

Aug. 2013



CHICAGO TITLE COMPANY

PRELIMINARY REPORT

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

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

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

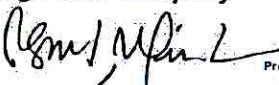
It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.


Countersigned



Chicago Title Company

BY


President

ATTEST


Secretary



Chicago Title Company

ISSUING OFFICE: 3700 State Street, Suite 100 • Santa Barbara, CA 93105
805 879-9400 • FAX 805 879-9452

PRELIMINARY REPORT

Amended

Title Officer: Alan Martin

Title No.: 13-77502684-A-AM

Locate No.: CACTI7742-7742-4775-0077502684

TO: County of Santa Barbara
1100 Anacapa Street
Santa Barbara, CA 93101

ATTN: Ronn Carlentine
YOUR REFERENCE: APN# 113-210-21

PROPERTY ADDRESS: Vacant Land-APN# 113-210-21, Santa Maria, California

EFFECTIVE DATE: August 7, 2013, 07:30 A.M.

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

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

A Fee

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

County of Santa Barbara

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

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

PL\PL 08/13/2013

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Being a portion of Subdivision No. 5 as allotted to Isaac Goldtree in the Final Decree of Partition of the Rancho Punta de la Laguna, a copy of which recorded December 7, 1880 in Book W of Deeds, Page 333, in the office the County Recorder, County of Santa Barbara, State of California, more particularly described as follows:

Beginning at a point in the Easterly line of said Subdivision No. 5, said point being the centerline intersection of Black Road and Betteravia Road as shown on the Record of Survey filed in Book 87 of Records of Survey, Page 96, as a set nail and tag marked LS 3485; thence

First - S00°41'25"W, along said centerline and said Easterly line, 1412.60 feet to a point; thence,

Second - N89°18'35"W departing said centerline and said Easterly line, 1627.61 feet to a point of intersection with the Southerly prolongation of the Easterly line of an existing dirt farm road, as said road exists today; thence,

Third - N00°13'32"E along said prolongation, said Easterly line of said existing dirt farm road, and its Northerly prolongation, 1279.16 feet to a point of intersection with the Southerly line of said Betteravia Road, said road is described in the Deed to the County of Santa Barbara recorded August 27, 1947 as Instrument No. 11628 in Book 738 of Official Records, Page 413, in the office of said County Recorder; thence,

Fourth - N86°54'11"E along the Southerly line of said Betteravia Road as described in said deed, 1611.51 feet to a point of intersection with the Westerly line of said Black Road, 60.00 feet wide, said Westerly line being 30.00 feet Westerly of said centerline of Black Road and 30.00 feet Westerly of said Easterly line of said Subdivision No. 5, said point being depicted on said Record of Survey; thence,

Fifth - N00°41'25"E along said Westerly line, said line being 30.00 feet Westerly of and parallel with said Easterly line of Subdivision No. 5 and said centerline of said Black Road, 25.05 feet to Station 138+76.24, the point of beginning for the land described in said deed to the County of Santa Barbara for said Betteravia Road; thence,

Sixth - along the control line described in said deed to the County of Santa Barbara for said Betteravia Road, N86°54'11"E, 30.07 feet to the point of beginning.

Above described land is shown on Record of Survey recorded in Book 178 Page 15 of Record of Survey, in the office of the County Recorder of said County.

EXCEPTING therefrom 60% of 100% of the oil, gas, gasoline, asphaltum and other hydrocarbon substances of whatever category in and under said land, but without rights to the surface thereof above a depth of 500 feet, as conveyed by the Union Sugar Company, a California corporation to SMV Minerals, Inc., a California corporation, by deed recorded June 15, 1972 as Instrument No. 22088 in Book 2406, Page 199 of Official Record.

APN: 113-210-21

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

1. **Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2013-2014.
2. **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.
3. **Water rights, claims or title to water**, whether or not disclosed by the public records.
4. **Rights of the public** as to any portion of the land lying within the area commonly known as any public street or highway.
5. **The rights** for electrical transmission line in favor of Midland Counties public services corporation over an undisclosed portion of said land in the deed recorded December 28, 1916 in Book 156, Page 502 of Deeds, and re-recorded January 15, 1917 in Book 158, Page 174 of Deeds.

Pacific Gas & Electric Company, a corporation, succeeded to the interests of Midland Counties Public Service Corporation by deed dated December 31, 1938 and recorded February 7, 1939 as Instrument No. 1013 in Book 455, Page 290, et seq., of Official Records.

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

Granted to:	Pacific Gas & Electric Company, a California corporation
Purpose:	Poles
Recorded:	July 24, 1942, Instrument No. 5644, Book 556, Page 36, of Official Records
Affects:	Easterly portion of said land

7. **That certain interest, (whether fee or easement)**, as granted to the County of Santa Barbara and the rights incidental there to as set forth in a document

Purpose:	Public road
Recorded:	December 31, 1968 as Instrument Nos. 40338 & 40339 in Book 2257, Page 391 thru 395, Official Records
Affects:	That portion of said land lying within Betteravia Road

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

Granted to:	State of California
Purpose:	State water project waterlines
Recorded:	February 5, 1996, Instrument No. 96-6842, of Official Records
Affects:	An Easterly portion of said land

Restrictions on the use, by the owners of said land, of the easement area as set forth in the easement document shown hereinabove.

Reference is made to said document for full particulars.

9. **Covenants and restrictions** imposed by any land conservation contract executed pursuant to Government Code Section 51200 et seq. (also called the Williamson Act) authorizing the establishment of agricultural preserves. The use of the land within the preserve may be restricted by the land contract to agricultural, recreational, open-space, and other compatible uses.
10. **Matters** contained in that certain document entitled "Judgement After Trial pursuant to Case No. 1-97-CV-770214 Superior Court County of Santa Clara" dated , executed by and between Santa Maria Valley Water Conservation District (Plaintiff) and City of Santa Maria et al (Defendant recorded March 25, 2008, Instrument No. 2008-16608, of Official Records, which document, among other things, contains or provides for: Rights to claims to Ground Water.

Reference is hereby made to said document for full particulars.

412 total pages

END OF ITEMS

- Note 1.** The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. 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. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
- Note 2.** If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

Note 3. Wiring instructions for Chicago Title Company, Santa Barbara, CA, are as follows:

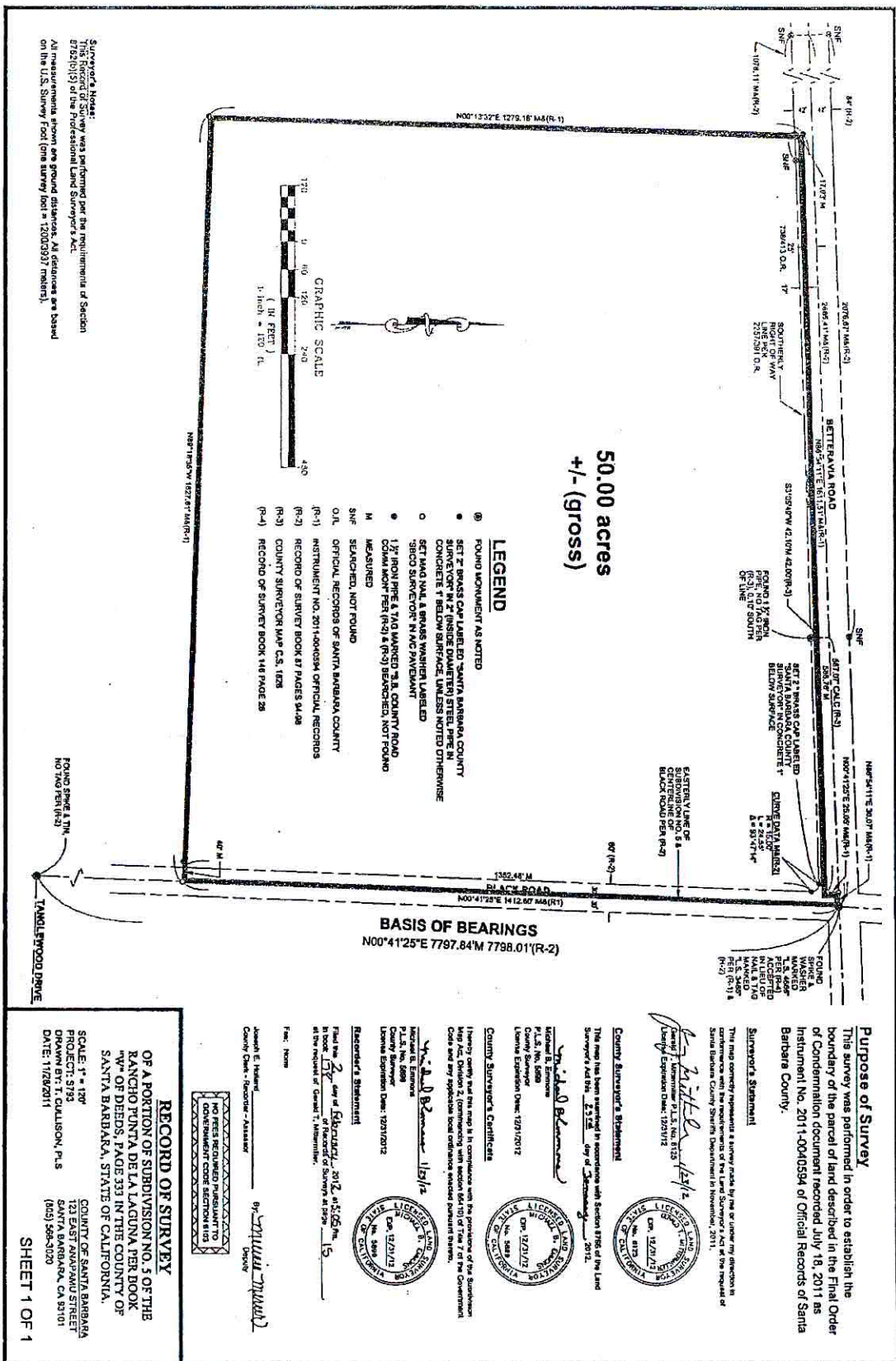
Receiving Bank: Bank of America
275 Valencia Blvd, 2nd Floor
Brea, CA 92823-6340
ABA Routing No.: 026009593
Credit Account Name: Chicago Title Company - Title Administration/Santa Barbara Payoff
1101 Anacapa Street, Santa Barbara, CA 93101
Credit Account No.: 12355-83283
Reference No.: 13-77502684

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

Note 4. Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.**END OF NOTES**

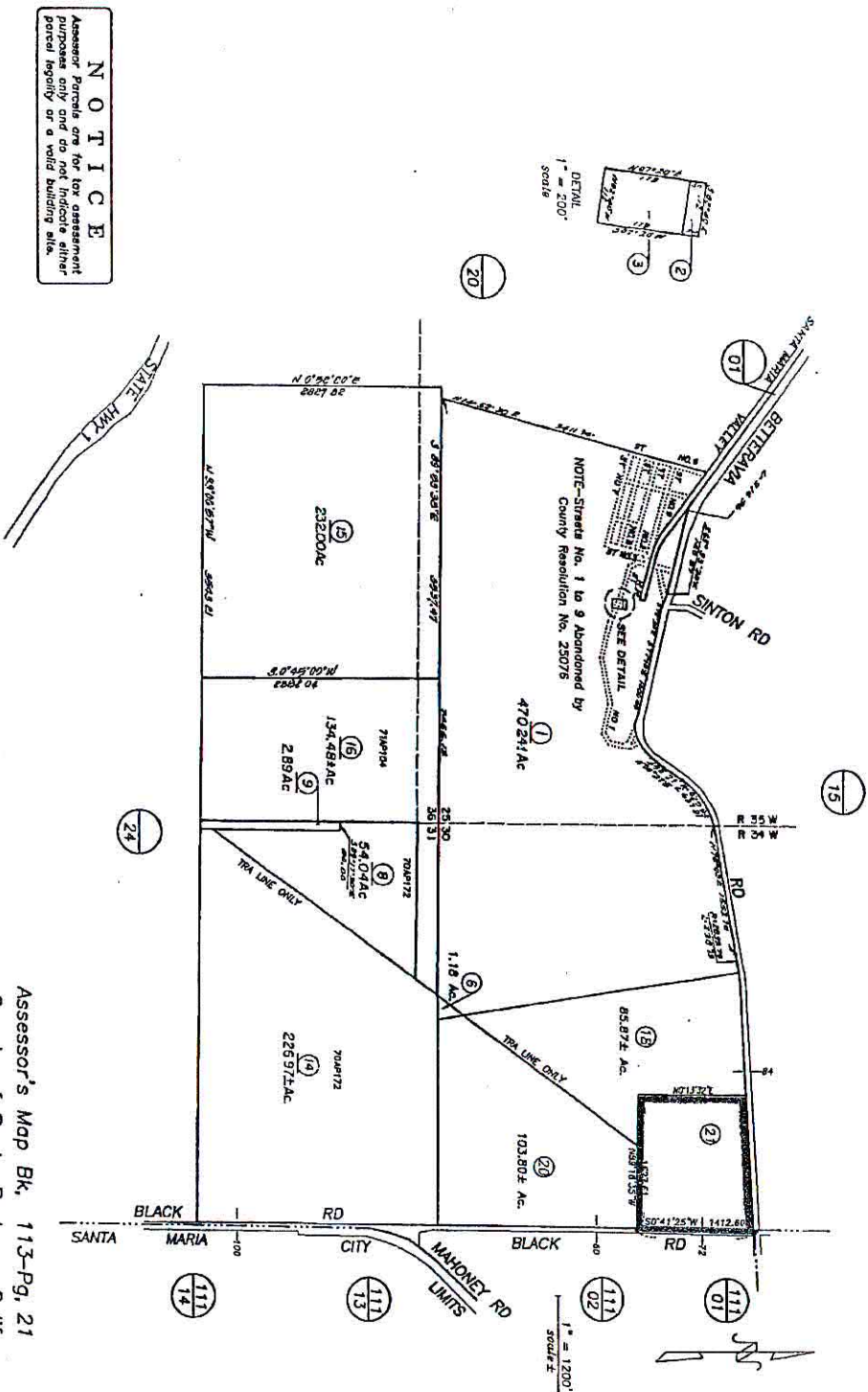
"This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon."

SHEET 1 OF 1



POR. RANCHO PUNTA DE LA LAGUNA

113-21



Chicago Title

"This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon."

ATTACHMENT ONE

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection

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

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

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

3. Title Risks:

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

4. Failure to pay value for your title.

5. Lack of a right:

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

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

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

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

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.

4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

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

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:

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

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

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

PART I

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

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or

material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or

- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
(iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

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

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

EXCEPTIONS FROM COVERAGE

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

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

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

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

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

- (c) resulting in no loss or damage to the Insured Claimant;
- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

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

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

EXCEPTIONS FROM COVERAGE

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records;
(b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE**

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

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

3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy, or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

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

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

EXCEPTIONS FROM COVERAGE

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

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

**ATTACHMENT ONE
(CONTINUED)**

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

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

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

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

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

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

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

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

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

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

EXCEPTIONS FROM COVERAGE

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. Land use
 - d. improvements on Land
 - e. Land division
 - f. environmental protectionThis Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

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

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 14:	<u>1.00%</u> of Policy Amount or <u>\$ 2,500.00</u> (whichever is less)	<u>\$ 10,000.00</u>
Covered Risk 15:	<u>1.00%</u> of Policy Amount or <u>\$ 5,000.00</u> (whichever is less)	<u>\$ 25,000.00</u>
Covered Risk 16:	<u>1.00%</u> of Policy Amount or <u>\$ 5,000.00</u> (whichever is less)	<u>\$ 25,000.00</u>
Covered Risk 18:	<u>1.00%</u> of Policy Amount or <u>\$ 2,500.00</u> (whichever is less)	<u>\$ 5,000.00</u>

**ATTACHMENT ONE
(CONTINUED)**

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

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

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

- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	<u>1.00% of Policy Amount Shown in Schedule A</u> or <u>\$ 2,500.00</u> (whichever is less)	<u>\$ 10,000.00</u>
Covered Risk 18:	<u>1.00% of Policy Amount Shown in Schedule A</u> or <u>\$ 5,000.00</u> (whichever is less)	<u>\$ 25,000.00</u>
Covered Risk 19:	<u>1.00% of Policy Amount Shown in Schedule A</u> or <u>\$ 5,000.00</u> (whichever is less)	<u>\$ 25,000.00</u>
Covered Risk 21:	<u>1.00% of Policy Amount Shown in Schedule A</u> or <u>\$ 2,500.00</u> (whichever is less)	<u>\$ 5,000.00</u>

**ATTACHMENT ONE
(CONTINUED)**

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) created, suffered, assumed or agreed to by the Insured Claimant;
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
(c) resulting in no loss damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
(e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
(a) The time of the advance; or
(b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

**ATTACHMENT ONE
(CONTINUED)**

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07/26/10)
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed, or agreed to by the Insured Claimant;
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
(c) resulting in no loss or damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28);
or
(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

