

## REAL PROPERTY PURCHASE AGREEMENT

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2025, by and between PESTONI ENTERPRISES LLC, a California limited liability company, hereinafter referred to as "Grantor", and the COUNTY OF LAKE, a political subdivision of the state of California, hereinafter referred to as "Grantee".

### RECITALS

WHEREAS, Grantor is the owner of that certain real property situated in Lake County, California (referred to herein as the "Grantor Property", or "Property"), as described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, Grantee requires that portion of the Grantor Property described in the "Grant Deed" contained in Exhibit "B" (referred to herein as the "Sale Property"), attached hereto and made a part hereof, for the purpose of the expansion of the Eastlake Sanitary Landfill buffer zone.

NOW, THEREFORE, IT IS MUTUALLY UNDERSTOOD AND AGREED as follows:

1) Grantee shall:

- (A) Pay Grantor the sum of \$58,250 (Fifty Eight Thousand Two Hundred Fifty and No/100s Dollars) payable by certified or cashier's check drawn to the order of Grantor, at the close of escrow for the Sale Property when title to Sale Property vests in the County of Lake through recordation of Grant Deed free and clear of all liens, encumbrances, assessments, leases (recorded and/or unrecorded) and taxes, except:
  - i. Taxes for the tax year in which this escrow closes shall be cleared and paid in the manner required by section 5086 of the Revenue and Taxation Code, if unpaid at the close of escrow.
  - ii. Covenants, conditions, restrictions and reservations of record, or contained in the above-referenced document and disclosed in the pro forma title insurance policy attached as Exhibit "C" that are not disapproved by Grantee.
- (B) Grantee shall pay all escrow and recording fees incurred in this transaction, including the premium for title insurance which is required for First American Title Company to handle escrow. Said escrow and recording charges shall not, however, include documentary transfer tax. This transaction will be handled through First American Title Company, 18990 Coyote Valley Road, Suite 13, Hidden Valley Lake, CA 95467, Escrow Number 1705-7121820 KO. Grantee shall pay the cost of preparing, executing, and acknowledging the Grant Deed and other instruments necessary to convey title. No documentary transfer tax shall apply. The escrow must be in a condition to close no later than \_\_\_\_\_ (date) unless the closing date is extended pursuant to the terms of this Agreement; provided, however, that this closing date shall not be extended beyond \_\_\_\_\_.(date)

(C) Pay Grantor for survey work, recording fees, application fees, and costs described in paragraph 7.

2) Grantor warrants the following:

- (A) Grantor owns the Sale Property, free and clear of all liens, licenses, claims, encumbrances, easements, encroachments on the Sale Property from adjacent properties, encroachments by other properties, and rights of way of any nature not disclosed by the public record, including any off record items such as unrecorded leases, other than exceptions expressly approved by Grantee in the pro forma title insurance policy attached as Exhibit "C".
- (B) Grantor has no knowledge of any pending litigation involving the Sale Property.
- (C) Grantor has no knowledge of any violations of, or notices concerning defects or noncompliance with, any applicable building code or other code, statute, regulation, ordinance, judicial order, or judicial holding pertaining to the Sale Property.
- (D) Grantor is not in default under any agreement, note, or encumbrance relating to the Sale Property.
- (E) Grantor will maintain the Sale Property in good repair and in the same condition, reasonable wear and tear expected until the date of close of escrow.
- (F) For purposes of this Agreement, Grantor's warranties are limited to the actual Grantor's actual knowledge, which is defined as the actual knowledge of Steven Peterson without any obligation of investigation or tests.

3) Any monies payable under this Agreement up to and including the total amount of unpaid principal and interest on note (s) secured by mortgage(s) or deed(s) of trust, if any , and all other amounts due and payable in accordance with the terms and conditions of said trust deed(s) or mortgage(s), shall upon demand(s) be made payable to the mortgagee(s) or beneficiary(ies) to furnish Grantor with good and sufficient receipt showing said monies credited against the indebtedness secured by said mortgage(s) or deed(s) of trust.

4) Any and all monies payable under this Agreement, subject to the demands made by superior lienholders, up to and including the total amount due on financing statements, if any, shall, upon demand, be made payable to the holder thereof, said holder to furnish debtor with good and sufficient receipt showing said monies credited against the indebtedness secured by said financing statement.

5) It is agreed and confirmed by the parties hereto that notwithstanding other provisions in this contract, the right of possession and use of the subject property by the Grantee, including the right to remove and dispose of improvements, if any, shall commence when funds are deposited into escrow, escrow has closed \_\_\_\_\_ 2025, and that the amount shown in Clause 1(A) herein includes, but is not limited to, full payment for such possession and use, including damages, if any, from said date. **The Sale Property is being sold "AS-IS".**

- 6) Should the Sale Property be materially destroyed by fire, earthquake or other calamity without the fault of either party this Agreement may be rescinded by Grantee; in such an event, Grantee may reappraise the Sale Property and make an offer thereon.
- 7) It is understood and agreed by and between the parties hereto that payment as provided in Clause 1(A) includes, but is not limited to, payment for any and all damages, and any and all damages which may accrue to the Grantors' remaining property by reason of its severance from the property conveyed herein and the construction and use of the proposed roadway and utility project, including, but not limited to, any expenses which Grantor may incur in restoring the utility of their remaining property. To ensure the Grantor's remaining property is not rendered illegal under the Subdivision Map Act and Lake County Code, unconditional certificates of compliance shall be obtained for the Grantor's remaining property upon recordation of the Grant Deed attached as Exhibit "B". The unconditional certificates of compliance shall be obtained from the City of Clearlake for the remaining lands within APN 010-053-140 and from Grantee for Grantor's remaining lands in APN 010-053-010. Said unconditional certificates of compliance shall be reviewed and approved by the City of Clearlake and the Lake County Surveyor and issued to record at close of escrow. Grantee's approval of unconditional certificates of compliance is a condition of closing escrow. At the close of escrow, Grantee also shall reimburse Grantor for survey work, recording fees, Title Reports, and application fees incurred in relation to said unconditional certificates of compliance.
- 8) Grantor warrants that there are no oral or written leases on all or any portion of the property being conveyed by the Grant Deed exceeding the period of one month, and the Grantor agrees to hold Grantee harmless and reimburse Grantee for any and all of its losses and expenses occasioned by reason of any lease of said property held by any tenant of Grantor for a period exceeding one month. Grantor acknowledges that a Grant Deed will be required from any lessee that has a lease term exceeding one month. Said Grant Deed shall be provided to Title prior to the close of escrow.
- 9) The acquisition of the property being acquired in this transaction reflects the fair market value of the property without the presence of contamination. If the property being acquired is found to be contaminated by the presence of Hazardous Waste which requires mitigation under Federal or State Law, Grantee may seek to recover its cleanup cost from any third parties who caused or contributed to the contamination. The sale of the Sale Property described in the Grant Deed is "AS-IS", and Grantee shall not be entitled to seek recovery of cleanup costs or other damages from Grantor or Grantor's successors in interest.
- 10) Condemnation. The parties agree that if, before Grantor transfers legal title or possession of the Sale Property described in Exhibit "B" to the Grantee, all or a material part of the Sale Property is taken by eminent domain, this Agreement may be rescinded by Grantee; in such an event, Grantee may reappraise the Sale Property and make an offer thereon.

