407](#), Official Records.

## SCHEDULE B

### PART II

#### THE FOLLOWING EXCEPTIONS AFFECT ALL PARCELS

99. Intentionally Deleted.
100. Intentionally Deleted.
101. Intentionally Deleted.
102. Terms and Conditions as contained in that certain document entitled "Assignment Agreement" dated September 1, 2015, by and between County of Monterey Public Improvement Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State of California and The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United State of America, as Trustee, recorded August 31, 2015, as Instrument/File No. 2015048785, of Official Records.
103. Terms and Conditions as contained in that certain document entitled "Trust Agreement" dated as of September 1, 2015 by and between The Bank of New York Mellon Trust Company, N.A., a national banking association and existing under the laws of the United States of America, as Trustee, County of Monterey Public Improvement Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State of California and County of Monterey, a county and political subdivision of the State of California organized and existing under and by virtue of the laws of the State of California as disclosed by the Assignment Agreement shown as exception No. 102 above.
104. Failure to comply with the terms, conditions and provisions of the lease insured herein.

(End of Exceptions)

## STG Privacy Notice Stewart Title Companies

### WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its title affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information.	Do we share	Can you limit this sharing?
<b>For our everyday business purposes</b> — to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
<b>For our marketing purposes</b> — to offer our products and services to you.	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes</b> — information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and non-financial companies. <i>Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company</i>	Yes	No
<b>For our affiliates' everyday business purposes</b> — information about your creditworthiness.	No	We don't share
<b>For our affiliates to market to you</b> — For your convenience, Stewart has developed a means for you to opt out from its affiliates marketing even though such mechanism is not legally required.	Yes	Yes, send your first and last name, the email address used in your transaction, your Stewart file number and the Stewart office location that is handling your transaction by email to <a href="mailto:optout@stewart.com">optout@stewart.com</a> or fax to 1-800-335-9591.
<b>For non-affiliates to market to you.</b> Non-affiliates are companies not related by common ownership or control. They can be financial and non-financial companies.	No	We don't share

We may disclose your personal information to our affiliates or to non-affiliates as permitted by law. If you request a transaction with a non-affiliate, such as a third party insurance company, we will disclose your personal information to that non-affiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

### SHARING PRACTICES

<b>How often do the Stewart Title Companies notify me about their practices?</b>	We must notify you about our sharing practices when you request a transaction.
<b>How do the Stewart Title Companies protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer, file, and building safeguards.
<b>How do the Stewart Title Companies collect my personal information?</b>	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>▪ request insurance-related services</li> <li>▪ provide such information to us</li> </ul> We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
<b>What sharing can I limit?</b>	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

**Contact us:** *If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company, 1980 Post Oak Blvd., Privacy Officer, Houston, Texas 77056*



**ENDORSEMENT**  
**ATTACHED TO POLICY NUMBER O-2228-000470185**  
**ISSUED BY**

**STEWART TITLE GUARANTY COMPANY**

File No.: 01180-173777

Charge: \$100.00

1. As used in this endorsement, the following terms shall mean:

- a. "Evicted" or "Eviction": (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.
- b. "Lease": the lease agreement described in Schedule A.
- c. "Leasehold Estate": the right of possession granted in the Lease for the Lease Term.
- d. "Lease Term": the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- e. "Personal Property": property located on the Land on or after Date of Policy that, because of its character and manner of attachment to the Land, can be severed from the Land without causing material damage to it or to the Land.
- f. "Remaining Lease Term": the portion of the Lease Term remaining after the Tenant has been Evicted as a result of a matter covered by this policy.
- g. "Tenant Leasehold Improvements": Those improvements, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Insured's expense or in which the Insured has an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Insured:

If in computing loss or damage it becomes necessary to value the Title as the result of a covered matter that results in an Eviction of the Insured, then that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Insured Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable, shall be included in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title:

- a. The reasonable cost of removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, the cost of transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, and the reasonable cost of repairing the Personal Property damaged by reason of the removal and relocation.
- b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.