Notice

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

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

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

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

Fidelity National Financial, Inc.
Privacy Statement

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

Personal Information Collected

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

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

Disclosure of Personal Information

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

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

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

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

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

Confidentiality and Security of Personal Information

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

Access To Personal Information/

Requests for Correction, Amendment, or Deletion of Personal Information

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

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

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

Changes to this Privacy Statement

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

Notice of Available Discounts

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

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

FNF Underwritten Title Company

CTC – Chicago Title Company

FNF Underwriter

CTIC – Chicago Title Insurance Company

Available Discounts

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

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

FEE REDUCTION SETTLEMENT PROGRAM (CTC and CTIC)

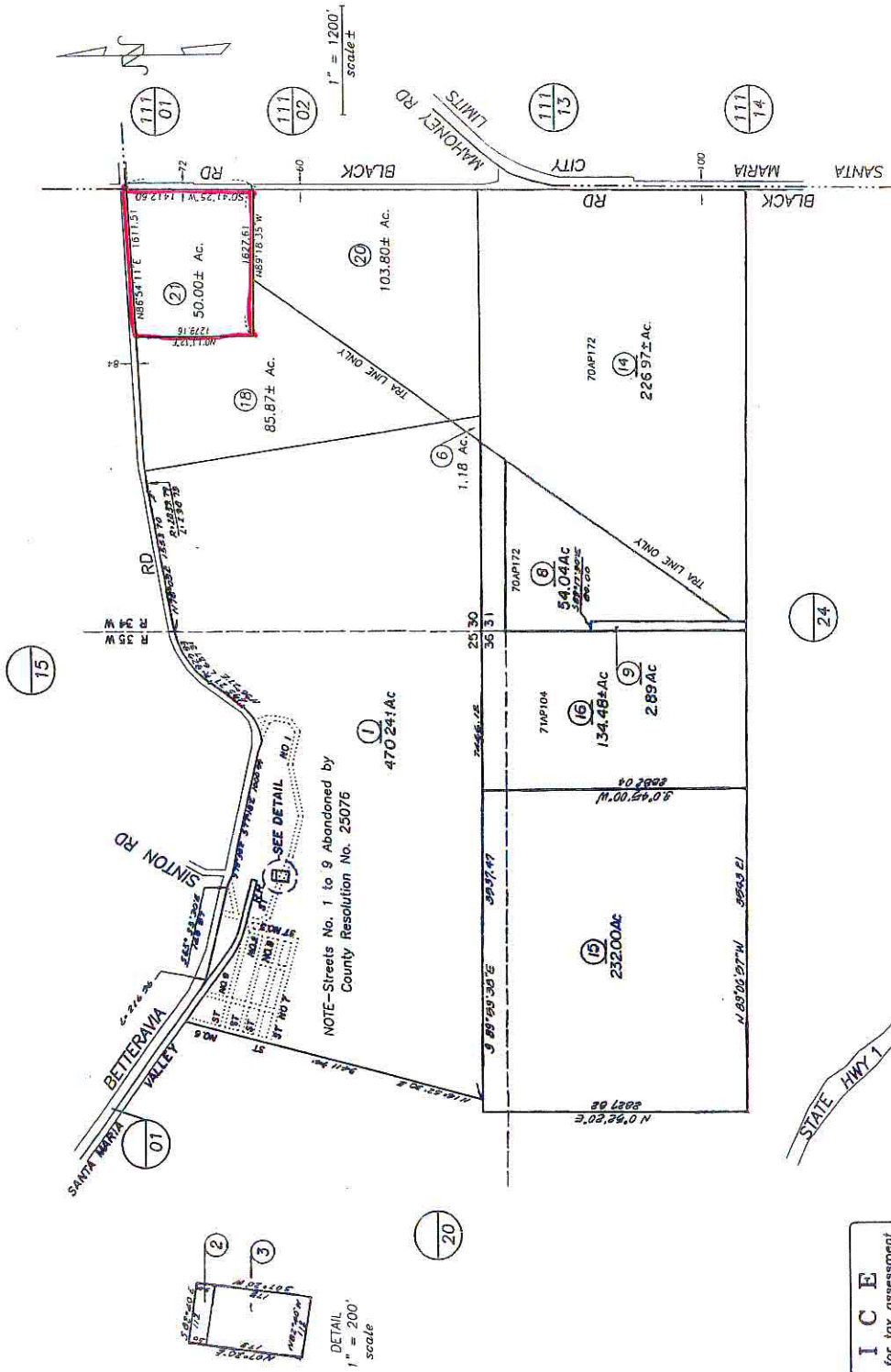
Eligible customers shall receive a \$20.00 reduction in their title and/or escrow fees charged by the Company for each eligible transaction in accordance with the terms of the Final Judgments entered in *The People of the State of California et al. v. Fidelity National Title Insurance Company et al.*,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

DISASTER LOANS (CTIC)

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

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC)

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



NOTICE
Assessor's Parcels are for tax assessment purposes only and do not indicate either parcel legality or a valid building site.

Assessor's Map Bk, 113-Pg, 21
County of Santa Barbara, Calif.

LD/12 4 & 13 AND 16, 20 & 21

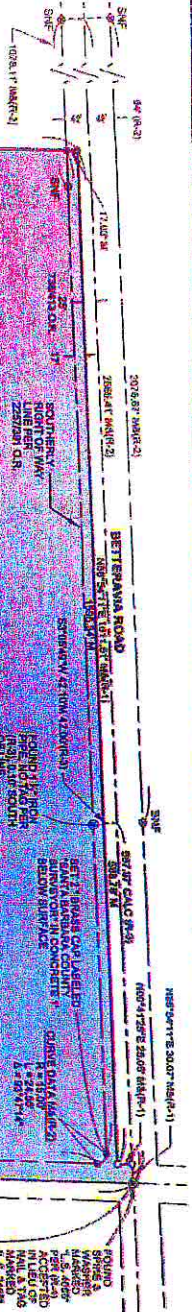


Assessor's Map Bk, 113-Pg, 21
County of Santa Barbara, Calif.

460/12 46 13 MAY 1971 20 08 21

Chicago Title

"This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon."



50.00 acres
+/- (Gross)

LEGEND

- FOUND MONUMENT AS NOTED
- SET 2 BRASS CONE LABELED SANTA BARBARA COUNTY CORNER IN 1/2\"/>



BASIS OF BEARINGS
N00°41'25\"/>

Purpose of Survey
This survey was performed in order to establish the boundary of the parcel of land described in the Final Order of Condemnation document recorded July 16, 2011 as Instrument No. 2011-0040584 of Official Records of Santa Barbara County.

Surveyor's Statement
This map correctly represents a survey made by me or under my direction in accordance with the requirements of the Land Surveyor's Act and the request of Santa Barbara County Sheriff's Department in November, 2011.

Signature of Surveyor
Surveyor's License No. 123112
Date: 12/21/12

County Surveyor's Statement

This map was made according to measurements with Section 5706 of the Land Surveyor's Act, the 1995, Act of the Legislature, 2011.

Signature of County Surveyor
County Surveyor's License No. 123112
Date: 12/21/12

County Surveyor's Certificate
I hereby certify that this map is in accordance with the provisions of the Subdivision Map Act, Division 2, (commencing with section 65010) of Title 7 of the Government Code and any applicable local ordinance, unless pursuant thereto.



Recorder's Statement
This map is a true and correct copy of the original map as filed with me in the office of the County Clerk, Santa Barbara County, California.

Signature of Recorder
County Clerk - Recorder - Approved
Date: 12/21/12



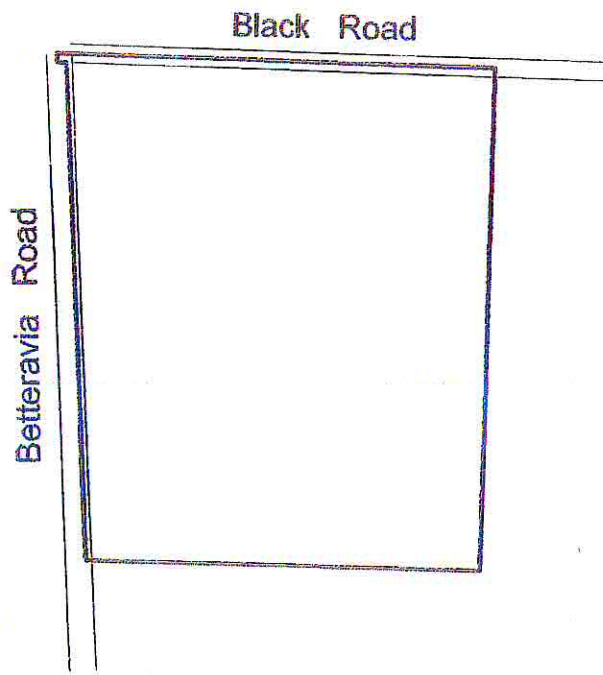
RECORD OF SURVEY
OF A PORTION OF SUBDIVISION NO. 3 OF THE RANCHO PUNTA DE LA LAGUNA PER BOOK 94P OF DEEDS, PAGE 333 IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA.
SCALE: 1" = 120'
PROJECT: 9795
DRAWN BY: T. CULLISON, P.L.S.
DATE: 11/20/2011
COUNTY OF SANTA BARBARA
123 EAST PARKLAND STREET
SANTA BARBARA, CA 93101
(805) 965-0000
SHEET 1 OF 1

Chicago Title

"This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon."

SURVEY NOTES
This Record of Survey was performed per the requirements of Section 5706(a)(5) of the Professional Land Surveyor's Act. All measurements shown are ground distances. All distances are based on the U.S. Survey Foot (one survey foot = 1200/5280 meters).

↑
1" = 600'

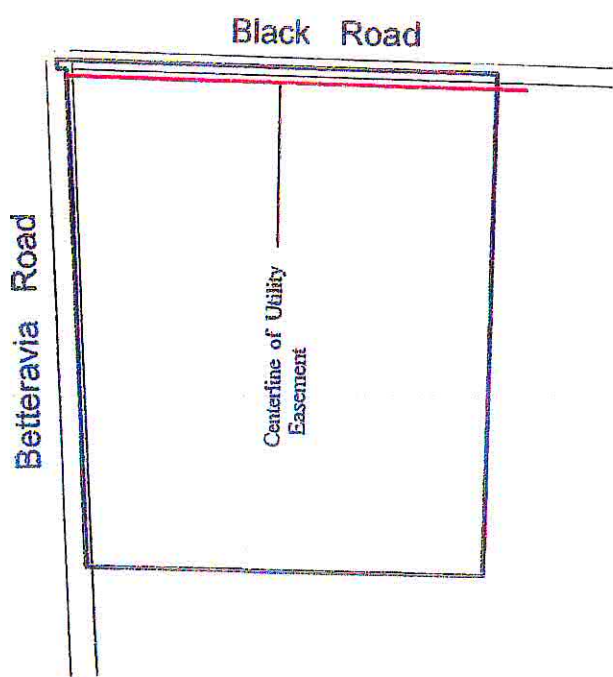


Utility Easement - The exact location is not disclosed of record
(Midland Counties Public Services Corporation, Book 158, page 174 Deeds)

Chicago Title

"This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon."

1" = 600'



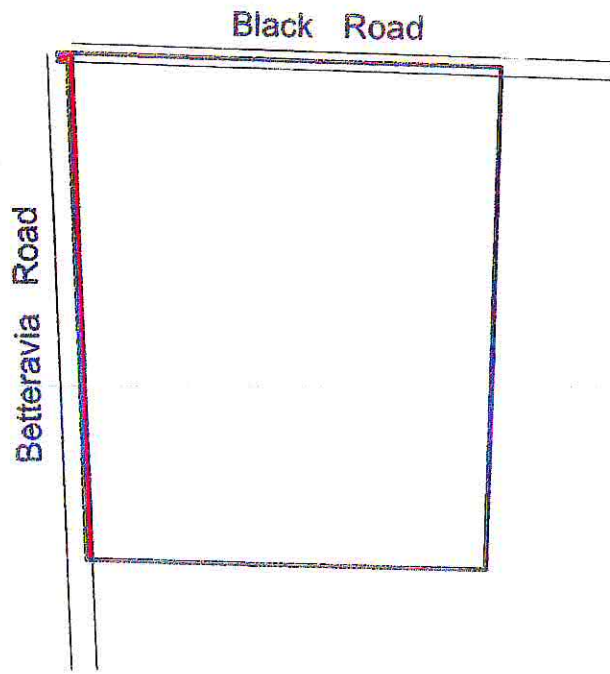
Utility Easement

(Pacific Gas & Electric Company, Inst. No. 5644, Book 556, page 36 OR)
Note - Approximate location only. The exact width is not disclosed of record.

Chicago Title

"This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon."

1" = 600'



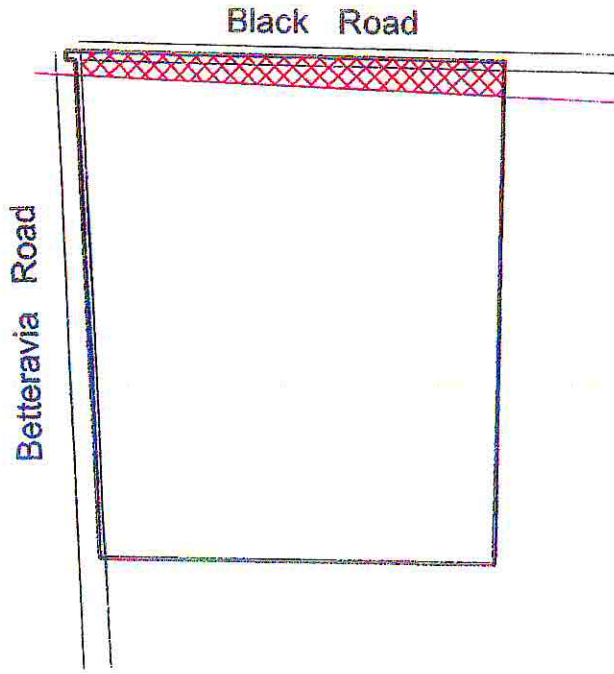
Public Road

(County of Santa Barbara, Inst. No. 4033, Book 2257, page 391 OR)
Note - That portion within Betteravia Road

Chicago Title

"This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon."

1" = 600'



Waterline Easement

(State of California, Inst. No. 96-6842 OR)

Note - Approximate location only

Chicago Title

"This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon."

APPRAISAL REPORT

**The North County Jail Property
A Six Acre Portion- SB-1022 Project**

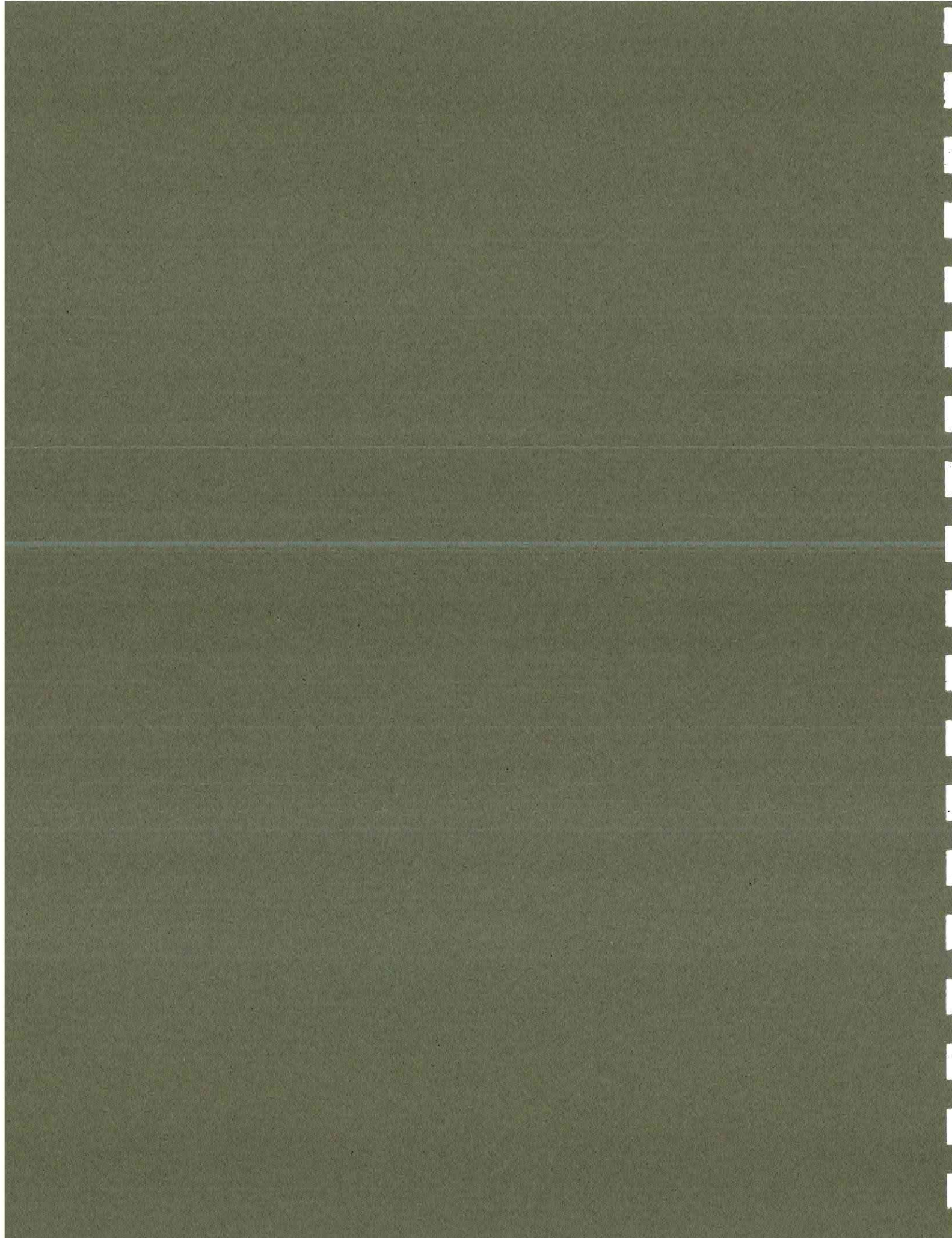
**Southwest Corner of Betteravia Road
and Black Road
Santa Maria, California**