- 11) **Insurance.** Grantor shall cancel all policies of insurance on the Sale Property as of the close of escrow. Grantee shall be responsible for obtaining insurance on the Sale Property as of close of escrow.
- 12) **Assignment.** Grantee may not assign this agreement without Grantor's prior written consent subject to Grantor's sole discretion. The valid assignment shall not relieve Grantee of liability under this Agreement.
- 13) **Time of Essence.** Time is of the essence in this Agreement.
- 14) **Amendments.** Any amendment to this Agreement shall be of no force and effect unless it is in writing and signed by Grantee and Grantor.
- 15) **Attorneys Fees.** If any action, proceeding, or arbitration arising out of or relating to this Agreement is commenced by either party to this Agreement or by the escrow agent, then as between Grantee and Grantor, the prevailing party shall be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorney's fees, costs, and expenses incurred in the action, proceeding, or arbitration by the prevailing party.
- 16) **Headings.** The headings in this Agreement are inserted for convenience only. They do not constitute part of this Agreement and shall not be used in its construction.
- 17) **Waiver.** The waiver by any party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver of any subsequent breach of that or any other provision of this Agreement.
- 18) **Binding Effect.** The Agreement shall be binding on and inure to the benefit of the parties to this agreement and their heirs, personal representatives, successors, and assigns, except as expressly provided in this Agreement. This Agreement runs with the land to the benefit of the remaining portion of the Grantor Property.
- 19) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 20) Any notice or demand which either parties desire to serve upon the other may be served either personally or by depositing the notice or demand in the United States Post Office, postage prepaid, addressed as follows:

Grantor: Pestoni Enterprises LLC  
P.O. BOX 73  
St. Helena, CA 94574

Grantee: County of Lake  
333 Second Street  
Lakeport, CA 95453

21) This Agreement shall be governed by the laws of the State of California. The parties hereto agree that venue or forum from any action or proceeding regarding this Agreement or performance thereof shall be in Lake County, California. It constitutes the entire agreement between the parties regarding its subject matter. This Agreement supersedes all proposals, oral and written, and all negotiations, conversations or discussions heretofore and between the parties related to the subject matter of this Agreement.

Executed at Lakeport, California, on the day and year first written above.

COUNTY OF LAKE

Chair, Board of Supervisors

PESTONI ENTERPRISES, LLC,  
A CALIFORNIA LIMITED LIABILITY COMPANY

Clinton Pestoni, Manager  
By: Linda Sereni Manager

ATTEST      SUSAN PARKER  
                  Clerk of the Board of Supervisors

By: \_\_\_\_\_

APPROVED AS TO FORM  
LLOYD GUINTIVANO  
County Counsel

By: \_\_\_\_\_

**EXHIBIT "A"**  
**GRANTOR PROPERTY**

**Exhibit A**  
**Pestoni Enterprises, LLC, a California limited liability company**  
**Property Acquisition**

All that certain real property situated in Section 23, Township 13 North, Range 7 West, Mount Diablo Base and Meridian, unincorporated area of Lake County and lying within the City Limits of Clearlake, State of California, described as follows:

Being a portion of that certain parcel conveyed by Grant Deed to the Pestoni Brothers, LLC, a California limited liability company recorded March 13, 2003 as Document Number 2003007882 and a portion of that certain parcel conveyed by Grant Deed to the Pestoni Enterprises, LLC, a California limited liability company, recorded July 7, 2009 as Document Number 2009010993 more particularly described as follows:

**Beginning** at a 1/2" rebar with plastic cap LS 4058 set to mark the northerly end of the course annotated N 54°09'15" E, 198.25' shown on that certain Record of Survey (ROS) filed in Book 61, R/S, Page 41, Lake County Records (L.C.R.) said point also being on the common boundary line of that certain parcel described in said Document Number 2003007882 and that certain parcel conveyed by Grant Deed to the County of Lake, recorded January 17, 1996 as Document Number 96-000727; thence along said course and said common boundary line South 55°51'10" West, 197.32 feet (record per said ROS N 54°09'15" E, 198.25') to a 1/2" rebar with plastic cap LS 4058 shown on said ROS; thence continuing on said common boundary line the following seven courses: South 82°22'26" West, 186.44 feet (record per said ROS N 80°50'18" E, 186.53') to a 1/2" iron pipe with plastic plug PLS 8335 set to replace the 1/2" rebar with plastic cap LS 4058 shown on said ROS; thence South 55°36'31" West, 122.10 feet (record per said ROS N 54°04'23" E, 122.16') to a 1/2" rebar with plastic cap LS 4058 shown on said ROS; thence North 83°51'38" West, 278.63 feet (record per said ROS S 85°27'10" E, 278.42') to a 1/2" rebar with plastic cap LS 4058 shown on said ROS; thence North 60°08'00" West, 213.60 feet (record per said ROS S 61°43'15" E, 213.32') to a 1/2" rebar with plastic cap LS 4058 shown on said ROS; thence South 75°39'32" West, 187.17 feet (record per said ROS N 74°01'58" E, 187.47') to a 1/2" rebar with plastic cap LS 4058 shown on said ROS; thence South 78°04'18" West, 497.76 feet (record per said ROS N 76°28'55" E, 497.84'); thence South 41°47'51" West, 372.91 feet (record per said ROS N 40°12'28" E, 373.04') to a 1/2" rebar with plastic cap LS 4058 shown on said ROS, said point also being on the northerly boundary line of that certain parcel conveyed by Grant Deed to the County of Lake, recorded October 16, 1984 in Book 1244, Page 24, Official Records of Lake County; thence leaving said common boundary line and along the common boundary line of that certain parcel described in said Document Number 2003007882 and that certain parcel described in Book 1244, Page 24, Official Records of Lake County South 61°40'42" West, 680.13 feet (record per said ROS N 60°00'00" E, 680.00') to a point on the East Line of the Southwest Quarter of said Section 23; thence along said East Line South 00°35'34" West, 100.02 feet (record per said ROS N 01°05'08" W, 100.00') to the South Quarter Corner of said Section 23; thence along the South Line of said Section 23 and along the South boundary line of that certain parcel described in said Document Number 2009010993 North 88°47'54" West, 232.54 feet (record per

that certain ROS filed in Book 24, R/S, Page 40, L.C.R. N 89°35'14" E) to a 1/2" iron pipe with plastic plug PLS 8335; thence leaving said South Line and said South boundary line North 62°25'23" East, 246.57 feet to a 1/2" iron pipe with plastic plug PLS 8335; thence North 38°38'35" East, 167.37 feet to a 1/2" iron pipe with plastic plug PLS 8335; thence North 42°15'56" East, 235.50 feet to a 1/2" iron pipe with plastic plug PLS 8335; thence North 48°39'30" East, 234.46 feet to a 1/2" iron pipe with plastic plug PLS 8335; thence North 40°10'23" East, 231.15 feet to a 1/2" iron pipe with plastic plug PLS 8335; thence North 18°46'00" East, 171.84 feet to a 1/2" iron pipe with plastic plug PLS 8335; thence South 90°00'00" East, 839.62 feet to a 1/2" iron pipe with plastic plug PLS 8335; thence South 90°00'00" East, 958.73 feet more or less to the **Point of Beginning**.