- c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.
- d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease permitted by the Lease and made by Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
- e. Damages that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements caused by the Eviction.
- f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a leasehold reasonably equivalent to the Leasehold Estate.
- g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering fees, construction management fees, costs of environmental testing and reviews, and landscaping costs.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Countersigned by:

  
Authorized Countersignature

Stewart Title of California, Inc.  
7676 Hazard Center Drive Suite 1400  
San Diego, CA 92108  
Agent ID: 050203

**stewart**  
title guaranty company





**Matt Morris**  
President and CEO



**Denise Carraux**  
Secretary

**Endorsement  
Serial No.**

**E-9160-802751927**

**Non-Merger ENDORSEMENT**  
**ATTACHED TO POLICY NUMBER O-2228-000470185**  
**ISSUED BY**

**STEWART TITLE GUARANTY COMPANY**

File No.: 01180-173777

Charge: \$700.00

The Company insures the insured against loss or damage as a result of the entry of a final judgment or decree of a court of competent jurisdiction constituting a final determination and adjudging the invalidity of the Leasehold Estate on the grounds that it is extinguished by a merger of the Leasehold Interest referred to in Schedule A Paragraph 2 with the Fee Simple title.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: August 31, 2015

Signed under seal for the Company, but this Endorsement is to be valid only when it bears an authorized counter-signature.

Countersigned by:

  
Authorized Countersignature

**stewart**  
title guaranty company



  
Matt Morris  
President and CEO

Stewart Title of California, Inc.  
7676 Hazard Center Drive Suite 1400  
San Diego, CA 92108  
Agent ID: 050203

  
Denise Carraux  
Secretary

**Endorsement  
Serial No.**

**E-9936-348827452**

**Bond Payment ENDORSEMENT**  
**ATTACHED TO POLICY NUMBER O-2228-000470185**  
**ISSUED BY**

**STEWART TITLE GUARANTY COMPANY**

File No.: 01180-173777

Charge: \$700.00

That upon the occurrence of a loss otherwise insured against under this policy which results or would result with the lapse of time, in the failure of County of Monterey Public Improvement Corporation to promptly pay The Bank of New York Mellon Trust Company, N.A., a National Banking Association, scheduled payments of the principal and of interest on the Certificates when due, such loss shall include the amounts required to pay in full the redemption price (including accrued interest to the date of the redemption) of the Certificates outstanding (The aggregate principal amount of such Certificates subject to redemption to be calculated as to the date of the occurrence of the loss) up to the face amount of the policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: August 31, 2015

Signed under seal for the Company, but this Endorsement is to be valid only when it bears an authorized counter-signature.

Countersigned by:


  
Authorized Countersignature

**stewart**  
title guaranty company



  
Matt Morris  
President and CEO

Stewart Title of California, Inc.  
7676 Hazard Center Drive Suite 1400  
San Diego, CA 92108  
Agent ID: 050203

  
Denise Carraux  
Secretary

**Endorsement  
Serial No.**

**E-9936-733829657**

**CLTA 103.7 ENDORSEMENT**  
**ATTACHED TO POLICY NUMBER O-2228-000470185**  
**ISSUED BY**

**STEWART TITLE GUARANTY COMPANY**

File No.: 01180-173777

Charge: \$700.00

The Company insures against loss or damage sustained by the Insured by reason of the failure of the Land to abut a physically open street known as:

Schilling Place (Affects Parcels A, B, C & D)  
Twelfth Street (Affects Parcel E)  
Alisal Street (Affects Parcel F)  
Moffett Street (Affects Parcel H)  
Church Street (Affects Parcel I)  
Abbott Street (Affects Parcel J)

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: August 31, 2015

Signed under seal for the Company, but this Endorsement is to be valid only when it bears an authorized counter-signature.

Countersigned by:

  
\_\_\_\_\_  
Authorized Countersignature

**stewart**  
title guaranty company



  
\_\_\_\_\_  
Matt Morris  
President and CEO

Stewart Title of California, Inc.  
7676 Hazard Center Drive Suite 1400  
San Diego, CA 92108  
Agent ID: 050203

  
\_\_\_\_\_  
Denise Carraux  
Secretary

**Endorsement  
Serial No.**

**E-9936-745318682**