September 30, 2013



HAWKES

Real Estate Appraisal



**An Appraisal
of the
North County Jail Property
Six Acre Portion- SB 1022 Project**

**Southwest Corner of Betteravia Road
and Black Road
Santa Maria, California**

September 30, 2013

Completed for:
John Green
Project Manager, Capital Projects
County of Santa Barbara
General Services/Support Services Division- North County
912 W. Foster Road
Santa Maria, California 93455

Client:
County of Santa Barbara

Completed by:
Ed Hawkes, CGREA

Hawkes Real Estate Appraisal
4927 Coughlin Way
Santa Maria, California



Real Estate Appraisal

4927 Coughlin Way
Santa Maria, California 93455
Telephone: 805-937-6375 Fax: 805-800-1134
HawkesAppraisal@verizon.net

September 30, 2013

John Green
Project Manager, Capital Projects
County of Santa Barbara
General Services/Support Services Division-North County
912 W. Foster Road
Santa Maria, California 93455

Re: Appraisal: North County Jail Property-SB 1022 Project
Client: County of Santa Barbara
Intended User: County of Santa Barbara, State of California
Our File No.: 1415

Dear Mr. Green:

At your request and authorization, I have completed an appraisal of a six-acre portion of the North County Jail property as described in this report and located on the on the 50 acre parcel located at the southwest corner of Black Road and Betteravia Road west of the City of Santa Maria in Santa Barbara County, California. The purpose of the appraisal is to estimate the current market value of the subject property. The opinion of value is based on the fee simple interest in the subject property as if free and clear of all liens, leases, and encumbrances.

Please note: The subject property, as appraised, is not an existing parcel: the parcel appraised is based upon the footprint of a portion of the proposed North County Jail. According to the client, the footprint is six acres or 261,360 square feet. This appraisal is subject to the following:

Hypothetical Condition: that the parcel, as appraised, exists.

Extraordinary Assumption: that the parcel is as described in this report.

The following appraisal report is a result of my inspection of the subject property and contains descriptive data and analysis on which I have based my opinion of value. This appraisal is reported in a summary format. The full extent of the appraisal process and the appraiser's reasoning may not be apparent to the reader in the contents of this report.

My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.

As a result of my investigation and analysis of the factors influencing real estate value, together with my experience appraising properties in the area, it is my opinion that the market value of the subject property as of September 19, 2013, the date of inspection, is:

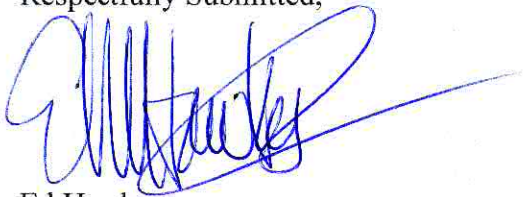
Seven Hundred Eighty-Five Thousand Dollars

(\$785,000)

Subject to the Assumptions and Limiting Conditions contained herein, including the Hypothetical Conditions and Extraordinary Assumption noted above.

I hereby certify that I have no present nor contemplated financial interest in the subject property, that the opinion of value expressed herein is my own conclusion and that my fee is not contingent upon the value reported, nor upon anything else except the delivery of this report.

Respectfully Submitted,



Ed Hawkes
CGREA # 007710
Exp. 6/1/15

Appraisal Summary

Client:	County of Santa Barbara
Intended User:	County of Santa Barbara and the State of California
Intended Use:	Financial evaluation to be used for the North County Jail Project (SB 1022)
Subject Property Owner:	County of Santa Barbara
Property Location:	Southwest corner of Black Road and Betteravia Road east of the City of Santa Maria in Santa Barbara County
Assessor's Parcel Number:	113-210-21 (six acre portion)
Zoning:	M-2 Industrial
Flood Zone:	Zone X
Hazardous Materials	None known
Land Area:	261,360 square feet
Current Use	Vacant unimproved land
Highest and Best Use:	Agriculture pending eventual development
Date of Value (Effective Date):	September 19, 2013
Valuation:	
Cost Approach:	N/A
Sales Comparison Approach:	\$785,000
Income Approach:	N/A
Final Opinion of Value:	\$785,000
Hypothetical Condition:	That the parcel exists
Extraordinary Assumption:	That the parcel is as described in this report

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Premises of Appraisal

Client and Intended User

The client for this assignment is the County of Santa Barbara General Services/Support Services Division and the intended user of the report is the County of Santa Barbara General Services/Support Services Division and the State of California.

Intended Use

This appraisal is to be used by the client, the County of Santa Barbara and the State of California for financial analysis and cost allocation with respect to the North County Jail Project.

This appraisal is for the sole and exclusive use of the client and is not to be relied upon by any third parties for any purpose whatsoever without the express written consent of the appraiser.

Scope of the Appraisal

Appraisal assignments are comprised of two parts, the development of the opinion of value- the actual appraisal of the property involved- and the reporting of the results of the appraisal. The appraiser must properly identify the appraisal problem and determine the amount and type of research and analysis that must be done in order to produce a sufficiently reliable appraisal, considering the needs of the client and the ethical and professional constraints of the appraisal profession. This is known as the "Scope of Work". With regard to reporting, there are different options available to the appraiser in the reporting of the assignment. The scope of this assignment is more fully discussed at the end of the report, but is typical of similar assignments.

Appraisal Purpose

The purpose of the appraisal is to estimate the Fair Market Value of the subject property under three different scenarios. "Fair Market Value" is defined as follows:

- a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- b) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

Source: State of California, Code of Civil Procedure, Section 1263.320.

Property Rights Appraised

The property rights appraised are those of the fee simple interest in the subject property as if free and clear of all liens, leases, and encumbrances. The appraiser was provided with a current preliminary title report a partial copy of which is included in the addendum of this report.

Date of Value

The date to which this appraisal applies, the effective date of this report, is the date of inspection, September 19, 2013.

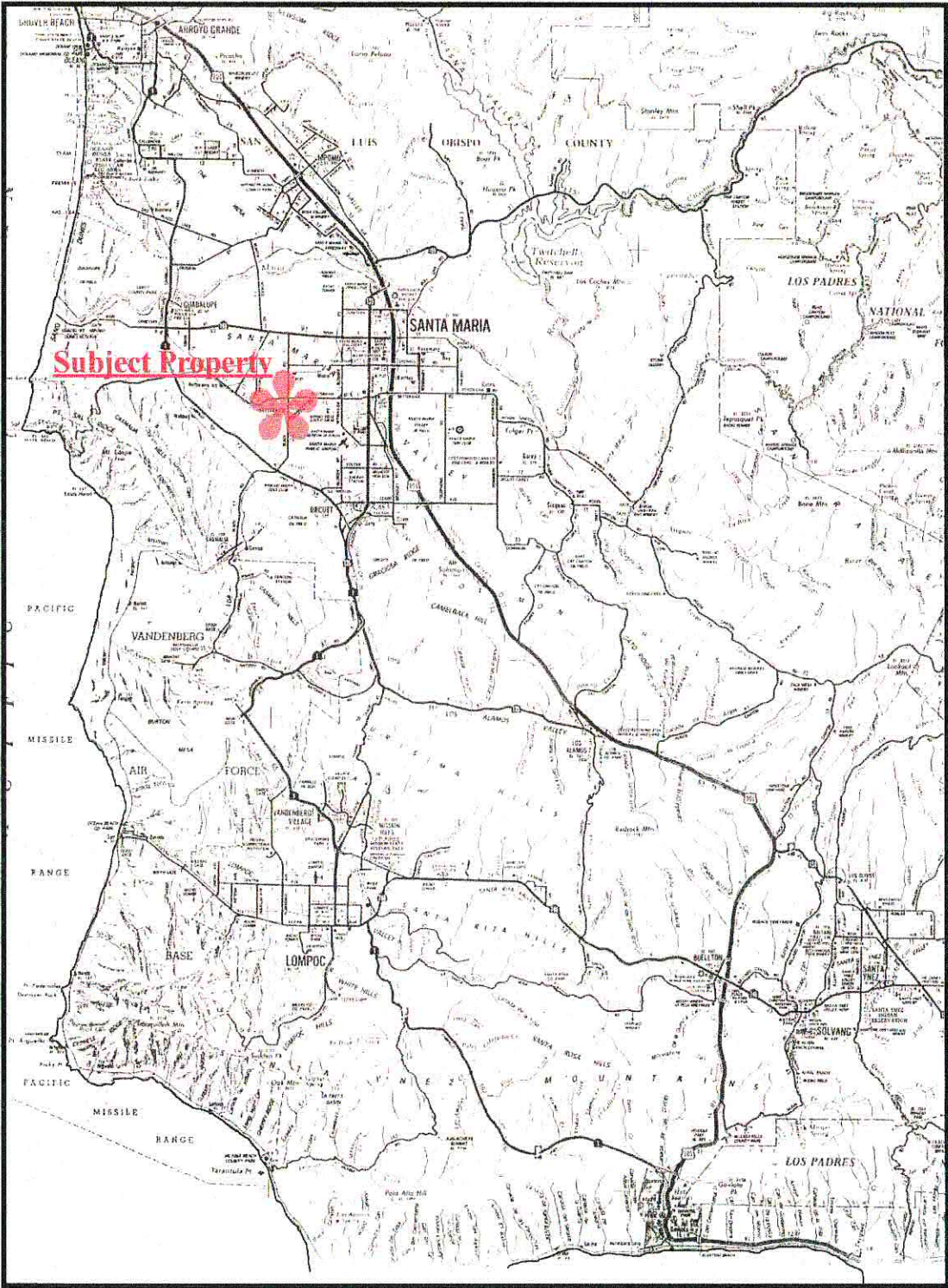
Assumptions and Limiting Conditions

All appraisals are made subject to a set of assumptions and limiting conditions that affect the scope of the assignment and the relevance and utility of the results. Most assumptions and limiting conditions fall within the normal range of appraisal practice, but from time to time the circumstances of an assignment require assumptions or conditions that are beyond normal practice. A standard set of assumptions and limiting conditions is included at the end of the appraisal report. The following conditions and assumptions are also included at the end of the report, but are either not typical or are otherwise important to note:

Hypothetical Condition: that the parcel, as appraised, exists.

Extraordinary Assumption: that the parcel is as described in this report.

Subject Property: Location



Subject Property Description and Analysis

Identification of the Subject Property

The subject property is a 261,360 square foot portion of a 50 acre parcel located at the southwest corner of Black Road and Betteravia Road west of the City of Santa Maria. The property was acquired by the County for the construction of a jail facility and the portion being appraised is the footprint for the buildings and supporting areas for a portion of the proposed jail facility. A conceptual site plan has included in this appraisal and the square footage has been provided by the client.

Inspection of the Subject Property

The subject property was inspected by the appraiser on September 19, 2013. The subject property does not exist as a separate legal parcel. The 50 acre parcel upon which it is located is currently vacant unimproved land acquired by the County of Santa Barbara for the construction of a new County Jail facility.

Ownership

The appraiser was provided with a current preliminary title report, a partial copy of which is included in the addendum of this appraisal. According to the title report, the owner of the subject property is the County of Santa Barbara.

Property History

Sales History: The subject property is a 261,360 square foot portion of a 50 acre piece of the former 743.61 acre Holly Sugar Ranch. The Holly Sugar Ranch was located on the south side of Betteravia Road, generally east of the town site of Betteravia, as well as extending north of Betteravia Road. The south side of the ranch was acquired by Ag Land Venture Capital Group, Inc. and related entities at a purchase price of \$4,300,000 in a transaction that closed escrow on February 6, 1998. The 50 acres that includes the subject property was acquired by the County of Santa Barbara by eminent domain in 2010. The property is to be used as the site for a new North County Jail. The portion of the property being appraised in this assignment is planned to be built with SB 1022 funds.

Legal Description

The legal description of the subject property is not available and was provided by the client. The estimated size of the area to be appraised is 261,360 square feet in size.

Assessor's Data

Assessor's Parcel Number:	113-210-21 (portion)
Tax Rate Area:	N/A
2011/2012 Tax Rate:	N/A
2011/2012 Assessed Values:	

Land: N/A
Improvements: N/A
Total: N/A

Property Tax: N/A

Note: The subject property is owned by the County of Santa Barbara and is exempt from taxation.

Assessor's Parcel Map



Demographic Data

The subject property is located in the following demographic areas:

Census Tract: 25.02
Zip Code: 93455
Thomas Guide Map Reference: 796 A-5
Flood Zone Information

Flood Insurance Rate Map No.: 06083C0186F
Map Date: September 30, 2005
Flood Zone: X: Areas determined to be outside of 0.2% annual chance flood plain.

Alquist Priolo Special Earthquake Study Zones: The subject property is not located within an earthquake study zone.

Seismic Hazard: Areas throughout California are periodically subject to earthquake hazards. It is beyond the scope of this report to evaluate the risk of earthquake damage to the subject property. To the degree that the analysis in this report is based upon market data from the same area as the subject, all competing properties are subject to the same risks.

General Area Analysis

The subject property is located west of the City of Santa Maria in the northern part of Santa Barbara County in the Central Coast Region of California.

The Central Coast region has a climate generally characterized as "Mediterranean" and consists of the river valleys and coastal benches between the coastal mountain ranges and the Pacific Ocean in San Luis Obispo and Santa Barbara Counties. Precipitation is generally concentrated in the winter months with long, dry, warm summers in the interior areas and along the south coast of Santa Barbara County, and cooler summers along other coastal areas. The combination of long frost free growing seasons and fertile river valley soils makes the Santa Maria Valley ideal for row and vegetable crop production and agriculture is a principal part of the local economy. The features that make the area agriculturally productive also make it a highly attractive place to live: the combination of the agricultural nature of the region, the influx of people seeking the desirable lifestyle and environment, an economy that includes industries such as petroleum extraction, manufacturing, aerospace, government and military installations, and the efforts of Municipal, County, and State Governments to direct and control growth, has resulted in a unique market environment.

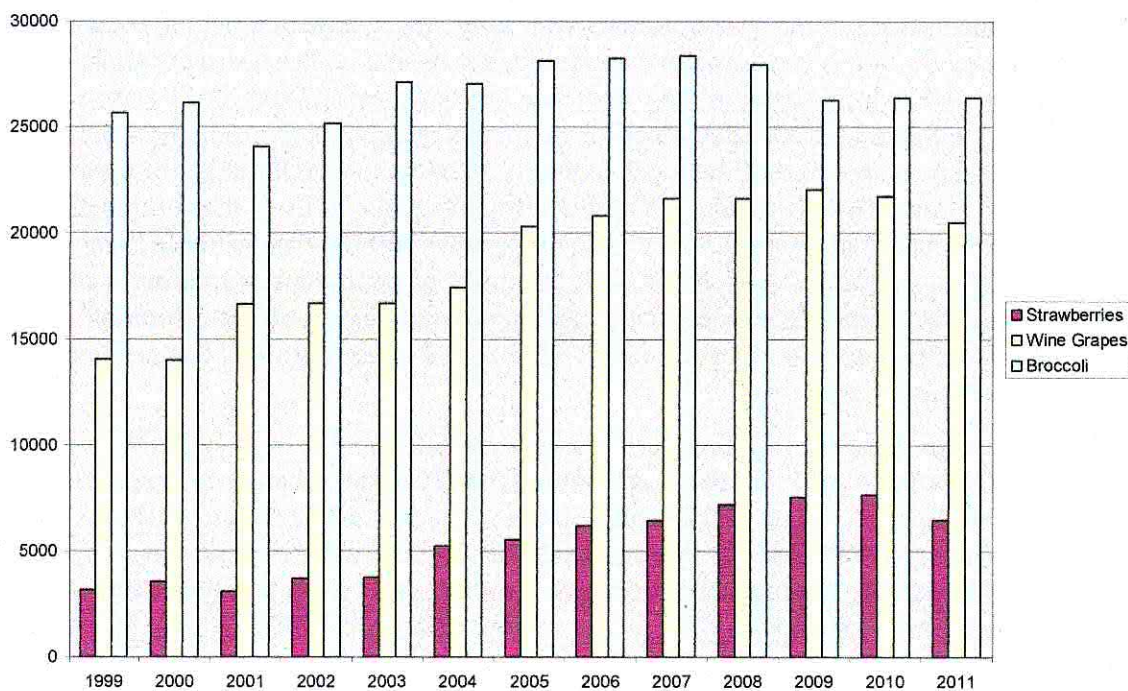
Current estimates place the population of Santa Barbara County at over 420,000 (California Department of Finance), concentrated mainly in the urban areas around the Cities of Santa Barbara, Santa Maria, and Lompoc. The Santa Ynez Valley, which includes the incorporated cities of Buellton and Solvang, is a more diffuse, but nevertheless important, population center. The County is served by a network of major highways including Highway 101, one of the major north/south traffic arteries that serve the State of California. The highways, along with rail service and commercial air service from airports in Santa Maria, Santa Barbara, and San Luis Obispo, provide for a mobile and well-connected population.