Containing 10.2 Acres more or less.

APN 010-053-11 (portion) and 010-053-14 (portion)

The Basis of Bearings of this description is the State Plane Coordinate System, NAD 83, California Zone 2 based upon GPS observations, at National Geodetic Survey Benchmark Designation "53 LAK 2.98", PID DH6288, observed July 2016.

North 88°47'54" West (record per that certain ROS filed in Book 24, R/S, Page 40 N 89°35'14" E) between a 1" iron pipe with 2 1/2" County of Lake Brass Cap set to mark the Southwest corner of Section 23, Township 13 North, Range 7 West, Mount Diablo Base and Meridian as shown on that certain ROS filed in Book 24, R/S, Page 40 and a 1 1/2" Iron pipe with BLM Tin Tag set to mark the Southeast corner of Section 23, Township 13 North, Range 7 West, Mount Diablo Base and Meridian as shown on that certain ROS filed in Book 24, R/S, Page 40.

Distances are ground.

Matthew T. Herman

9/04/2024

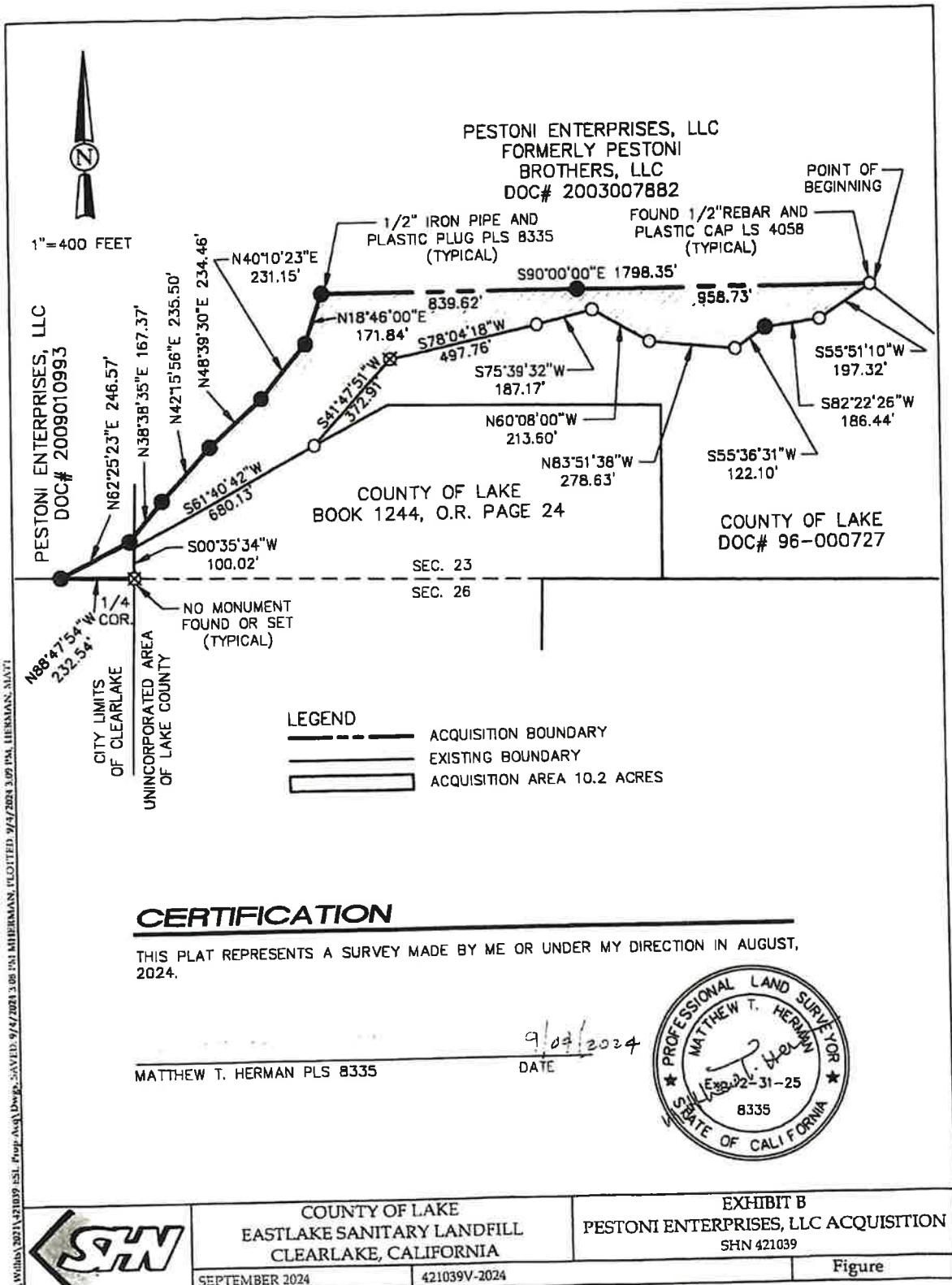
Matthew T. Herman, PLS 8335

Date

SHN Consulting Engineers and Geologists, Inc.

Willits, California





NAME: ALEXANDER GAVIN MILLERMAN, EXPLOITED, 9/4/2024 3:09 PM, HERMAN, MAT

## DESCRIPTION

ALL THAT REAL PROPERTY BEING A PORTION OF THE TRACT OF LAND DESCRIBED IN THE GRANT DEED CONVEYED TO PESTONI BROTHERS LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, RECORDED MAY 22, 2002 AS DOCUMENT NUMBER 2002 010899, OFFICIAL RECORDS OF LAKE COUNTY, CALIFORNIA, SAID REAL PROPERTY BEING SITUATE IN TOWNSHIP 13 NORTH. RANGE 7 WEST. MOUNT DIABLO BASE & MERIDIAN. IN LAKE COUNTY. CALIFORNIA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 23 IN TOWNSHIP 13 NORTH, RANGE 7 WEST. MOUNT DIABLO BASE AND MERIDIAN AND RUNNING THENCE ALONG THE EAST LINE OF SAID EAST HALF SOUTH 2572 FEET. MORE OR LESS, TO THE POINT OF INTERSECTION WITH THE NORTH LINE OF THE TRACT OF LAND CONVEYED BY PESTONI ENTERPROSES LLC TO THE COUNTY OF LAKE BY GRANT DEED RECORDED \_\_\_\_\_, 2025 AS DOCUMENT NUMBER 2025 \_\_\_\_\_. IN OFFICIAL RECORDS OF LAKE COUNTY, SAID POINT BEARS ALONG SAID EAST LINE NORTH 133.41 FEET (DESCRIBED AS SOUTH 00°35'34" WEST IN SAID GRANT DEED TO LAKE COUNTY) FROM THE SOUTH QUARTER CORNER OF SAID SECTION 23; THENCE LEAVING SAID EAST LINE AND RUNNING ALONG LAST SAID NORTH LINE OF THE COUNTY OF LAKE DESCRIBED IN DOCUMENT NUMBER 2025 \_\_\_\_\_, USING THE BASIS OF BEARINGS OF SAID DOCUMENT NUMBER 2025 \_\_\_\_\_, SOUTH 38°38'35" WEST 18.40 FEET TO A ½ INCH IRON PIPE AND PLUG, PLS 8335 AND SOUTH 62°25'23" WEST 246.57 FEET TO A ½ INCH IRON PIPE AND PLUG, PLS 8335 AT THE POINT OF INTERSECTION WITH THE SOUTH LINE OF SAID EAST HALF, SAID POINT BEARS ALONG SAID SOUTH LINE NORTH 88°47'54" WEST 232.54 FEET FROM SAID QUARTER CORNER; THENCE ALONG THE SOUTH LINE OF SAID EAST HALF, LEAVING THE BASIS OF BEARINGS OF SAID DOCUMENT NUMBER 2025 \_\_\_\_\_, WEST 1087 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF SAID EAST HALF; THENCE NORTH 2640 FEET, MORE OR LESS, TO THE NORTHWEST CORNER OF SAID EAST HALF; THENCE EAST 1320 FEET, MORE OR LESS, TO THE POINT OF BEGINNING

THE BASIS OF BEARINGS OF THIS DESCRIPTION IS THE BASIS OF BEARINGS OF HEREINABOVE DESCRIBED DOCUMENT NUMBER 2002 010899 UNLESS OTHERWISE NOTED.

END OF DESCRIPTION

Portion of 010-053-140

April 29, 2025

Rev September 8, 2025

## DESCRIPTION

ALL THAT REAL PROPERTY BEING A PORTION OF PARCEL ONE DESCRIBED IN THE CORRECTION GRANT DEED CONVEYED TO PESTONI ENTERPRISES LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, RECORDED JANUARY 10, 2025 AS DOCUMENT NUMBER 2025 000243, OFFICIAL RECORDS OF LAKE COUNTY, CALIFORNIA, SAID REAL PROPERTY BEING SITUATE IN TOWNSHIP 13 NORTH. RANGE 7 WEST, MOUNT DIABLO BASE & MERIDIAN, IN LAKE COUNTY, CALIFORNIA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A  $\frac{1}{2}$ " REBAR CAPPED LS 4058 ON THE EAST LINE OF SECTION 23 AS SHOWN ON THAT CERTAIN MAP ENTITLED, "RECORD OF SURVEY OF PORTIONS OF THE NE $\frac{1}{4}$  OF SECTION 26. THE SE $\frac{1}{4}$  OF SECTION 23 AND THE SW $\frac{1}{4}$  OF SECTION 24, T.13N., R.7W., M.D.B.&M.", FILED OCTOBER 20, 1994 IN BOOK 61 OF RECORD OF SURVEYS AT PAGE 41 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LAKE. SAID REBAR ALSO BEING AN ANGLE POINT ON THE NORTHERLY LINE OF THE LANDS OF THE COUNTY OF LAKE AS DESCRIBED BY DOCUMENT NO 1996 000727, LAKE COUNTY RECORDS AND AS SHOWN ON SAID RECORD OF SURVEY AND THENCE LEAVING SAID EAST LINE AND RUNNING ALONG SAID NORTHERLY LINE THE FOLLOWING COURSES: SOUTH 76° 19' 20" EAST 553.31 FEET; SOUTH 40° 27' 45" EAST 271.62 FEET; SOUTH 62° 38' 23" EAST 74.38 FEET; SOUTH 14° 56' 55" EAST 83.82 FEET; SOUTH 28° 55' 08" WEST 174.54 FEET; SOUTH 17° 53' 23" WEST 164.2 FEET, MORE OR LESS, TO A POINT ON THE SOUTH LINE OF SAID SECTION 24. SAID POINT BEARS EASTERLY 650.69 FEET ALONG SAID SOUTH LINE FROM THE SOUTHWEST CORNER OF SAID SECTION 24; THENCE LEAVING SAID NORTHERLY LINE AND RUNNING EAST ALONG THE SOUTH LINE OF SAID SECTION 24, 1989 FEET, MORE OR LESS, TO THE SOUTH QUARTER CORNER OF SAID SECTION 24; THENCE NORTH 2643.96 FEET, MORE OR LESS. ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 24 TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 24; THENCE WEST 2640 FEET, MORE OR LESS, ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 24 TO THE QUARTER CORNER COMMON TO SAID SECTIONS 23 AND 24; THENCE SOUTH 88° 58' 02" WEST ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 23, 2671.46 FEET TO THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 23; THENCE SOUTH 01° 02' 59" EAST ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 23, 2572 FEET, MORE OR LESS, TO THE POINT OF INTERSECTION WITH THE NORTH LINE OF THE TRACT OF LAND CONVEYED BY PESTONI ENTERPRISES LLC BY GRANT DEED TO THE COUNTY OF LAKE BY DOCUMENT NUMBER 2025 \_\_\_\_\_, RECORDED \_\_\_\_\_, 2025 IN OFFICIAL RECORDS OF LAKE COUNTY, SAID POINT BEARS ALONG SAID WEST LINE NORTH 01° 02' 59" WEST 133.41 FEET (DESCRIBED AS SOUTH 00°35'34" WEST IN SAID GRANT DEED TO LAKE COUNTY) FROM THE SOUTH QUARTER CORNER OF SAID SECTION 23; THENCE LEAVING SAID WEST LINE AND RUNNING ALONG LAST SAID NORTH LINE OF THE COUNTY OF LAKE DESCRIBED IN DOCUMENT NUMBER 2025 \_\_\_\_\_. USING THE BASIS OF BEARINGS OF SAID DOCUMENT NUMBER 2025 \_\_\_\_\_. THE FOLLOWING SIX(6) COURSES:

1. NORTH 38°38'35" EAST 148.97 FEET TO A  $\frac{1}{2}$  INCH IRON PIPE AND PLUG, PLS 8335. THENCE
2. NORTH 42°15'56 EAST 235.50 FEET TO A  $\frac{1}{2}$  INCH IRON PIPE AND PLUG, PLS 8335, THENCE
3. NORTH 48°39'30" EAST 234.46 FEET TO A  $\frac{1}{2}$  INCH IRON PIPE AND PLUG, PLS 8335. THENCE
4. NORTH 40°10'23" EAST 231.15 FEET, TO A  $\frac{1}{2}$  INCH IRON PIPE AND PLUG, PLS

- 8335, THENCE
5. NORTH  $18^{\circ}46'00''$  EAST 171.84 FEET TO A  $\frac{1}{2}$  INCH IRON PIPE AND PLUG, PLS 8335, AND THENCE
6. SOUTH  $90^{\circ}00'00''$  EAST 1798.35 FEET TO A  $\frac{1}{2}$  INCH REBAR CAPPED LS 4058 AT THE NORTHERLY TERMINUS OF THAT CERTAIN COURSE SHOWN AS "N $54^{\circ}09'15''$ E 198.25 FEET" ON HEREINABOVE SAID RECORD OF SURVEY;