The City of Santa Maria is one of the two largest cities in Santa Barbara County and has a population of about 100,000, an increase of over 28% since 2000, making it one of the fastest growing cities on the Central Coast. Approximately 150,000 people live within a 15-mile radius of Santa Maria, an area that includes the City of Guadalupe to the west, the unincorporated community of Orcutt, just to the south, and the unincorporated community of Nipomo in San Luis Obispo County to the north. Because of its relatively large population, centralized location, and relatively pro-growth local government, Santa Maria has been able to attract a sizable industrial base, and has become a regional retailing center as well. Santa Maria has all of the amenities and services typical of a medium size city, including a junior college and a major hospital.

As the dominant land use, agriculture is one of the most visibly active aspects of the Santa Maria economy. Total Santa Barbara County crop sales in 2012 have been estimated at

about \$1,2291,008,000, an 8.91% increase over 2011. The northern part of the County accounts for the greatest part of the agricultural production of the County, and the Santa Maria Valley accounts for the bulk of North County production. Important Santa Maria crops have historically included broccoli, cauliflower, lettuce, celery, other vegetables, and strawberries; however, premium wine grape production increased rapidly through the 1990s with extensive plantings on the Central Coast. Crop value increases stopped in the early 2000s due to low prices and reduced production. Between 2003 and 2006, however, the harvested acreage increased by nearly 25%. In 2012, wine grapes were the third most valuable agricultural product in Santa Barbara County behind strawberries and broccoli. The following table summarizes the harvested acreages of the top three crops since 1999:

Santa Barbara County Harvested Acreage- Top Three Crops



Source: Santa Barbara County Ag Commissioner

Santa Maria has long provided retail opportunities to a broad region of the Central Coast. With several major regionally oriented shopping centers, retail trade is one of the largest contributors to the local economy. In 2011 local retail sales were about \$1,337 million and accounted for about 25% of total retail sales for Santa Barbara County. After consecutive annual increases through the late 1990s and 2000s, the City of Santa Maria experienced a decline in taxable retail sales for the first time in 2007, though the rate of increase began to decline in 2006. The current level of sales is about 23% below the peak.

Vandenberg Air Force Base, located to the southwest, north of Lompoc, and petroleum production also provide significant contributions to the local economy. Vandenberg is the launch site for virtually all west coast civilian and military payloads. By virtue of its geographic location, Vandenberg is uniquely well suited to its mission and it has been relatively secure from threatened base closures. Conversely, pressure to economize on

launch costs and declines in the aerospace industry have caused employment at the base to decline. As of 2007, the base and associated aerospace contractors employed about 6,700 military and civilian personnel, a slight increase from previous years. Although the petroleum industry has been declining in importance state-wide, continued rising prices and new recovery technologies have improved the viability of many fields including those in Santa Barbara County. The oil and gas fields of District 3, which includes Santa Barbara County, produced about 10.08 million barrels of oil and 3.72 billion cubic feet of natural gas in 2010, a 6.85% increase in oil production and a 9.94% increase in natural gas production over 2009.

One of the principal characteristics of the northern Santa Barbara County real estate market is the relative affordability of housing compared to areas to the north and south. Median home prices in the North County are less than half of median prices in the South County. Due to fewer development constraints, the North County added nearly three times as many dwelling units as the South County in 2002. In 2001, the North County added nearly eight times as many units. In spite of the rate of growth, because of even tighter supplies elsewhere, demand continued to exceed supply and, until 2006, prices continued to rise. As the economy continues to recover from the recent recession, residential values have begun to recover some of the losses suffered in the recent recession, though, as distressed properties have cleared the market, inventories have declined, with a resultant lull in activity.

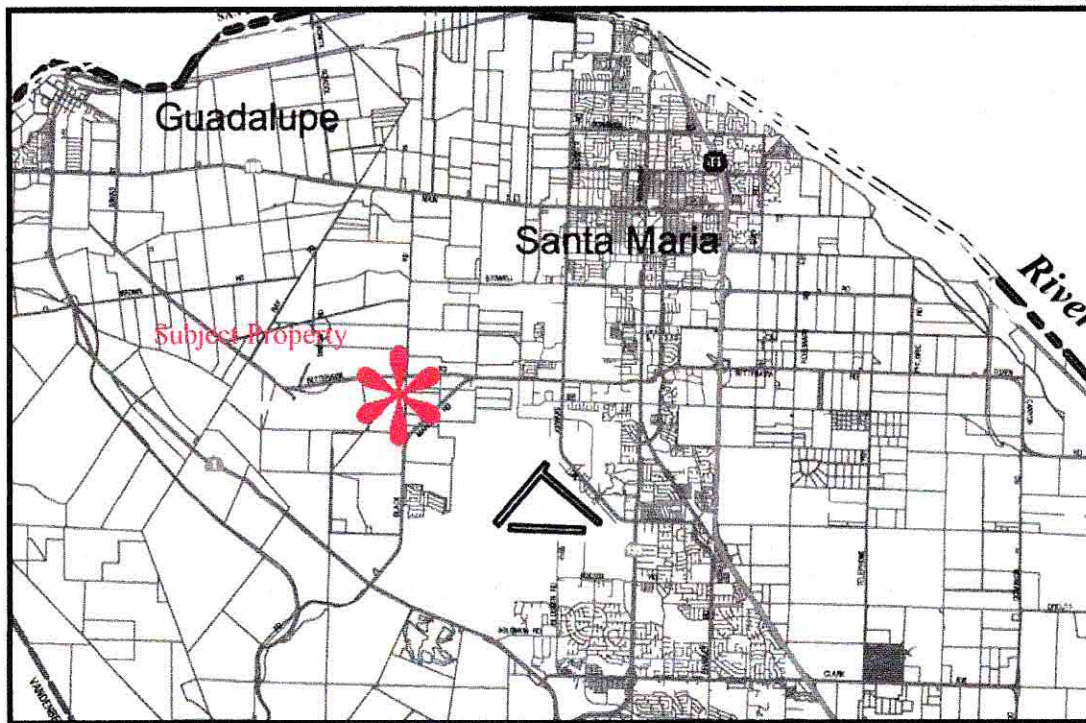
Because of the increasing number of residents who commute to jobs either to the north or south, residential values are increasingly independent of the local economy. Conversely, industrial and commercial values are dependent on the local economy, and, as the recovery proceeds, commercial and industrial values are likely to recover as well. Over the long term, it is expected that, due to the unique characteristics of the Central Coast, real estate values will continue their long term positive trends.

Market Description and Exposure Time

The subject property, as it is assumed to exist, is a large vacant industrially zoned land parcel and competes in the Central Coast market for industrially zoned vacant land. The market right now is considered to be recovering. While there are occasional sales that indicate higher values, for the most part, prices are still well below the highs seen prior to the recession. Marketing times can be extended, due mainly to a lack of interested buyers willing to risk market entry. Even properly priced property can be on the market for in excess of one year. An exposure time of one year is assumed in this analysis.

The market data used in this report is chosen for its representation of the current market and is supplemented by data retained in appraisal files.

Location- Neighborhood



Neighborhood

The subject property is located in the agricultural area of the Santa Maria Valley, west of the City of Santa Maria, east of the historic Betteravia town site. Until the 1990s, the principal influence in the neighborhood was the Holly Sugar mill located at the intersection of Betteravia Road and Sinton Road, east of the subject property. The Southern Pacific Railroad through the area and, along with major surface roads with connections to Highway 101 and Highway 1 provided the transport necessary for the operation of the mill. The areas along Betteravia Road and around the mill are all zoned M2, though, except for some of the areas of the mill, all are farmed and industrial use has been considered unlikely in the near term. Except for some storage warehouses on the north side of Betteravia Road, the mill is currently abandoned.

As the City of Santa Maria has grown, it has expanded to the west into areas that have historically been oil fields with secondary agricultural use. As the oil production in the Santa Maria field has declined and ceased, agriculture has become the primary use, but much of the area has been designated by the City for future industrial use. The City recently annexed "Area 9" a tract of about 867 acres east of Black Road, south of Betteravia Road, and north of Stowell Road, all, or most of which is planned for industrial development. Furthermore, the Santa Maria Public Airport has plans for an industrial project within the boundaries of the airport. The City of Santa Maria has an abundant supply of land for industrial development.

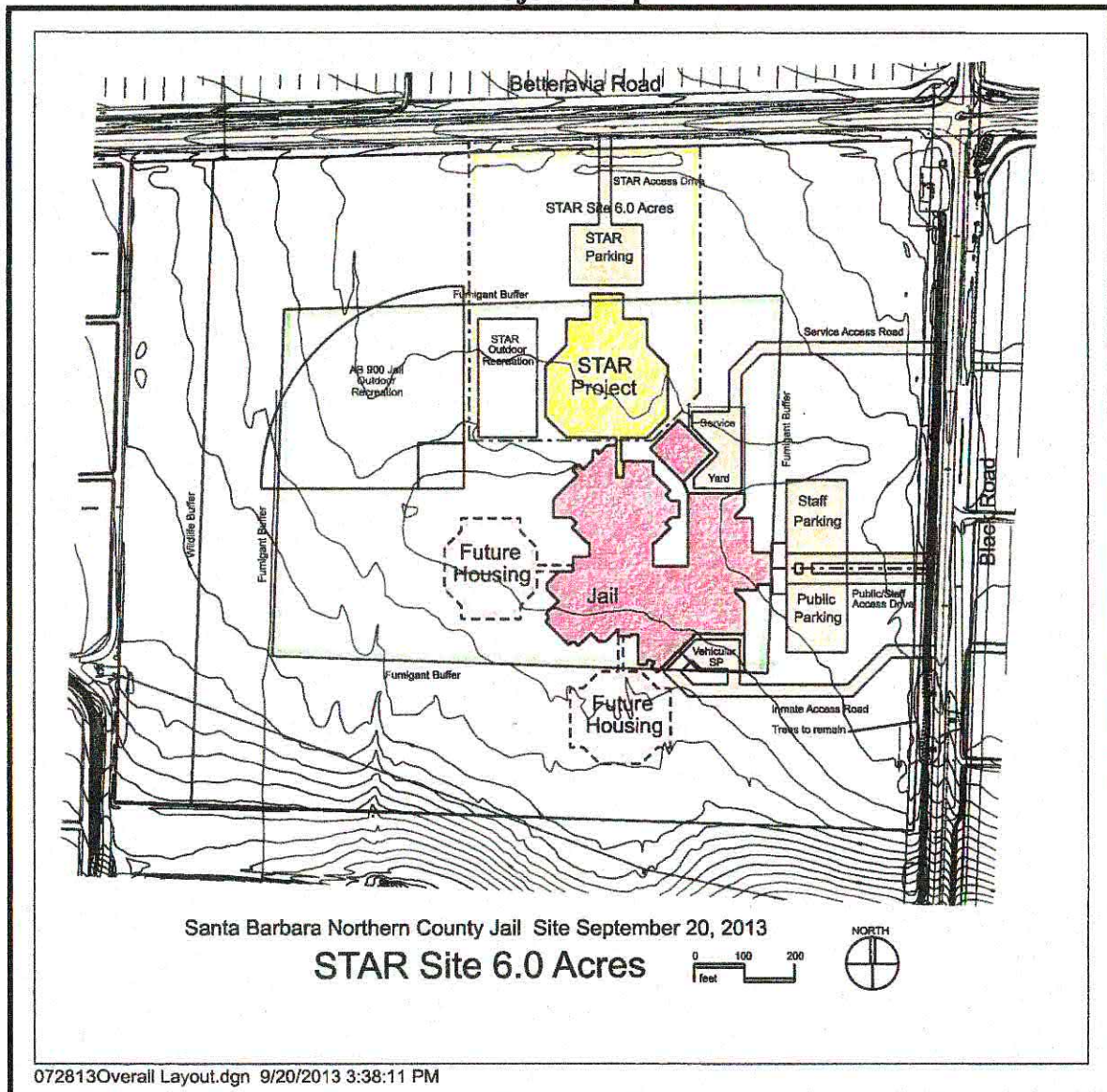
Another important influence in the area is Guadalupe Lake, an area of the valley where drainage and runoff have historically accumulated during the wet season. Orcutt Creek runs through the area as do the seasonal drain courses originating on southwest side of the

City of Santa Maria, including the Santa Maria Airport. Some ponds exist year round or nearly year round, but most of the "lake" has been leveled and is currently farmed.

Present Use

The subject property is currently vacant unimproved land.

Project Map



Proposed Use

The subject property is a six acre portion of the North County Jail and constitutes the footprint of a portion of the proposed North County Jail and its supporting facilities including parking lots. The evaluation of the costs of the improvements or the preparation of the site for improvement is beyond the scope of this analysis. There are two possible site configurations being considered at the current time: one site configuration, shown

above is centered on West Betteravia Road in the northerly part of the North County Jail Property. The alternative configuration, called the "Diagonal Scheme" and shown in the addendum, is located in the northwesterly quadrant of the property. Both configurations include six acres.

Site Data

Site Description

A legal description of the subject property was not provided to the appraiser. For the purposes of this report, the site is considered to be 261,360 square feet on the north side of the 50 acre parcel identified by the Assessor's Parcel Number 113-210-21. The six acre site and its location within the 50 acre property is shown plot plans in this report. An alternate site is located at the northwest corner of the 50 acre parcel. The location of the six acre site within the 50 acre parcel has no practical effect or effect on value.

Utilities and Service

The subject property has no developed utilities and service, however, the necessary utilities have been developed into the area and are within one mile of the subject property.

Access

The subject property is located southwest of the intersection of Black Road and Betteravia Road, two major thoroughfares for the Santa Maria Valley, and the subject property has excellent access.

Zoning

The subject property is zoned M-2, General Industrial. Within the overall goals of minimized impacts and neighborhood consistency, the purpose of this district is to allow for all types of industrial uses except oil and gas terminals and a number of potentially dangerous and obnoxious uses. Potentially dangerous or obnoxious uses such as the rendering of animal products or the production of explosive or chemical materials which would be unacceptable within most urban areas, may be allowed with the acquisition of a conditional use permit. This a broadly permissive zoning district and has no minimum lot size. Nearly all of the M-2 zoned land in the neighborhood of the subject property is used for row crop agriculture and the underlying General Plan designation is A-II, Agriculture. Though not specifically allowed by the zoning, it is assumed that row crop agriculture is an allowed use.

Hazards, Nuisances and Easements

Hazards: No hazardous conditions were noted during the inspection of the subject property.

Nuisances: No unusual nuisances were noted during the inspection of the subject property and investigation of the subject property uncovered no indications of nuisances affecting the subject property.

Easements: Most property is subject to easements for such things as public utilities and roads. During the investigation of the subject property, only encumbrances typical of property in the subject market were noted, no unusual easements or encumbrances were discovered. No title report was reviewed.

Unless otherwise noted in this report, extensive investigations into the presences of hazards, nuisances, and easements were not undertaken. The appraiser assumes no responsibility for investigations or expertise beyond that typically required for the completion of a real estate appraisal. It is assumed that there are no hazards, nuisances, or easements beyond those typical of real estate in the subject market.

Environmental Issues

Hazardous Materials: The subject property is an agricultural parcel and is subject to activity which is sometimes perceived as having environmental consequences, but which is not typically detrimental to the value of the subject property. The following are examples of such activity:

1. **Pesticide Use** – Agricultural chemicals used on livestock and growing crops although sometime hazardous are not generally considered detrimental if used and stored according to label instructions and local regulations. Pesticide and fertilizer use consistent with label and regulatory requirements is assumed, but is not considered detrimental to the value of the subject property.
2. **Underground Fuel Storage** – Farm properties often include one or more underground fuel storage sites. During the inspection of the subject property no underground fuel storage facility was noted.
3. **Dumps** – Agricultural properties often include disposal sites for farm generated waste. No such site was noted on the subject property, although a thorough search was not conducted and historical sites may exist.

The appraiser has no knowledge of the existence of any hazardous materials on or in the subject property other than those typically required for agriculture. The appraiser is not qualified, however, to detect such materials. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or any engineering knowledge required to discover them. The client is urged to retain an expert in this field if desired.

Sensitive Habitat: Many areas of the Central Coast harbor habitat that is either considered worthy of preservation, or is home to species that are endangered or otherwise in need of preservation. There is no known endangered species issue affecting the subject property. The market value estimate in this report is based upon the assumption that there are no environmental, habitat, or endangered species concerns affecting the subject property that would have any effect on value, either positive or negative.