THENCE LEAVING LAST HEREINABOVE SAID NORTH LINE AND RUNNING ALONG SAID NORTHERLY LINE OF THE COUNTY OF LAKE AS SHOWN ON SAID RECORD OF SURVEY SOUTH  $52^{\circ}21'25''$  EAST 328.52 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, HOWEVER, A PORTION OF THE ABOVE DESCRIBED PARCEL, SAID EXCEPTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A  $\frac{1}{2}$ " REBAR CAPPED LS 4058 ON THE EAST LINE OF SECTION 23, AS SHOWN ON THAT CERTAIN MAP ENTITLED, "RECORD OF SURVEY OF PORTIONS OF THE NE $\frac{1}{4}$  OF SECTION 26, THE SE $\frac{1}{4}$  OF SECTION 23 AND THE SW $\frac{1}{4}$  OF SECTION 24, T.13N., R.7W., M.D.B.&M.", FILED OCTOBER 20, 1994 IN BOOK 61 OF RECORD OF SURVEYS AT PAGE 41 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LAKE. SAID REBAR ALSO BEING AN ANGLE POINT ON THE NORTHERLY LINE OF THE LANDS OF THE COUNTY OF LAKE, PER SAID RECORD OF SURVEY AND THENCE LEAVING SAID NORTHERLY LINE AND RUNNING NORTH  $01^{\circ}11'55''$  WEST ALONG SAID EAST LINE OF SECTION 23 154.24 FEET TO A POINT THEREON, SAID POINT BEING THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING ALONG SAID EAST LINE NORTH  $01^{\circ}11'55''$  WEST 1313.66 FEET; THENCE LEAVING SAID LINE NORTH  $88^{\circ}55'38''$  EAST 1018.02 FEET; THENCE PARALLEL WITH SAID EAST LINE OF SECTION 23 SOUTH  $01^{\circ}11'55''$  EAST 1058.69 FEET; THENCE SOUTH  $81^{\circ}43'33''$  WEST 751.82 FEET; THENCE SOUTH  $58^{\circ}18'51''$  WEST 315.60 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING. THIS LEGAL DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE APPROVING A LOT LINE ADJUSTMENT FILE# LLA 02-38, RECORDED MARCH 13, 2003 AS DOCUMENT NO. 2003 007881 OF OFFICIAL RECORDS.

THE BASIS OF BEARINGS OF THIS DESCRIPTION IS THE BASIS OF BEARINGS OF HEREINABOVE DESCRIBED DOCUMENT NUMBER 2025 000243 UNLESS OTHERWISE NOTED.

END OF DESCRIPTION

Portion of 010-053-110

April 29, 2025

Rev September 8, 2025

**EXHIBIT “B”**  
**GRANT DEED**

RECORDING REQUESTED BY:

MAIL TAX STATEMENTS AND  
WHEN RECORDED MAIL TO:  
County of Lake – Public Services  
Attn: Lars Ewing  
333 Second Street  
Lakeport, Ca 95453

Order No.: 1705-7121820  
Escrow No.: 1705-7121820-KD  
APN: 010-053-11(portion) 010-053-14 (portion)

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

## GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

DOCUMENTARY TRANSFER TAX IS \$ 0.00 \_\_\_\_\_

Computed on full value of property conveyed, or

Computed on full value less liens and encumbrances remaining at time of sale.

Unincorporated area  City of Clearlake \_\_\_\_\_

**NO FEE DOCUMENT – GOVT CODE 27383**

**NO DOCUMENT TRANSFER TAX – R&T CODE 11922**

For valuable consideration, receipt of which is hereby acknowledged,

PESTONI ENTERPRISES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

hereby GRANT(S) to

The COUNTY OF LAKE, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA

the real property situated in the County of LAKE, State of California, more particularly described as follows:

SEE ATTACHED EXHIBIT "A"

PESTONI ENTERPRISES, LLC  
A CALIFORNIA LIMITED LIABILITY COMPANY

Dated: \_\_\_\_\_

BY: \_\_\_\_\_

BY: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_ Notary Public, personally  
saw \_\_\_\_\_

appeared \_\_\_\_\_ who proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

**Signature** \_\_\_\_\_

EXHIBIT "C"  
PRO FORMA



**Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.d.:**

Issuing Agent: First American Title Company

Issuing Office: 18990 Coyote Valley Road, Suite 13, Hidden Valley Lake, CA 95467

Issuing Office's ALTA® Registry ID: 1123670

Issuing Office File Number: 1705-7121820

Property Address: Portion of 16420 & 16520 Davis Ave, Clearlake, CA 95422

**SCHEDULE A**

Name and Address of Title Insurance Company:

First American Title Insurance Company, 1 First American Way, Santa Ana, CA 92707

Policy Number: 7121820 PRO FORMA

Amount of Insurance: \$58,250.00 Premium: \$TBD \_\_\_\_\_

Date of Policy: DATE AND TIME OF RECORDING at \_\_\_\_\_ AM/PM

1. The Insured is:

County of Lake, a political subdivision of the State of California

2. The estate or interest in the Land insured by this policy is:

FEE

3. The Title is vested in:

County of Lake, a political subdivision of the State of California

4. The Land is described as follows:

See Exhibit A attached hereto and made a part hereof

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Form 50125406 (5-24-22)

Page 1 of 18



## SCHEDULE B

Policy Number: 7121820 PRO FORMA

## EXCEPTIONS FROM COVERAGE

**Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.**

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

1. (a) 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; (b) 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 that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, 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 at Date of Policy.
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, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

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Form 50125406 (5-24-22)

Page 2 of 18



8. General and special taxes and assessments for the fiscal year 2025-2026, a lien not yet due or payable.
9. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

10. An easement for LOCATE, CONSTRUCT, RELOCATE, MAINTAIN, CONTROL AND REPAIR A ROADWAY AND APPURTENANCES THERETO and incidental purposes, recorded JUNE 22, 1967 as BOOK 527, PAGE 140 of Official Records.

In Favor of: UNITED STATES OF AMERICA  
 Affects: AS DESCRIBED THEREIN

Document re-recorded JULY 26, 1967 as BOOK 530, PAGE 67 of Official Records.

11. An easement for ACCESS ROAD and incidental purposes, recorded JUNE 22, 1967 as BOOK 527, PAGE 143 of Official Records.

In Favor of: UNITED STATES OF AMERICA  
 Affects: AS DESCRIBED THEREIN

12. An easement for THE CONSTRUCTION, MAINTENANCE AND USE OF POLES, ANCHORS, GUYS, CABLES, WIRES FOR COMMUNICATION PURPOSES AND APPURTENANCES THERETO and incidental purposes, recorded JUNE 26, 1981 as BOOK 1096, PAGE 168 of Official Records.

In Favor of: THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY  
 Affects: AS DESCRIBED THEREIN

13. An easement for THE CONSTRUCTION, MAINTENANCE AND USE OF POLES, ANCHORS, GUYS, CABLES, WIRES, CROSSARMS, TERMINAL EQUIPMENT CABINETS, ASSOCIATED ELECTRICAL CONDUCTORS, UNDERGROUND TERMINALS FOR COMMUNICATION PURPOSES AND APPURTENANCES THERETO, INCLUDES THE RIGHT OF INGRESS AND EGRESS and incidental purposes, recorded JUNE 26, 1981 as BOOK 1096, PAGE 170 of Official Records.

In Favor of: THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY  
 Affects: AS DESCRIBED THEREIN

14. The effect of a map purporting to show the land and other property, filed JUNE 22, 1984 IN BOOK 37, PAGE 16 of Record of Surveys.

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Form 50125406 (5-24-22)

Page 3 of 18

15. An easement for PUBLIC ROAD AND UTILITY PURPOSES AND APPURTENANCES THERETO and incidental purposes, recorded SEPTEMBER 27, 2001 as INSTRUMENT NO. 2001-019779 of Official Records.  
In Favor of: PESTONI BROTHERS LLC, A CALIFORNIA LIMITED LIABILITY COMPANY  
Affects: AS DESCRIBED THEREIN

16. An unrecorded lease dated SEPTEMBER 25, 2001, executed by PESTONI BROTHERS, A CALIFORNIA LIMITED LIABILITY COMPANY as lessor and CROWN CASTLE GT COMPANY, LLC, A DELAWARE LIMITED LIABILITY COMPANY as lessee, as disclosed by a MEMORANDUM OF LEASE AGREEMENT recorded SEPTEMBER 18, 2002 as INSTRUMENT NO. 02-020918 of Official Records.

DEFECTS, LIENS, ENCUMBRANCES OR OTHER MATTERS AFFECTING THE LEASEHOLD ESTATE, WHETHER OR NOT SHOWN BY THE PUBLIC RECORDS.

(Affects A Portion of 010-053-110 and other property)

17. An easement for THE RIGHT FROM TIME TO TIME TO CONSTRUCT, RECONSTRUCT, INSTALL, INSPECT, MAINTAIN, REPLACE, REMOVE, AND USE FACILITIES OF THE TYPE HEREINAFTER SPECIFIED, TOGETHER WITH A RIGHT OF WAY AND ALSO INGRESS THERETO AND EGRESS THEREFROM and incidental purposes, recorded AUGUST 22, 2013 as INSTRUMENT NO. 2013012959 of Official Records.  
In Favor of: PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION  
Affects: AS DESCRIBED THEREIN

18. Water rights, claims or title to water, whether or not shown by the Public Records.  
19. Rights of the public in and to that portion of the Land lying within any Road, Street, Alley or Highway.  
20. An easement for ingress and egress and incidental purposes as described in that Grant Deed from Pestoni Enterprises, LLC a California Limited Liability Company to County of Lake, a political subdivision of the State of California recorded \_\_\_\_\_, as Instrument No. \_\_\_\_\_, of Official Records.

NOTICE: This is a pro-forma policy furnished to or on behalf of the party to be insured. It neither reflects the present status of title, nor is it intended to be a commitment to insure. The inclusion of endorsements as part of the pro-forma policy in no way evidences the willingness of the Company to provide any affirmative coverage shown therein.

There are requirements which must be met before a final policy can be issued in the same form as this pro-forma policy. A commitment to insure setting forth these requirements should be obtained from the Company.

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Form 50125406 (5-24-22)



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Form 50125406 (5-24-22)

Page 5 of 18



## EXHIBIT A

The Land referred to herein below is situated in an Unincorporated Area in the County of Lake, State of California, and is described as follows:

All that certain real property situated in Section 23, Township 13 North, Range 7 West, Mount Diablo Base and Meridian, unincorporated area of Lake County and lying within the City Limits of Clearlake, State of California, described as follows:

Being a portion of that certain parcel conveyed by Grant Deed to the Pestoni Brothers, LLC, a California limited liability company recorded March 13, 2003 as Document Number 2003007882 and a portion of that certain parcel conveyed by Grant Deed to the Pestoni Enterprises, LLC, a California limited liability company, recorded July 7, 2009 as Document Number 2009010993 more particularly described as follows:

Beginning at a 1/2" rebar with plastic cap LS 4058 set to mark the northerly end of the course annotated N 54°09'15" E, 198.25' shown on that certain Record of Survey (ROS) filed in Book 61, R/S, Page 41, Lake County Records (L.C.R.) said point also being on the common boundary line of that certain parcel described in said Document Number 2003007882 and that certain parcel conveyed by Grant Deed to the County of Lake, recorded January 17, 1996 as Document Number 96-000727; thence along said course and said common boundary line South 55°51'10" West, 197.32 feet (record per said ROS N 54°09'15" E, 198.25') to a 1/2" rebar with plastic cap LS 4058 shown on said ROS; thence continuing on said common boundary line the following seven courses: South 82°22'26" West, 186.44 feet (record per said ROS N 80°50'18" E, 186.53') to a 1/2" iron pipe with plastic plug PLS 8335 set to replace the 1/2" rebar with plastic cap LS 4058 shown on said ROS; thence South 55°36'31" West, 122.10 feet (record per said ROS N 54°04'23" E, 122.16') to a 1/2" rebar with plastic cap LS 4058 shown on said ROS; thence North 83°51'38" West, 278.63 feet (record per said ROS S 85°27'10" E, 278.42') to a 1/2" rebar with plastic cap LS 4058 shown on said ROS; thence North 60°08'00" West, 213.60 feet (record per said ROS S 61°43'15" E, 213.32') to a 1/2" rebar with plastic cap LS 4058 shown on said ROS; thence South 75°39'32" West, 187.17 feet (record per said ROS N 74°01'58" E, 187.47') to a 1/2" rebar with plastic cap LS 4058 shown on said ROS; thence South 78°04'18" West, 497.76 feet (record per said ROS N 76°28'55" E, 497.84'); thence South 41°47'51" West, 372.91 feet (record per said ROS N 40°12'28" E, 373.04') to a 1/2" rebar with plastic cap LS 4058 shown on said ROS, said point also being on the northerly boundary line of that certain parcel conveyed by Grant Deed to the County of Lake, recorded October 16, 1984 in Book 1244, Page 24, Official Records of Lake County; thence leaving said common boundary line and along the common boundary line of that certain parcel described in said Document Number 2003007882 and that certain parcel described in Book 1244, Page 24, Official Records of Lake County South 61°40'42" West, 680.13 feet (record per said ROS N 60°00'00" E, 680.00') to a point on the East Line of the Southwest Quarter of said Section 23; thence along said East Line South 00°35'34" West, 100.02 feet (record per said ROS N 01°05'08" W, 100.00') to the South Quarter Corner of said Section 23; thence along the South Line of said Section 23 and along the South boundary line of that certain parcel described in said Document Number 2009010993 North 88°47'54" West, 232.54 feet (record per that certain ROS filed in Book 24, R/S, Page 40, L.C.R. N 89°35'14" E) to a 1/2" iron pipe with plastic plug PLS 8335; thence leaving said South Line and said South boundary line North 62°25'23" East, 246.57 feet to a 1/2" iron pipe with plastic plug PLS 8335; thence North 38°38'35" East, 167.37 feet to a 1/2" North 42°15'56" East, 235.50 feet to a 1/2" North 48°39'30" East, 234.46 feet to a 1/2" North 40°10'23" East, 231.15 feet to a 1/2" North 18°46'00" East, 171.84 feet to a 1/2" South 90°00'00" East, 839.62 feet to a 1/2" iron

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Form 50125406 (5-24-22)

Page 6 of 18



pipe with plastic plug PLS 8335; thence iron pipe with plastic plug PLS 8335; thence South 90°00'00" East, 958.73 feet more or less to the Point of Beginning.

APN: 010-053-140-000 (APN provided for informational purposes only.)