Improvements

The subject property is vacant unimproved land.

Highest and Best Use

"Highest and Best Use" is defined as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and

that results in the highest value.”

Source: The Dictionary of Real Estate Appraisal, 3rd Ed., Appraisal Institute

Reasonably probable means that the use must be within the realm of probability in the near future, not a mere possibility and not a speculative use. Furthermore, the use must be socially and politically acceptable: political resistance from the surrounding community has been known to inhibit uses that were otherwise physically possible, legally permissible, and financially feasible.

Legal means that potential uses must comply with existing general plan and zoning regulations, other private and public land use restrictions, as well as laws and regulations regarding the safety of any proposed or existing improvements.

Physically possible and appropriately supported means that the physical characteristics of the real estate and its location must be appropriate to the use and existing nearby land uses and available infrastructure must support and compliment the use.

Financially feasible means economically feasible, profitable, supported by market demand backed with purchasing power, and not speculative in nature.

Highest value use means that use, from among the uses or classes of use that meet the previous tests, which results in the highest net return to the land in the form of money and amenities over the longest period of time.

The use or class of uses that falls within these parameters is considered to be the highest and best use.

Analysis

Reasonably Probable Uses: The subject property is being appraised as if it were an existing vacant industrial parcel. The reasonably probable use of a 261,360 square foot (six acre) parcel of industrially zoned land located west of Santa Maria would be for eventual development to a use consistent with the zoning. Similar parcels in the area are currently used for relatively low intensity industrial or yard space uses.

Legally Permissible Uses: Legally permissible uses are governed by the zoning code which allows for a variety of agricultural, industrial, and light industrial uses

Physically Possible and Appropriately Supported Uses: The subject property is vacant unimproved land. While utilities are available in the neighborhood, none have been extended to the subject property. In its current configuration the subject property is sufficiently supported for a variety of uses.

Financially Feasible Uses: Currently the rate of development for industrial parcels is low. The most financially feasible use is to hold for eventual development.

Highest Value Use: Highest value use of the subject property is eventual development to uses consistent with the neighborhood and the zoning, however, it is likely that there would be a holding period before eventual development.

Highest and Best Use Conclusion:

The Highest and Best Use of the subject property is eventual development to an industrial use consistent with the zoning and the neighborhood after an expected holding period.

Valuation

Discussion

The three fundamental methods or approaches used to estimate the market value of real estate are the Cost, Sales Comparison, and Income Approaches. Each of the approaches is briefly described as follows:

Cost Approach to Value

This is the method whereby the replacement cost of the improvements, less estimated depreciation, is added to land value estimated from vacant land sales to provide a value indication.

Sales Comparison Approach to Value

This method considers recent sales of similar properties in the area. The sales are analyzed, compared to the subject property, and adjusted for dissimilar characteristics to provide a value indication.

Income Approach to Value

This method considers a property's income producing capabilities and processes the income into an indication of value through the capitalization process.

The value indications provided by the three approaches, if all are applicable, provide a band of value, which is then correlated into one final value estimate considering all factors affecting the property.

Approaches Used

The subject property is vacant unimproved land and neither the Cost Approach nor the Income Approach to value applies to the subject property. The market value of the subject property has been estimated using the Sales Comparison Approach alone.

Sales Comparison Approach

Typically, a buyer will pay no more for a property than the cost to acquire a suitable substitute. In the Sales Comparison Approach to value, this principle is used to develop an indication of market value. Since no two properties are exactly alike, and therefore not perfectly substitutable, adjustments must be made to the sales data considered in order to reflect the character of the subject property.

The following are the sales that have been used in the Sales Comparison Approach:

No	Date	Location	Price	Land size	\$/SF
	Doc. No.	Assessor's Parcel No.	Zoning		
1	6/23/11 36185	SEC Betteravia Rd. & Evora Santa Maria 111-020-13	\$435,000 M-2	4.82 ac.	\$2.07/SF
2	12/16/11 73547	Betteravia Rd. Santa Maria 111-030-16	\$475,000 M-2 (SB Co.)	3.20 ac.	\$3.41/SF
3	8/15/12 53586	Betteravia Rd. Santa Maria 117-310-04	\$5,750,000 PD/M-2	50.01 ac.	\$2.64/SF
4	9/21/12 63273	L Street Lompoc 093-450-58, 59, 63, 64	\$1,050,000 BP (Lompoc)	9.23 ac.	\$2.61/SF
5	12/12/12 84641	1351 Fairway Drive Santa Maria 111-760-01 to 16	\$1,110,000 PD/M-1	6.71 ac.	\$3.80/SF
6	12/14/12 85542	La Brea Ave Santa Maria 117-240-39	\$1,400,000 M-2	4.73 ac.	\$6.79/SF
7	12/21/12 87873	Evora Wy. Santa Maria 111-020-14	\$400,000 M-2	4.82 ac.	\$1.91/SF
8	2/22/13 12717	La Brea Ave. Santa Maria 117-240-36	\$1,525,000 M-2	4.77 ac.	\$7.34/SF

The following is a brief description of each sale and an analysis of the value indication it provides.

Sale 1: Grantor: Cosma

Grantee: Huebner

This is a raw 4.82 acre lot located west of the City of Santa Maria, on the south side of Betteravia Road, east of Black Road. It has been listed at various prices for many years, but most recently for \$600,000, and was sold after 53 days on the market. The site is level land with no developed utilities. The buyer had to bring in communications lines and will have to develop a well and septic systems. Power lines adjoin the property.

This property is an older sale of a similar size property, but the seller was under some financial stress. Like the subject property the sale property is in the County and has no developed utilities. The buyer developed a multitenant industrial facility. Because of the financial situation of the seller, this is considered a low sale and the subject property would compete at a value higher than the indicated \$2.07 per square foot.

Sale 2: Grantor: Ferini**Grantee: AKA Properties**

This is an irregularly shaped parcel of raw industrial land located outside of the City Limits of Santa Maria adjacent to a recycling facility owned and managed by Waste Management Incorporated. The property is roughly level and has good access from West Betteravia Road. Utilities are available, but undeveloped.

This property is in the same neighborhood as the subject property but is somewhat smaller. Because of its greater size, the subject property would be expected to compete at a value lower than the indicated \$3.41 per square foot.

Sale 3: Grantor: Tri M**Grantee: Windset**

This is five parcels, five acres in size, more or less. The parcels are currently leveled farm ground and were acquired by a neighboring property owner for further expansion of an existing greenhouse operation. The seller also owns two adjoining properties that total an additional 68.98 acres.

This property is much larger than the subject property, but is located in the City of Santa Maria, was purchased by a neighboring property owner who has a near term proven economic use for the property, and it has multiple legal parcels, all of which constitute characteristics in which it is superior to the subject property, offsetting some of the negative influence that greater size usually has on value. The subject property would be expected to compete at a value greater than or equal to the indicated \$2.64 per square foot.

Sale 4: Grantor: NWK2, Inc.**Grantee: Campbell**

This is four contiguous lots located behind the Walmart Center in Lompoc. Two of the lots are over three acres each and are part of a three lot PUD with a common lot. The zoning for these parcels is for business park use, which includes light industrial uses. This sale was by a lender. The buyer is constructing a vegetable cooler on the property.

Though this is the sale of four finished lots within the City of Lompoc, it is a lender sale, and prices in Lompoc tend to be lower than the prices in the Santa Maria area. The combined parcel size is somewhat larger than the subject property, but the use of the sale parcel is similar to the uses that can be expected in the neighborhood of the subject property. Altogether, the positives and negatives tend to be offsetting and this sale indicates a value greater than or equal to \$2.61 per square foot.

Sale 5: Grantor: Santa Maria Plaza, LLC**Grantee: Fairway SMX**

This is sixteen lots ranging in size from 0.37 to 0.50 acres. The parcels were all part of a light industrial subdivision that was only partially developed. The lots are relatively level, finished, and ready for improvement. This sale was completed under some financial duress. Reportedly, the buyer plans to build two large light industrial buildings on the properties.

The buyer's plan to consolidate the parcels indicates that they had relatively little impact on value. This sale is, however, located within the City of Santa Maria and the property has developed utilities. This sale indicates a value less than \$3.80 per square foot.

Sale 6: Grantor: Tompkins, et al**Grantee: LLH Santa Maria**

This is one of five lots in a relatively recent subdivision. The site is finished and ready for use. The property was purchased by an adjoining owner and the price appears to be well above contemporary prices, indicating that a premium was paid.

This sale is provided to indicate the upper end of the market. The property is superior in all respects to the subject property and the subject property would compete at a value far below \$6.79 per square foot.

Sale 7: Grantor: Statti

Grantee: Huebner

This is the sale of a 4.82 acre parcel located south of West Betteravia Road on the east side of Evora Way, east of Black Road in unincorporated Santa Barbara County, west of the City of Santa Maria. The sale parcel had no developed utilities, but the buyer had previously purchased and developed the adjacent parcel to the north and was in a position to extend the utilities to this parcel. The sale parcel has some low lying ground and the buyer had to acquire fill dirt in order to pursue his plans for the property. The buyer had previously sold the property and then taken it back in settlement of the debt owed on the property.

While this property is in the same size range as the subject property, it is a lender sale and required additional land work to be usable. This sale indicates a value greater than \$1.91 per square foot.

Sale 8: Grantor: Santa Maria Holdings **Grantee:** LLH Santa Maria

This is one of five lots in a relatively recent subdivision. The site is finished and ready for use. The property was purchased by an adjoining owner and the price appears to be well above contemporary prices, indicating that a premium was paid.

This sale is provided to indicate the upper end of the market. The property is superior in all respects to the subject property and the subject property would compete at a value far below \$7.34 per square foot.

The indications are summarized as follows:

<u>Sale #</u>	<u>\$/SF</u>	<u>Indication</u>
Sale 1:	\$2.07	Greater than \$2.07/SF
Sale 2:	\$3.41	Less Than \$3.41/SF
Sale 3:	\$2.64	Greater than or equal to \$2.64/SF
Sale 4:	\$2.61	Greater than or equal to \$2.61/SF
Sale 5:	\$3.80	Less than \$3.80/SF
Sale 6:	\$6.79	Much less than \$6.79/SF
Sale 7:	\$1.91	Greater than \$1.91/SF
Sale 8:	\$7.34	Much less than \$7.34/SF

The sales provide a very broad overall indication of value, ranging from \$1.91 per square foot (Sale 7) to \$7.34 per square foot (Sale 8). Sales 6 and 8 at the very top of the range provide indications that buyers with a need, presented with a property that is nearly ideal for meeting the need, will pay prices that approach those paid prior to the recession. Such prices are not indicative of current market conditions, however. The remaining sales indicate a much tighter range running from \$1.91 per square foot to \$3.80 per square foot. Sales 1 and 7 at \$2.07 and 1.91 per square foot respectively, are in the County, but were sold under some financial duress, indicating that they represents the bottom end of the market range. The remaining sales run from \$2.61 per square foot for Sale 4 to \$3.80 per square foot for Sale 5. It is my opinion that the subject property would compete in the lower to middle part of the range

Based on analysis retained in appraisal files, it is my opinion that the market value of this parcel is \$3.00 per square foot. The market value of the subject property is calculated as follows:

6.0 acres (261,360 square feet) @ \$3.00/sf =	\$784,080
Rounded:	\$785,000

Reconciliation and Final Opinion of Value

The Market Value of the subject property has been estimated by the Sales Comparison Approach to Value. Neither the Income Approach nor the Cost Approach is considered relevant to the analysis of the subject property. The indicated value of the subject property by the Sales Comparison Approach is \$785,000.

It is my opinion that the Market Value of the subject property as described in this report subject to the Extraordinary Assumptions in this report as of September 19, 2013, the date of inspection, is:

Seven Hundred Eighty-Five Thousand Dollars

(\$785,000)

Scope of the Appraisal

Development and Reporting: Appraisal assignments are comprised of two parts, the development of the opinion of value- the actual appraisal of the property involved- and the reporting of the results of the appraisal. The appraiser must properly identify the appraisal problem and determine the amount and type of research and analysis that must be done in order to produce a sufficiently reliable appraisal, considering the needs of the client and the ethical and professional constraints of the appraisal profession. This is known as the "Scope of Work". With regard to reporting, there are different options available to the appraiser in the reporting of the assignment.

Scope of Work: To complete this assignment, the appraiser:

- Identified the problem to be solved: the elements of the problem definition are included in the report section entitled "Premises of the Appraisal".
- Identified the property to be appraised.
- Inspected the subject property.
- Collected information sufficient to allow the appraiser to properly understand the nature of the subject property, the markets in which it competes, and the way in which it relates to those markets, and to estimate its value. This includes reviewing public records, information from planning departments and other public agencies to understand the legal and regulatory issues that characterize the subject property; reviewing various publications, studies, maps, and other sources of demographic and economic information in order to understand the demographic and economic environment in which the subject property exists; and researched the relevant real estate markets to acquire information sufficient to develop a reliable opinion of value. Data are typically acquired from public and private sources as well as office maintained files and data bases. The data collection process generally includes interviews with knowledgeable people in the area as well as interviews with buyers and sellers of similar properties. Market data are typically verified with people familiar with the relevant transaction, generally the buyer, seller, real estate broker, or other reliable source.
The information collected has been analyzed and processed to develop the estimate or estimates of value.

Reporting: There are three broad categories of report format which provide differing levels of information to the reader. The self contained format contains all of the data and analysis completed by the appraiser; the summary format contains a summarization of the data and analysis completed by the appraiser; and, the restrictive format contains a very limited amount of information and is suitable only for the immediate and limited use of the client. The reporting options depend upon the needs of the client and the use of the report.

This appraisal is reported in summary format. The full extent of the appraisal process and the appraiser's reasoning may not be apparent to the reader in the contents of this report. Supporting documentation is retained in appraisal files.

Certificate of Appraiser

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding the acceptance of this assignment.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon:

- The development or reporting of a predetermined value or direction in the value that favors the cause of the client;
- The amount of the value opinion;
- The attainment of a stipulated result or;
- The occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

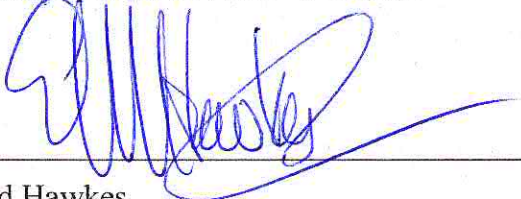
I have made a personal inspection of the property that is the subject of this report.

I have determined that I have the experience and the qualifications necessary for the completion of the assignment.

No one provided significant real property appraisal assistance to the person signing this certification.

Date of Value: September 19, 2013

Final Opinion of Value: \$785,000



Ed Hawkes

Certified General Real Estate Appraiser, CA # AG007710
Exp. 6/1/15



Date

Assumptions and Limiting Conditions

The certification of the Appraiser appearing in the appraisal report is subject to the following assumptions and limiting conditions:

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Sketches in the report may show approximate dimensions and are included only to assist the reader in visualizing the property. The Appraiser has made no survey of the property. Drawings and/or plats are not represented as an engineer's work product, nor are they provided for legal reference. Maps and other display material are included only as a guide in emphasizing certain aspects of a property.
3. The Appraiser is not required to give testimony, attend conferences, or appear in court because of having made the appraisal with reference to the property in question unless arrangements have been previously made.
4. Any distribution of the valuation in the report applies only under the existing program of utilization. Contributory value indications are only allocations and are not represented as separate valuations. The intended use of those contributory value indications is only in underwriting. Any other use is without obligation to the Appraiser.
5. Disclosure of the contents of this report is governed by applicable law and/or by the Bylaws and Regulations of the professional appraisal organization(s) with which the Appraiser is affiliated.
6. Neither all nor any part of the report, or copy thereof, shall be used for any purposes by anyone but the client and intended users specified in the report without the written consent of the Appraiser. This report was prepared for the use of the client or clients referenced in this report at their sole discretion within the framework of the intended use stated in the report and its use for any other purpose or use by any party not identified as an intended user of this report is beyond the scope contemplated in the appraisal and this report, and without creating an obligation of the Appraiser.
7. No responsibility is assumed for facts or conditions which require specialized knowledge beyond that of a qualified real estate appraiser or that customarily employed by real estate appraisers. This includes, but is not limited to, legal matters, structural defects or termite damage not readily apparent, conformance to specific governmental requirements such as fire, building safety, earthquake, flood, or occupancy codes, soil stability or instability, etc.
8. The "Highest and Best Use" as indicated by this report, is assumed to be consistent with Planning and Zoning policies, and will meet the approval of all local, city, county, state, and federal land use and environmental laws and regulations. The appraiser assumes no responsibility for changes or limitations imposed by the various governing agencies or political entities that affect a property's use or value.