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Form 50125406 (5-24-22)

Page 7 of 18



**ALTA OWNER'S POLICY OF TITLE INSURANCE**  
**issued by**  
**FIRST AMERICAN TITLE INSURANCE COMPANY**

**This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.**

**Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 17.**

**COVERED RISKS**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a Nebraska corporation (the "Company"), insures as of the Date of Policy and, to the extent stated in Covered Risks 9 and 10, after the Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. The Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. Covered Risk 2 includes, but is not limited to, insurance against loss from:
  - a. a defect in the Title caused by:
    - i. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
    - ii. the failure of a person or Entity to have authorized a transfer or conveyance;
    - iii. a document affecting the Title not properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
    - iv. a failure to perform those acts necessary to create a document by electronic means authorized by law;
    - v. a document executed under a falsified, expired, or otherwise invalid power of attorney;
    - vi. a document not properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
    - vii. a defective judicial or administrative proceeding; or
    - viii. the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.
  - b. the lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
  - c. the effect on the Title of an encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation,

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Form 50125406 (5-24-22)

Page 8 of 18



adverse circumstance, boundary line overlap, or encroachment would have been disclosed by an accurate and complete land title survey of the Land.

3. Unmarketable Title.
4. No right of access to and from the Land.
5. A violation or enforcement of a law, ordinance, permit, or governmental regulation (including those relating to building and zoning), but only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice that identifies a restriction, regulation, or prohibition relating to:
  - a. the occupancy, use, or enjoyment of the Land;
  - b. the character, dimensions, or location of an improvement on the Land;
  - c. the subdivision of the Land; or
  - d. environmental remediation or protection on the Land.
6. An enforcement of a governmental forfeiture, police, regulatory, or national security power, but only to the extent of the enforcement described by the enforcing governmental authority in an Enforcement Notice.
7. An exercise of the power of eminent domain, but only to the extent:
  - a. of the exercise described in an Enforcement Notice; or
  - b. the taking occurred and is binding on a purchaser for value without Knowledge.
8. An enforcement of a PACA-PSA Trust, but only to the extent of the enforcement described in an Enforcement Notice.
9. The Title being vested other than as stated in Schedule A, the Title being defective, or the effect of a court order providing an alternative remedy:
  - a. resulting from the avoidance, in whole or in part, of any transfer of all or any part of the Title to the Land or any interest in the Land occurring prior to the transaction vesting the Title because that prior transfer constituted a:
    - i. fraudulent conveyance, fraudulent transfer, or preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law; or
    - ii. voidable transfer under the Uniform Voidable Transactions Act; or
  - b. because the instrument vesting the Title constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law by reason of the failure:
    - i. to timely record the instrument vesting the Title in the Public Records after execution and delivery of the instrument to the Insured; or
    - ii. of the recording of the instrument vesting the Title in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to the Date of Policy and prior to the recording of the deed or other instrument vesting the Title in the Public Records.

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Form 50125406 (5-24-22)

Page 9 of 18



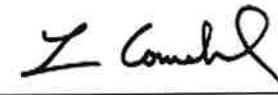
## DEFENSE OF COVERED CLAIMS

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

## FIRST AMERICAN TITLE INSURANCE COMPANY

By: 

Kenneth D. DeGiorgio, President

By: 

Lisa W. Cornehl, Secretary

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Form 50125406 (5-24-22)

Page 10 of 18

### EXCLUSIONS FROM COVERAGE

The following matters are 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) that restricts, regulates, prohibits, or relates to:
  - i. the occupancy, use, or enjoyment of the Land;
  - ii. the character, dimensions, or location of any improvement on the Land;
  - iii. the subdivision of land; or
  - iv. environmental remediation or protection.
 b. any governmental forfeiture, police, regulatory, or national security power.
 c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.

Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.

2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
  - a. created, suffered, assumed, or agreed to by the Insured Claimant;
  - b. not Known to the Company, not recorded in the Public Records at the 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 the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
  - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer:
    - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
    - ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

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Form 50125406 (5-24-22)

Page 11 of 18

## CONDITIONS

### 1. DEFINITION OF TERMS

In this policy, the following terms have the meanings given to them below. Any defined term includes both the singular and the plural, as the context requires:

- a. **"Affiliate"**: An Entity:
  - i. that is wholly owned by the Insured;
  - ii. that wholly owns the Insured; or
  - iii. if that Entity and the Insured are both wholly owned by the same person or entity.
- b. **"Amount of Insurance"**: The Amount of Insurance stated in Schedule A, as may be increased by Condition 8.d. or decreased by Condition 10 or 11; or increased or decreased by endorsements to this policy.
- c. **"Date of Policy"**: The Date of Policy stated in Schedule A.
- d. **"Discriminatory Covenant"**: Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
- e. **"Enforcement Notice"**: A document recorded in the Public Records that describes any part of the Land and:
  - i. is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation;
  - ii. is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power; or
  - iii. asserts a right to enforce a PACA PSA Trust.
- f. **"Entity"**: A corporation, partnership, trust, limited liability company, or other entity authorized by law to own title to real property in the State where the Land is located.
- g. **"Insured"**:
  - i. (a). The Insured named in Item 1 of Schedule A;
  - (b). the successor to the Title of an Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
  - (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
  - (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity; or
  - (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is:
    - (1). an Affiliate;
    - (2). a trustee or beneficiary of a trust created by a written instrument established for estate planning purposes by an Insured;
    - (3). a spouse who receives the Title because of a dissolution of marriage;
    - (4). a transferee by a transfer effective on the death of an Insured as authorized by law; or
    - (5). another Insured named in Item 1 of Schedule A.
  - ii. The Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.
- h. **"Insured Claimant"**: An Insured claiming loss or damage arising under this policy.
- i. **"Knowledge" or "Known"**: Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- j. **"Land"**: The land described in Item 4 of Schedule A and improvements located on that land at the Date of Policy that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in

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Form 50125406 (5-24-22)

Page 12 of 18



- any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- k. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- l. "PACA-PSA Trust": A trust under the federal Perishable Agricultural Commodities Act or the federal Packers and Stockyards Act or a similar State or federal law.
- m. "Public Records": The recording or filing system established under State statutes in effect at the Date of Policy under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.
- n. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
- o. "Title": The estate or interest in the Land identified in Item 2 of Schedule A.
- p. "Unmarketable Title": The Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or a lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

**2. CONTINUATION OF COVERAGE**  
 This policy continues as of the Date of Policy in favor of an Insured, so long as the Insured:

- a. retains an estate or interest in the Land;
- b. owns an obligation secured by a purchase money Mortgage given by a purchaser from the Insured; or
- c. has liability for warranties given by the Insured in any transfer or conveyance of the Insured's Title.

Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the Insured conveys the Title. This policy does not continue in force or effect in favor of any person or entity that is not the Insured and acquires the Title or an obligation secured by a purchase money Mortgage given to the Insured.

**3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT**  
 The Insured must notify the Company promptly in writing if the Insured has Knowledge of:

- a. any litigation or other matter for which the Company may be liable under this policy; or
- b. any rejection of the Title as Unmarketable Title.

If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under this policy is reduced to the extent of the prejudice.

**4. PROOF OF LOSS**  
 The Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy that constitutes the basis of loss or damage and must state, to the extent possible, the basis of calculating the amount of the loss or damage.