9. The Appraiser is not qualified to verify or detect the presence of hazardous substances by visual inspection or otherwise, and is not qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated, the final value conclusion is based on the subject property being free of hazardous waste contaminations, and it is specifically assumed that present and subsequent ownerships will exercise due care to ensure that the property does not become otherwise contaminated. This condition also applies to biological hazards such as mold, mildew, fungus, or other biological and microbiological hazards.
10. Unless specifically cited, no value has been allocated to subsurface oil, gas, or mineral rights or deposits. Nor has it been considered whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.
11. This valuation does not include items of personal property or partial interests unless specifically incorporated by reference.
12. At the request of the client, the valuation herein reported relates only to a portion of an existing parcel.
13. Sensitive Habitat and Endangered Species: Many areas of the Central Coast harbor habitat that is either considered worthy of preservation, or is home to species that are endangered or otherwise in need of preservation. There is no known endangered species issue affecting the subject property. The market value estimate in this report is based upon the assumption that there are no environmental, habitat, or endangered species concerns affecting the subject property that would have any effect on value, either positive or negative.
14. The appraiser reserves the right to make such adjustments to the valuation herein reported, as may be required by consideration of additional data or more reliable data that may become available.
15. The market data adjustments used herein reflect the opinion of the appraiser regarding the magnitude of the adjustment based upon experience and observations of the market. The adjustments are not necessarily meant to imply that specific comparables were utilized to support the adjustments.
16. This appraisal is reported in a summary format. The full extent of the appraisal process and the appraiser's reasoning may not be apparent to the reader in the contents of this report.
17. Please note: The subject property, as appraised, is not an existing parcel: the parcel appraised is based upon the footprint of the proposed North County Jail, which, according to the client, will be 261,360 square feet (6 acres). This appraisal is subject the following:
 - Hypothetical Condition: that the parcel, as appraised, exists.
 - Extraordinary Assumption: that the parcel is as described in this report.
18. Acceptance of the report by the client constitutes acceptance of all assumptions and limiting conditions contained in the report.

Addendum- Contents

Subject Property Photographs

Market Data Map

Sales Data Sheets

Title Report

Professional Qualifications

Subject Property Photographs

Taken: September 19, 2013

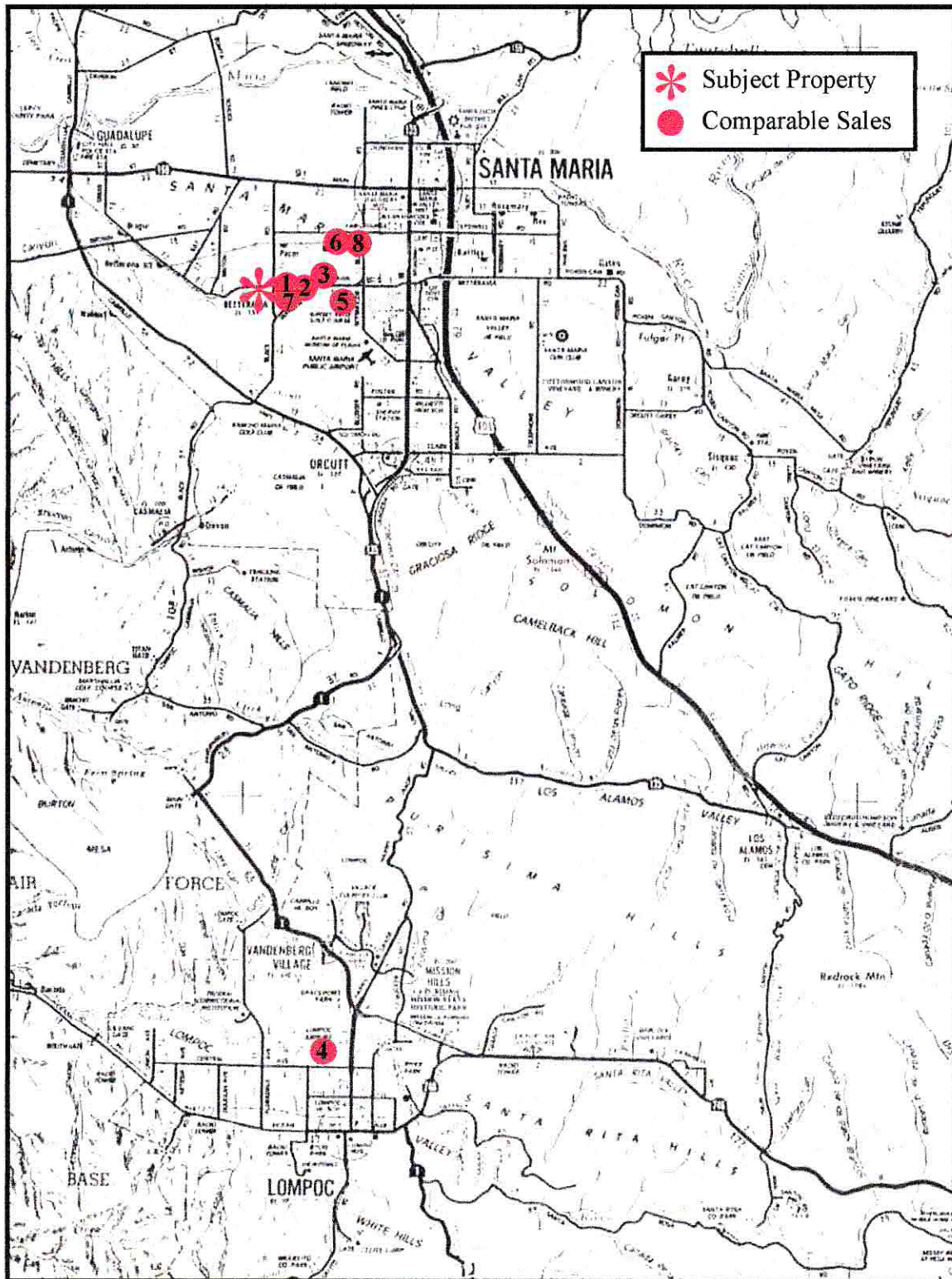


50 acre North County Jail parcel from southwest corner

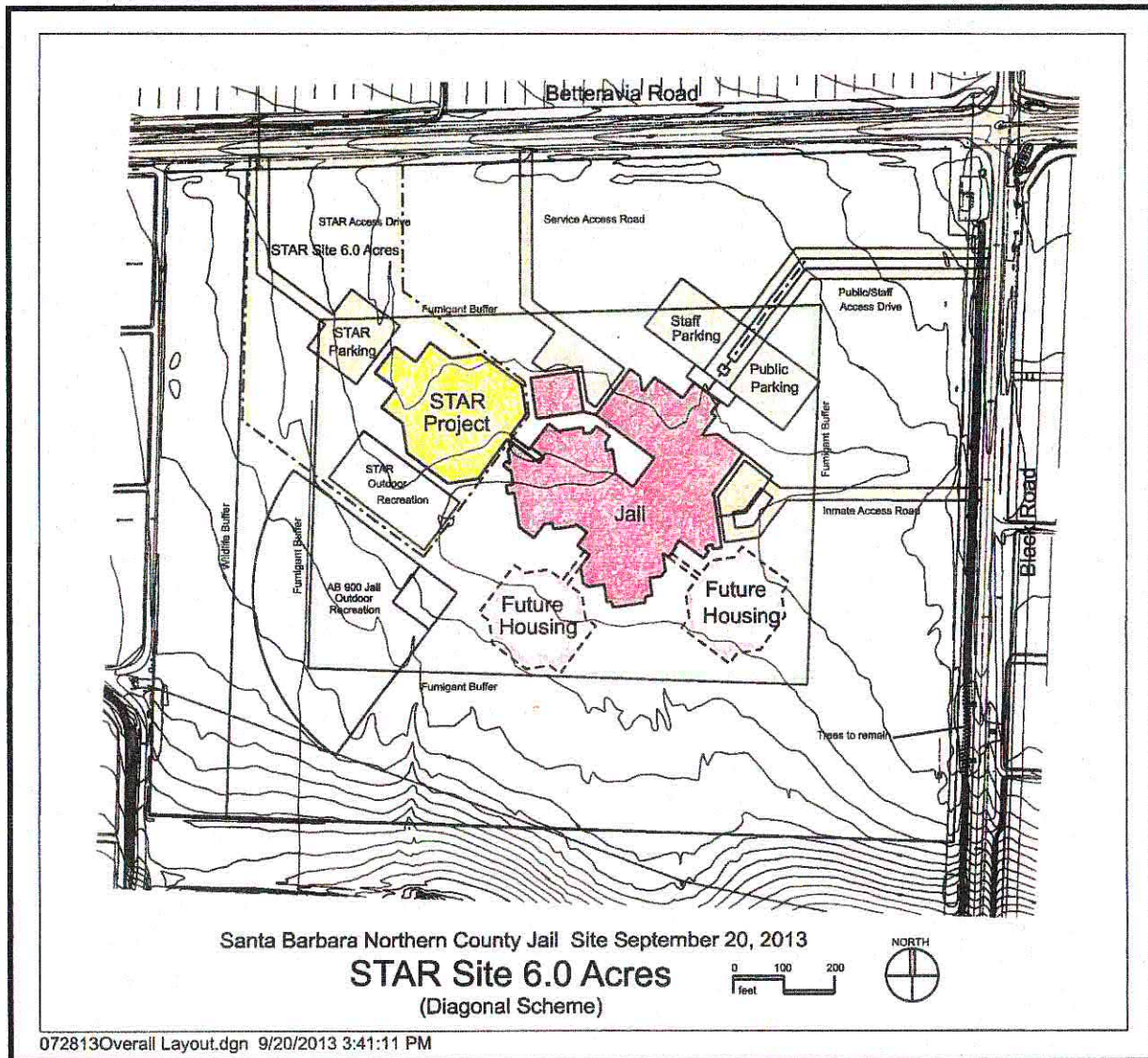


50 acre North County Jail parcel from northwest corner, along Betteravia Road frontage. Subject parcel will be located in the center along Betteravia Road or near the northwest quadrant of the property.

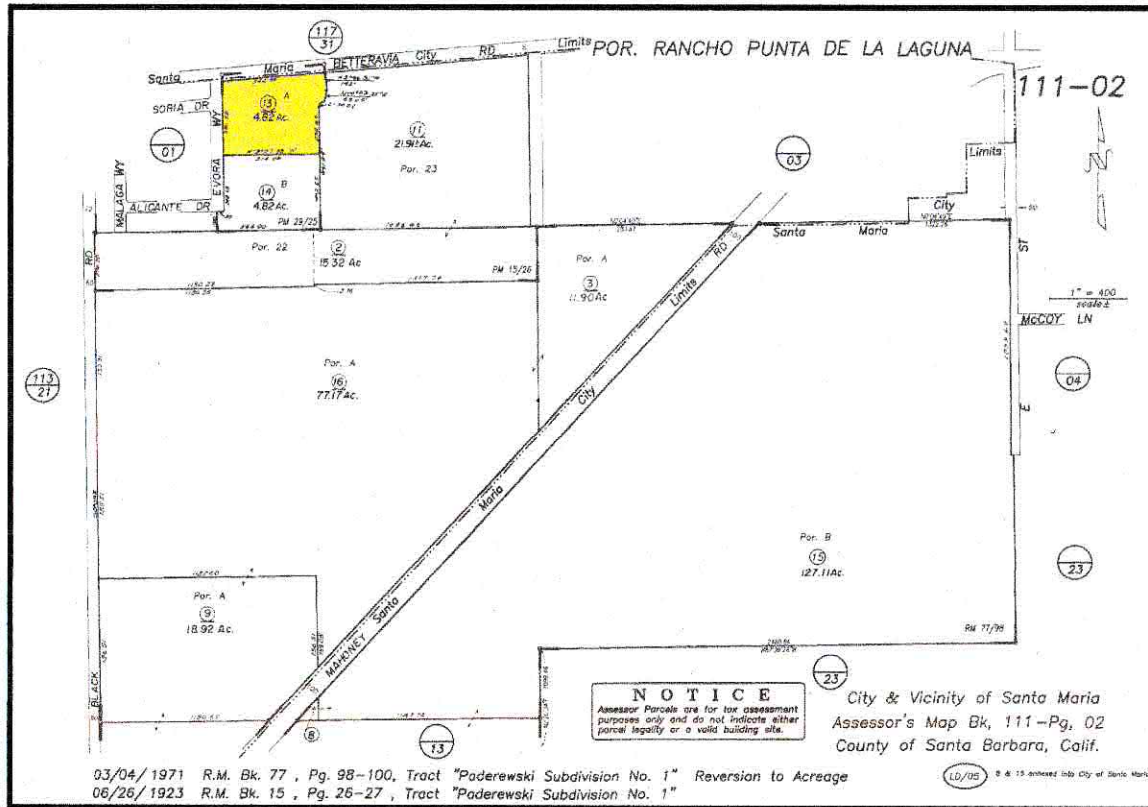
Market Data Map



Site Plan- Alternate



Land Sale 1



Assessors Parcel Number: 111-020-13

Address: SEC Betteravia Rd. & Evora

Sale Date: 6/23/11

Grantor: Cosma

Sale Price: \$435,000

Property Description

Land Area (acres): 4.82 acres

Current Use: Vacant Land

City: Santa Maria

Doc. No.: 36185

Grantee: Huebner

Financing: Cash

Zoning: M-2

Measures of Comparison

Unit Price- \$2.07/SF

Comments

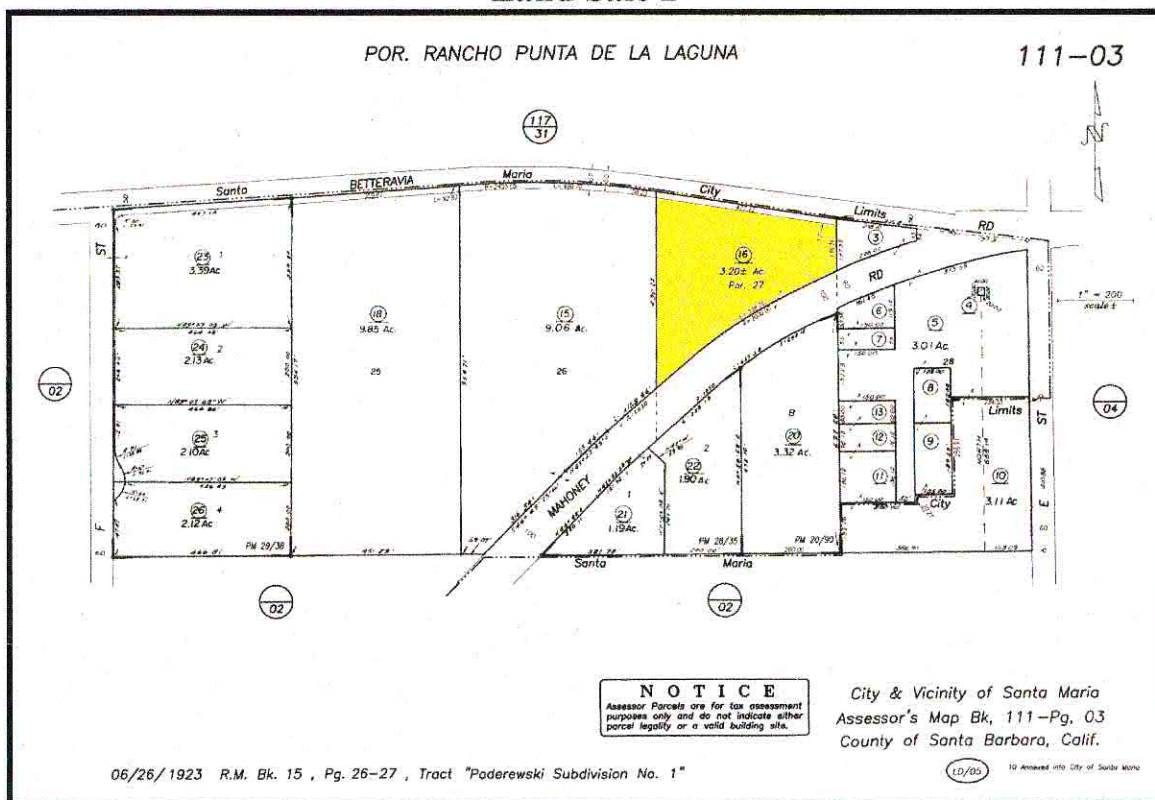
This is a raw 4.82 acre lot located west of the City of Santa Maria, on the south side of Betteravia Road, east of Black Road. It has been listed at various prices for many years, but most recently for \$600,000, and was sold after 53 days on the market. The site is level land with no developed utilities. The buyer had to bring in communications lines and will have to develop a well and septic systems. Power lines adjoin the property.

Source: Buyer, Seller, Broker, MLS. Public Records

Confirmed by: EH

Date: August 2012

Land Sale 2



Assessors Parcel Number: 111-030-16

Address: Betteravia Road

Sale Date: 12/16/11

Grantor: Ferini

Sale Price: \$475,000

Property Description

Land Area (acres): 3.20 acres

Current Use: Vacant Land

City: Santa Maria

Doc. No.: 73547

Grantee: AKA Properties

Financing: Cash

Zoning: M-2

Measures of Comparison

Unit Price- \$3.41/SF

Comments

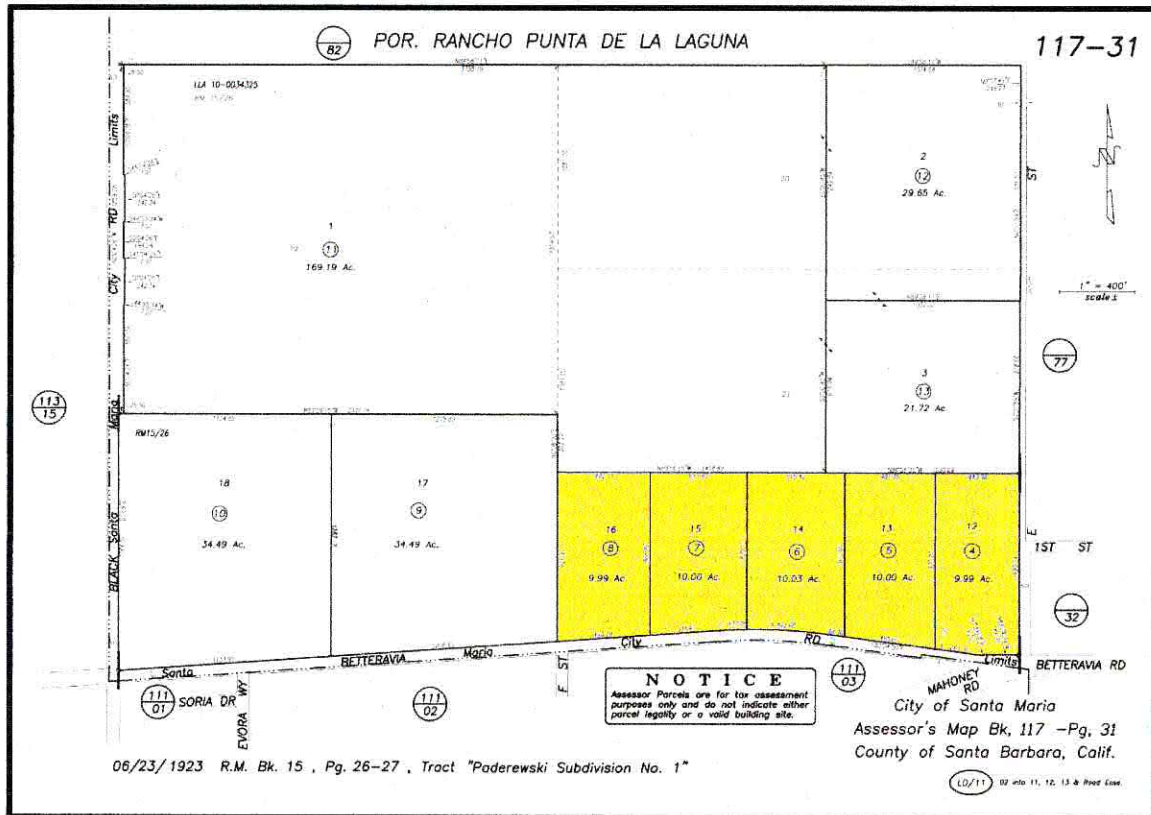
This is an irregularly shaped parcel of raw industrial land located outside of the City Limits of Santa Maria adjacent to a recycling facility owned and managed by Waste Management Incorporated. The property is roughly level and has good access from West Betteravia Road. Utilities are available, but undeveloped.

Source: Broker, Public Records

Confirmed by: EH

Date: June 2013

Land Sale 3



Assessors Parcel Numbers: 117-310-01 to 08

Address: Betteravia Road

Sale Date: 8/15/12

Grantor: Tri M

Sale Price: \$5,750,000

City: Santa Maria

Doc. No.: 53586

Grantee: Windset

Financing: Cash to seller

Property Description

Land Area (acres): 50.01 acres

Current Use: Vacant Land

Zoning: PD/M-2

Measures of Comparison

Unit Price- \$2.64/SF

Comments

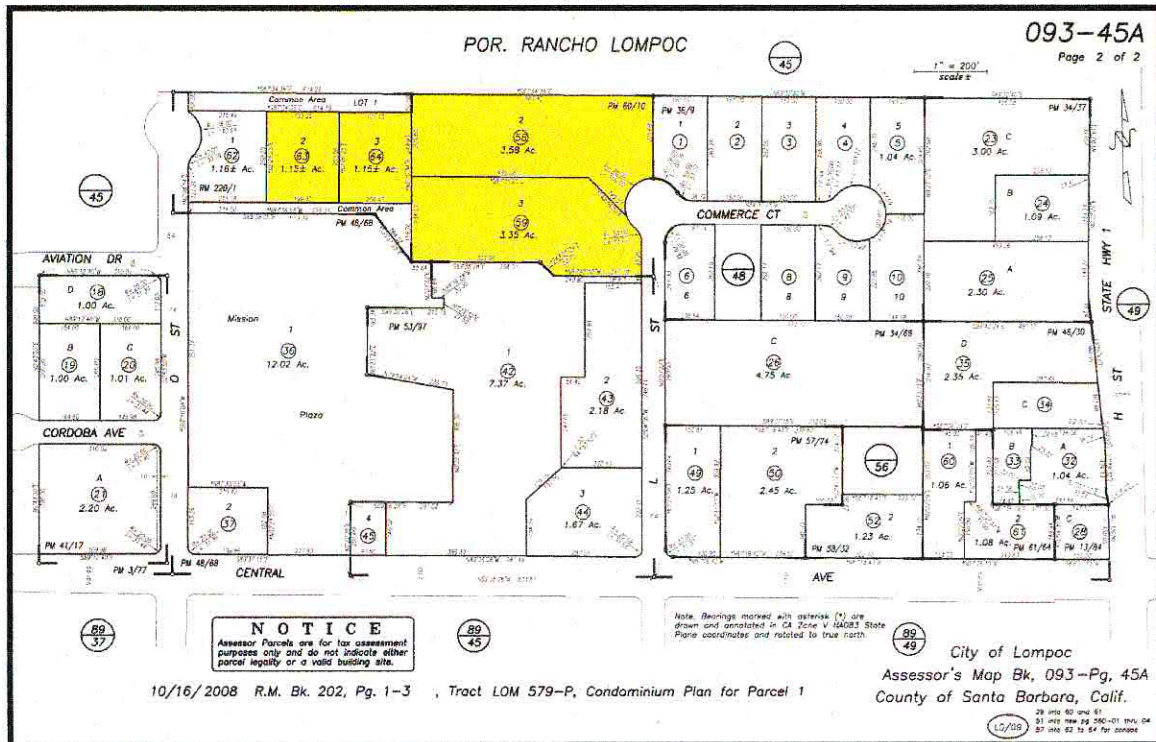
This is five parcels, five acres in size, more or less. The parcels are currently leveled farm ground and were acquired by a neighboring property owner for further expansion of an existing greenhouse operation. The seller also owns two adjoining properties that total an additional 68.98 acres.

Source: Buyer, Public Records, Appraiser

Confirmed by: EH

Date: June 2013

Land Sale 4



Assessors Parcel Numbers: 093-450-58, 59, 63, 64

Address: L Street

Sale Date: 9/21/12

Grantor: NWK2, Inc.

Sale Price: \$1,050,000

Property Description

Land Area (acres): 9.23 acres

Current Use: Vacant Land

City: Lompoc

Doc. No.: 63273

Grantee: Campbell

Financing: Cash to seller

Zoning: BP (Lompoc)

Measures of Comparison

Unit Price- \$2.61/SF

Comments

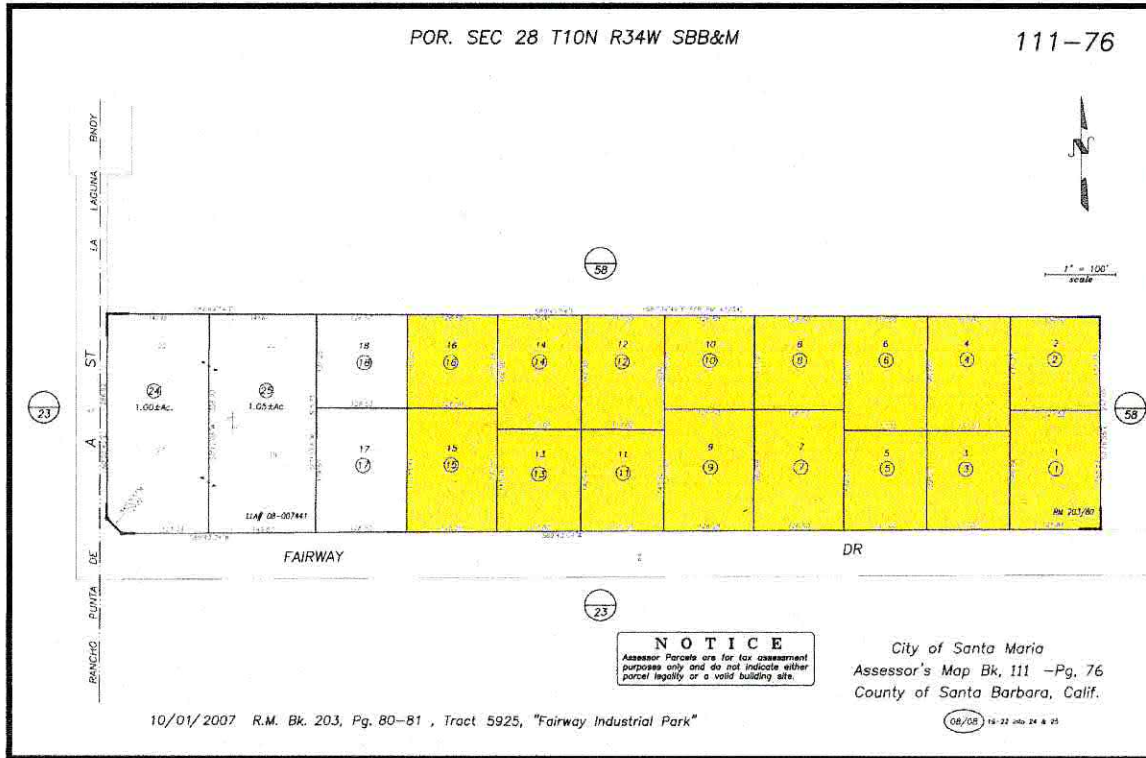
This is four contiguous lots located behind the Walmart Center in Lompoc. Two of the lots are over three acres each and are part of a three lot PUD with a common lot. The zoning for these parcels is for business park use, which includes light industrial uses. This sale was by a lender. The buyer is constructing a vegetable cooler on the property.

Source: Public Records

Confirmed by: EH

Date: June 2013

Land Sale 5



Assessors Parcel Numbers: 111-760-01 to 16

Address: 1351 Fairway Drive

Sale Date: 12/12/12

Grantor: Santa Maria Plaza, Inc.

Sale Price: \$1,100,000

Property Description

Land Area (acres): 6.71 acres

Current Use: Vacant Land

City: Santa Maria

Doc. No.: 84641

Grantee: Fairway SMX

Financing: Cash to seller

Zoning: PD/M-1

Measures of Comparison

Unit Price- \$3.76/SF

Comments

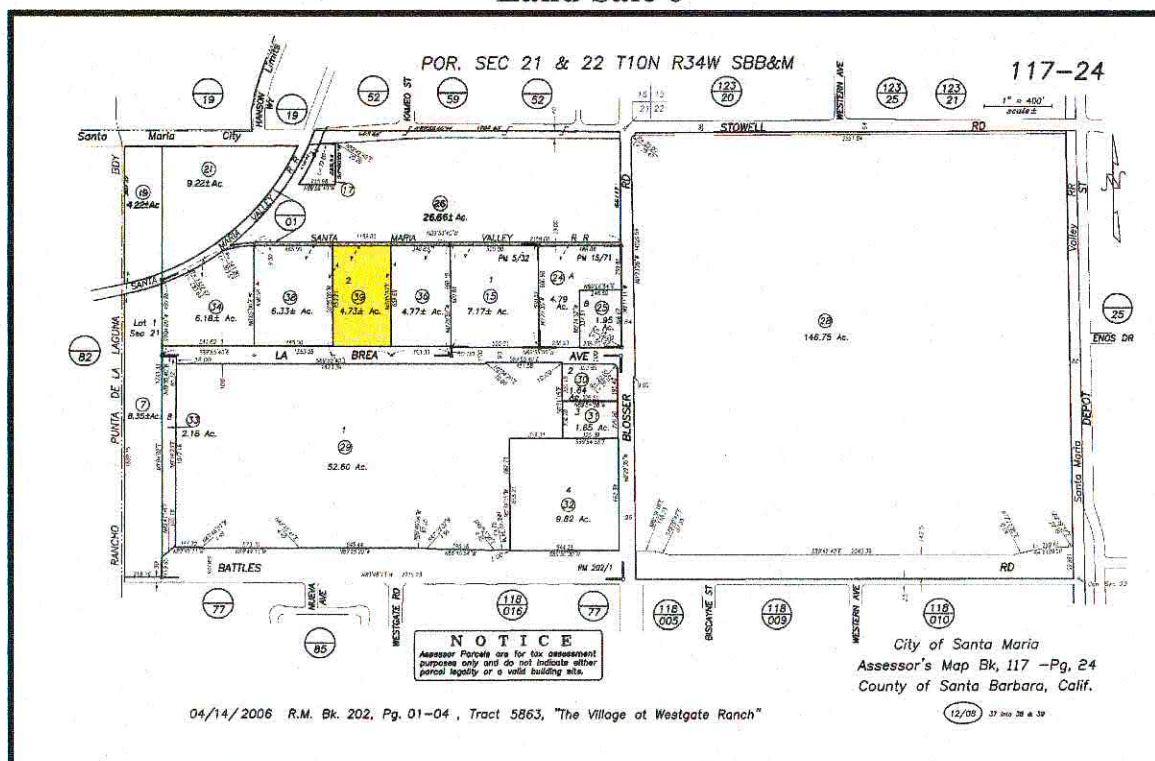
This is sixteen lots ranging in size from 0.37 to 0.50 acres. The parcels were all part of a light industrial subdivision that was only partially developed. The lots are relatively level, finished, and ready for improvement. This sale was completed under some financial duress. Reportedly, the buyer plans to build two large light industrial buildings on the properties.

Source: Public Records

Confirmed by: EH

Date: June 2013

Land Sale 6



Assessors Parcel Number: 117-240-39

Address: La Brea Avenue

Sale Date: 12/14/12

Grantor: Thompkins, et al

Sale Price: \$1,400,000

Property Description

Land Area (acres): 4.73 acres

Current Use: Vacant Land

City: Santa Maria

Doc. No.: 85542

Grantee: LLH Santa Maria

Financing: Cash

Zoning: M-2

Measures of Comparison

Unit Price- \$6.79/SF

Comments

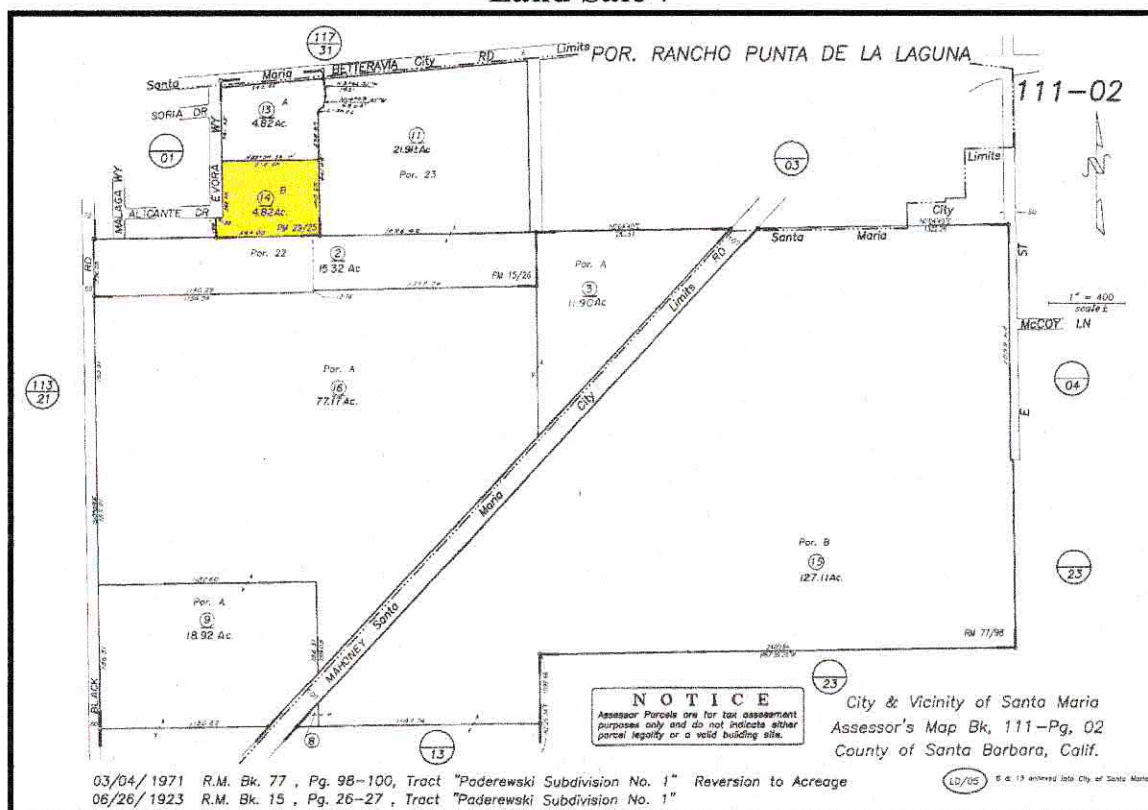
This is one of five lots in a relatively recent subdivision. The site is finished and ready for use. The property was purchased by an adjoining owner and the price appears to be well above contemporary prices, indicating that a premium was paid.

Source: Broker, Public Records

Confirmed by: EH

Date: June 2013

Land Sale 7



Assessors Parcel Number: 111-020-14

Address: Evora Way

Sale Date: 12/21/12

Grantor: Statti

Sale Price: \$400,000

Property Description

Land Area (acres): 4.82 acres

Current Use: Vacant Land

City: Santa Maria

Doc. No.: 87873

Grantee: Heubner

Financing: Cash to seller

Zoning: M-2

Measures of Comparison

Unit Price- \$1.91/SF

Comments

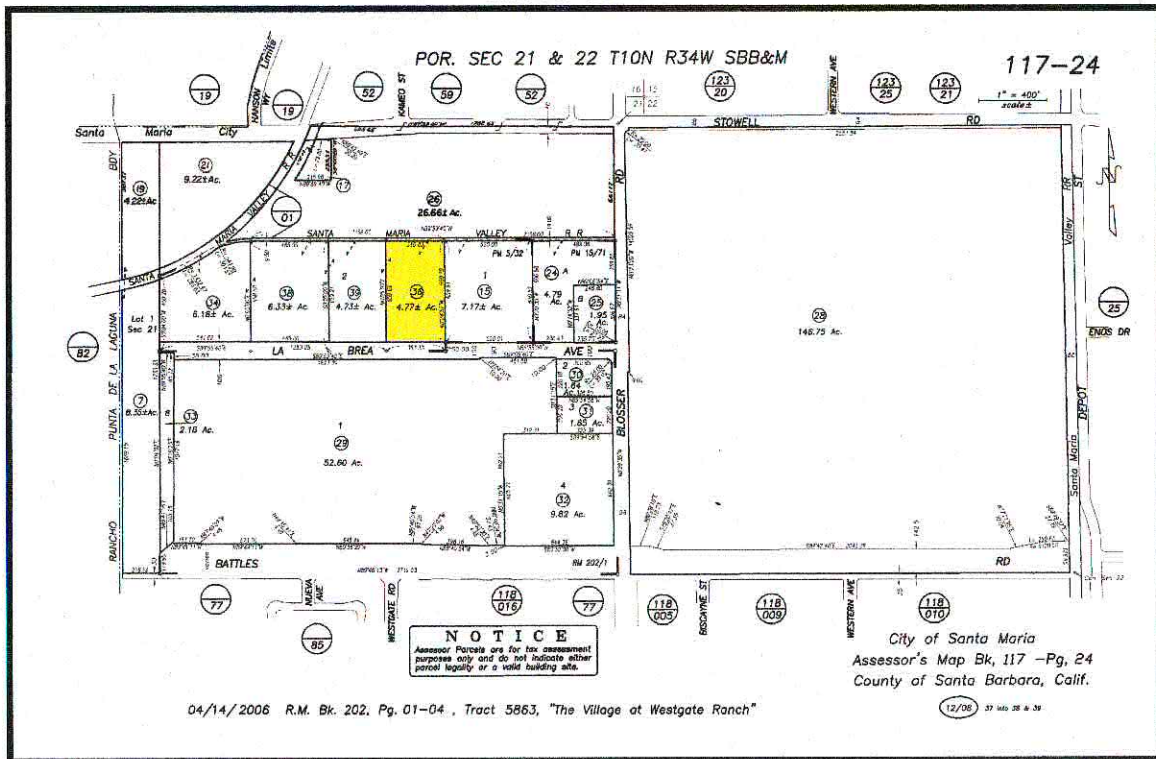
This is the sale of a 4.82 acre parcel located south of West Betteravia Road on the east side of Evora Way, east of Black Road in unincorporated Santa Barbara County, west of the City of Santa Maria. The sale parcel had no developed utilities, but the buyer had previously purchased and developed the adjacent parcel to the north and was in a position to extend the utilities to this parcel. The sale parcel has some low lying ground and the buyer had to acquire fill dirt in order to pursue his plans for the property. The buyer had previously sold the property and then taken it back in settlement of the debt owed on the property.

Source: Buyer, Seller, Public Records

Confirmed by: EH

Date: September 2013

Land Sale 8



Assessors Parcel Number: 117-240-36

Address: La Brea Avenue

Sale Date: 2/22/13

Grantor: Santa Maria Holdings

Sale Price: \$1,525,000

Property Description

Land Area (acres): 4.77 acres

Current Use: Vacant Land

City: Santa Maria

Doc. No.: 12717

Grantee: LLH Santa Maria

Financing: Cash

Zoning: M-2

Measures of Comparison

Unit Price- \$7.34

Comments

This is one of five lots in a relatively recent subdivision. The site is finished and ready for use. The property was purchased by an adjoining owner and the price appears to be well above contemporary prices, indicating that a premium was paid.

Source: Broker, Public Records

Confirmed by: EH

Date: June 2013

Aug. 2013



CHICAGO TITLE COMPANY

PRELIMINARY REPORT

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

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

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

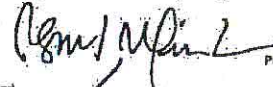
It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.


Countersigned



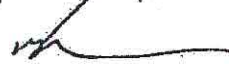
Chicago Title Company

BY



President

ATTEST



Secretary



Chicago Title Company

ISSUING OFFICE: 3700 State Street, Suite 100 • Santa Barbara, CA 93105
805 879-9400 • FAX 805 879-9452

PRELIMINARY REPORT

Amended

Title Officer: Alan Martin

Title No.: 13-**77502684-A-AM**

Locate No.: CACTI7742-7742-4775-0077502684

TO: County of Santa Barbara
1100 Anacapa Street
Santa Barbara, CA 93101

ATTN: Ronn Carlentine
YOUR REFERENCE: APN# 113-210-21

PROPERTY ADDRESS: Vacant Land-APN# 113-210-21, Santa Maria, California

EFFECTIVE DATE: August 7, 2013, 07:30 A.M.

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

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

A Fee

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

County of Santa Barbara

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

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

PL\PL 08/13/2013

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Being a portion of Subdivision No. 5 as allotted to Isaac Goldtree in the Final Decree of Partition of the Rancho Punta de la Laguna, a copy of which recorded December 7, 1880 in Book W of Deeds, Page 333, in the office the County Recorder, County of Santa Barbara, State of California, more particularly described as follows:

Beginning at a point in the Easterly line of said Subdivision No. 5, said point being the centerline intersection of Black Road and Betteravia Road as shown on the Record of Survey filed in Book 87 of Records of Survey, Page 96, as a set nail and tag marked LS 3485; thence

First - S00°41'25"W, along said centerline and said Easterly line, 1412.60 feet to a point; thence,

Second - N89°18'35"W departing said centerline and said Easterly line, 1627.61 feet to a point of intersection with the Southerly prolongation of the Easterly line of an existing dirt farm road, as said road exists today; thence,

Third - N00°13'32"E along said prolongation, said Easterly line of said existing dirt farm road, and its Northerly prolongation, 1279.16 feet to a point of intersection with the Southerly line of said Betteravia Road, said road is described in the Deed to the County of Santa Barbara recorded August 27, 1947 as Instrument No. 11628 in Book 738 of Official Records, Page 413, in the office of said County Recorder; thence,

Fourth - N86°54'11"E along the Southerly line of said Betteravia Road as described in said deed, 1611.51 feet to a point of intersection with the Westerly line of said Black Road, 60.00 feet wide, said Westerly line being 30.00 feet Westerly of said centerline of Black Road and 30.00 feet Westerly of said Easterly line of said Subdivision No. 5, said point being depicted on said Record of Survey; thence,

Fifth - N00°41'25"E along said Westerly line, said line being 30.00 feet Westerly of and parallel with said Easterly line of Subdivision No. 5 and said centerline of said Black Road, 25.05 feet to Station 138+76.24, the point of beginning for the land described in said deed to the County of Santa Barbara for said Betteravia Road; thence,

Sixth - along the control line described in said deed to the County of Santa Barbara for said Betteravia Road, N86°54'11"E, 30.07 feet to the point of beginning.

Above described land is shown on Record of Survey recorded in Book 178 Page 15 of Record of Survey, in the office of the County Recorder of said County.

EXCEPTING therefrom 60% of 100% of the oil, gas, gasoline, asphaltum and other hydrocarbon substances of whatever category in and under said land, but without rights to the surface thereof above a depth of 500 feet, as conveyed by the Union Sugar Company, a California corporation to SMV Minerals, Inc., a California corporation, by deed recorded June 15, 1972 as Instrument No. 22088 in Book 2406, Page 199 of Official Record.

APN: 113-210-21

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

1. **Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2013-2014.
2. **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.
3. **Water rights, claims or title to water**, whether or not disclosed by the public records.
4. **Rights of the public** as to any portion of the land lying within the area commonly known as any public street or highway.
5. **The rights** for electrical transmission line in favor of Midland Counties public services corporation over an undisclosed portion of said land in the deed recorded December 28, 1916 in Book 156, Page 502 of Deeds, and re-recorded January 15, 1917 in Book 158, Page 174 of Deeds.

Pacific Gas & Electric Company, a corporation, succeeded to the interests of Midland Counties Public Service Corporation by deed dated December 31, 1938 and recorded February 7, 1939 as Instrument No. 1013 in Book 455, Page 290, et seq., of Official Records.

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

Granted to:	Pacific Gas & Electric Company, a California corporation
Purpose:	Poles
Recorded:	July 24, 1942, Instrument No. 5644, Book 556, Page 36, of Official Records
Affects:	Easterly portion of said land

7. **That certain interest, (whether fee or easement)**, as granted to the County of Santa Barbara and the rights incidental there to as set forth in a document

Purpose:	Public road
Recorded:	December 31, 1968 as Instrument Nos. 40338 & 40339 in Book 2257, Page 391 thru 395, Official Records
Affects:	That portion of said land lying within Betteravia Road

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

Granted to:	State of California
Purpose:	State water project waterlines
Recorded:	February 5, 1996, Instrument No. 96-6842, of Official Records
Affects:	An Easterly portion of said land

Restrictions on the use, by the owners of said land, of the easement area as set forth in the easement document shown hereinabove.

Reference is made to said document for full particulars.

9. **Covenants and restrictions** imposed by any land conservation contract executed pursuant to Government Code Section 51200 et seq. (also called the Williamson Act) authorizing the establishment of agricultural preserves. The use of the land within the preserve may be restricted by the land contract to agricultural, recreational, open-space, and other compatible uses.
10. **Matters** contained in that certain document entitled "Judgement After Trial pursuant to Case No. 1-97-CV-770214 Superior Court County of Santa Clara" dated , executed by and between Santa Naria Valley Water Conservation District (Plaintiff) and City of Santa Maria et al (Defendant recorded March 25, 2008, Instrument No. 2008-16608, of Official Records, which document, among other things, contains or provides for: Rights to claims to Ground Water.

Reference is hereby made to said document for full particulars. 412 total pages

END OF ITEMS

- Note 1.** The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. 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. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
- Note 2.** If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

Note 3. Wiring instructions for Chicago Title Company, Santa Barbara, CA, are as follows:

Receiving Bank: Bank of America
275 Valencia Blvd, 2nd Floor
Brea, CA 92823-6340
ABA Routing No.: 026009593
Credit Account Name: Chicago Title Company - Title Administration/Santa Barbara Payoff
1101 Anacapa Street, Santa Barbara, CA 93101
Credit Account No.: 12355-83283
Reference No.: 13-77502684

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

Note 4. Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

END OF NOTES

113-21



Assessor's Map Bk. 113-Pg. 21
County of Santa Barbara, Calif.

Chicago Title

"This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon."



HAWKES

Real Estate Appraisal

4927 Coughlin Way

Santa Maria, California 93455

Telephone: 805-937-6375 Fax: 805-800-1134

HawkesAppraisal@verizon.net

PROFESSIONAL QUALIFICATIONS

***ED HAWKES
REAL ESTATE APPRAISER***



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Santa Maria, California 93455

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ED HAWKES

CGREA AG007710

Ed Hawkes has over 25 years of experience appraising real estate of all types. While the appraisal of agricultural real estate is a specialty, Hawkes Real Estate Appraisal offers a full spectrum of real estate appraisal services including commercial, industrial, and residential appraisals. Appraisals completed by Ed Hawkes have been used for estate and business planning, tax return preparation, tax assessment appeals, litigation, land acquisition- both by eminent domain and by negotiation, and financing.

After working several years in production agriculture, Ed Hawkes became a staff appraiser for Bank of America, specializing in the appraisal of agricultural real estate, equipment, and crops. He then spent several years managing farm and ranch real estate for Bank of America and Wells Fargo Bank. Returning to appraisal, he worked first as an independent residential appraiser, then as a staff appraiser with the firm of Reeder, Gilman, and Associates, and, following another brief stint as an independent appraiser, was the Chief Appraiser for Rincon Corporation, a full service agricultural real estate firm. In 2009, he left Rincon to start Hawkes Real Estate Appraisal. Over the years, Mr. Hawkes has accumulated extensive experience appraising property of all types for a variety of clients and purposes. A partial list of clients is attached.

Ed Hawkes
Certified General Real Estate Appraiser
California Certificate No. AG007710

Appraisal Experience

2009- Present	Hawkes Real Estate Appraisal Duties: Principal Santa Maria, CA
2000- 2009	Rincon Corporation Duties: Chief Appraiser Santa Maria, CA
1998 - 2000	Independent Real Estate Appraiser Duties: Appraise agricultural, commercial, industrial, and residential real estate on fee and subcontract basis Santa Maria, CA
1991 - 1998	Reeder, Gilman & Associates: Appraisers & Consultants Duties: Appraise agricultural, commercial, industrial, and multi-family real estate. Santa Maria, CA
1989 - 1991	Independent Real Estate Appraiser Duties: Appraise single family residential real estate. Santa Maria, CA
1983 - 1985	Bank of America, NT&SA, Appraisal Department Duties: Appraise agricultural and residential real estate. Yuba City, CA

Relevant Professional Experience

1988 - 1989	Wells Fargo Bank, NA, Trust Real Estate Division Duties: Manage trust owned agricultural real estate throughout Southern California Santa Maria, CA
1985 - 1988	Bank of America, NT&SA, Agricultural OREO Dept. Farm Management Section Duties: Manage and market bank owned farms and ranches in the Sacramento and San Joaquin Valleys Sacramento, CA

International Right of Way Association Member #04743011

Education

California Polytechnic State University, San Luis Obispo
Bachelor of Science; Agricultural Management

Qualified Expert Witness: San Luis Obispo County Superior Court, Santa Barbara County Superior Court

Continuing Education Subjects:

Eminent Domain Law; Skills of Expert Testimony; Conservation Easement Seminar; Market Trends Seminars; Separating Real Property, Personal Property, and Intangible Assets; Capitalization Theory and Technique; Condemnation Appraising; Appraisal Consulting, Appraisal Review; Option Value; Farm Appraisal; Valuation for Financial Reporting; Special Purpose Properties Seminar; IRS Valuation Summit; USPAP; Federal and State Laws and Regulations; Elements of California Real Estate Law, and others.

Client List (Partial)

The following is a list of some of the clients served by Ed Hawkes over the last thirteen years, first as part of Rincon Corporation, and then as Hawkes Real Estate Appraisal. The list includes private individuals, estates, law firms, government agencies, and financial, institutional, agricultural, industrial, and commercial firms.

Agencies

- Cambria Community Services District
- City of San Luis Obispo
- County of Santa Barbara
- Los Osos Community Services District
- Santa Ynez Band of Chumash Indians
- USDA Farm Service Agency

Agricultural Firms

- Apio
- Billita Corporation
- Hi Thompson Investments
- King Ranch
- Rosemary Farms
- Sierra Madre Ranch
- Santa Maria Berry Farms
- Sisquoc Ranch
- Rancho Laguna Farms
- Equity Ag Financial, Inc.
- Sisquoc Ranch

Environmental Organizations

- Land Trust for Santa Barbara County
- Wildlife Conservation Board

Financial Institutions

- Community Bank of Santa Maria
- Community West Bank, N.A.
- Rabobank
- Mid Coast Mortgage
- Mission Community Bank
- Residential Mortgage Corp
- Pacific Capital Bancorp
- Wells Fargo Bank

Legal and Accounting Firms

- Ambrecht & Associates
- Lapp, Fatch, Myers & Gallagher
- Mullen & Henzel
- Sinsheimer Juhnke Lebens & McIvor
- Twitchell & Rice
- Weldon & DeGasparis
- Oliver Sandifer & Murphy
- Price Postel & Parma