**5. DEFENSE AND PROSECUTION OF ACTIONS**  
 a. Upon written request by the Insured and subject to the options contained in Condition 7, the Company, at its own cost and without unreasonable delay, will provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company has the right to select counsel of its choice (subject to the

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Form 50125406 (5-24-22)

Page 13 of 18

right of the Insured to object for reasonable cause) to represent the Insured as to those covered causes of action. The Company is not liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of any cause of action that alleges matters not insured against by this policy.

- b. The Company has the right, in addition to the options contained in Condition 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that, in its opinion, may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it is liable to the Insured. The Company's exercise of these rights is not an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under Condition 5.b., it must do so diligently.
- c. When the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court having jurisdiction. The Company reserves the right, in its sole discretion, to appeal any adverse judgment or order.

#### **6. DUTY OF INSURED CLAIMANT TO COOPERATE**

- a. When this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured will secure to the Company the right to prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.  
When requested by the Company, the Insured, at the Company's expense, must give the Company all reasonable aid in:
  - i. securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and
  - ii. any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter, as insured.

If the Company is prejudiced by any failure of the Insured to furnish the required cooperation, the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation, regarding the matter requiring such cooperation.

- b. The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after the Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant must grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all the records in the custody or control of a third party that reasonably pertain to the loss or damage. No information designated in writing as confidential by the Insured Claimant provided to the Company pursuant to Condition 6 will be later disclosed to others unless, in the reasonable judgment of the Company, disclosure is necessary in the administration of the claim or required by law. Any failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in Condition 6.b., unless prohibited by law, terminates any liability of the Company under this policy as to that claim.

#### **7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY**

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

- a. *To Pay or Tender Payment of the Amount of Insurance*  
To pay or tender payment of the Amount of Insurance under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were

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Form 50125406 (5-24-22)

Page 14 of 18

authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.

b. *To Pay or Otherwise Settle with Parties other than the Insured or with the Insured Claimant*

- i. To pay or otherwise settle with parties other than the Insured for or in the name of the Insured Claimant. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
- ii. To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either option provided for in Condition 7.b., the Company's liability and obligations to the Insured under this policy for the claimed loss or damage terminate, including any obligation to defend, prosecute, or continue any litigation.

#### **8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY**

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy. The Company is not liable for any claim alleging negligence or negligent misrepresentation arising from or in connection with this policy or the determination of the insurability of the Title.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the lesser of:
  - i. the Amount of Insurance; or
  - ii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy.
- b. Except as provided in Condition 8.c. or 8.d., the fair market value of the Title in Condition 8.a.ii. is calculated using the date the Insured discovers the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
- c. If, at the Date of Policy, the Title to all of the Land is void by reason of a matter insured against by this policy, then the Insured Claimant may, by written notice given to the Company, elect to use the Date of Policy as the date for calculating the fair market value of the Title in Condition 8.a.ii.
- d. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title, as insured:
  - i. the Amount of Insurance will be increased by 15%; and
  - ii. the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b. or, if it applies, 8.c., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.ii.
- e. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.d., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

#### **9. LIMITATION OF LIABILITY**

- a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company accomplishes any of the following in a reasonable manner:

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Form 50125406 (5-24-22)

Page 15 of 18



- i. removes the alleged defect, lien, encumbrance, adverse claim, or other matter;
- ii. cures the lack of a right of access to and from the Land; or
- iii. cures the claim of Unmarketable Title,

all as insured. The Company may do so by any method, including litigation and the completion of any appeals.

- b. The Company is not liable for loss or damage arising out of any litigation, including litigation by the Company or with the Company's consent, until a State or federal court having jurisdiction makes a final, non-appealable determination adverse to the Title.
- c. The Company is not liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.
- d. The Company is not liable for the content of the Transaction Identification Data, if any.

#### 10. REDUCTION OR TERMINATION OF INSURANCE

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Amount of Insurance by the amount of the payment.

#### 11. LIABILITY NONCUMULATIVE

The Amount of Insurance will be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken the subject, or which is executed by an Insured after the Date of Policy and which is a charge or lien on the Title, and the amount so paid will be deemed a payment to the Insured under this policy.

#### 12. PAYMENT OF LOSS

When liability and the extent of loss or damage are determined in accordance with the Conditions, the Company will pay the loss or damage within 30 days.

#### 13. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT

- a. If the Company settles and pays a claim under this policy, it is subrogated and entitled to the rights and remedies of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person, entity, or property to the fullest extent permitted by law, but limited to the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant must execute documents to transfer these rights and remedies to the Company. The Insured Claimant permits the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.
- b. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company defers the exercise of its subrogation right until after the Insured Claimant fully recovers its loss.
- c. The Company's subrogation right includes the Insured's rights to indemnity, guaranty, warranty, insurance policy, or bond, despite any provision in those instruments that addresses recovery or subrogation rights.

#### 14. POLICY ENTIRE CONTRACT

- a. This policy together with all endorsements, if any, issued by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy will be construed as a whole. This policy and any endorsement to this policy may be evidenced by electronic means authorized by law.
- b. Any amendment of this policy must be by a written endorsement issued by the Company. To the extent any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term or provision of the endorsement controls. Unless the endorsement expressly states, it does not:
  - i. modify any prior endorsement,

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Form 50125406 (5-24-22)

Page 16 of 18



- ii. extend the Date of Policy,
- iii. insure against loss or damage exceeding the Amount of Insurance, or
- iv. increase the Amount of Insurance.

## 15. SEVERABILITY

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

## 16. CHOICE OF LAW AND CHOICE OF FORUM

### a. *Choice of Law*

The Company has underwritten the risks covered by this policy and determined the premium charged in reliance upon the State law affecting interests in real property and the State law applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the State where the Land is located.

The State law of the State where the Land is located, or to the extent it controls, federal law, will determine the validity of claims against the Title and the interpretation and enforcement of the terms of this policy, without regard to conflicts of law principles to determine the applicable law.

### b. *Choice of Forum*

Any litigation or other proceeding brought by the Insured against the Company must be filed only in a State or federal court having jurisdiction.

## 17. NOTICES

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: **First American Title Insurance Company, Attn: Claims National Intake Center, 1 First American Way, Santa Ana, California 92707. Phone: 888-632-1642 (claims.nic@firstam.com).**

## 18. CLASS ACTION

ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS POLICY, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS POLICY, ANY BREACH OF A POLICY PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS POLICY, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL PROCEEDING.

## 19. ARBITRATION

a. All claims and disputes arising out of or relating to this policy, including any service or other matter in connection with issuing this policy, any breach of a policy provision, or any other claim or dispute arising out of or relating to the transaction giving rise to this policy, may be resolved by arbitration. If the Amount of Insurance is \$2,000,000 or less, any claim or dispute may be submitted to binding arbitration at the election of either the Company or the Insured. If the Amount of Insurance is greater than \$2,000,000, any claim or dispute may be submitted to binding arbitration only when agreed to by both the Company and the Insured. Arbitration must be conducted pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("ALTA Rules"). The ALTA Rules are available online at [www.alta.org/arbitration](http://www.alta.org/arbitration). The ALTA Rules incorporate, as appropriate to a particular dispute, the Consumer Arbitration Rules and Commercial Arbitration Rules of the American Arbitration Association ("AAA Rules"). The AAA Rules are available online at [www.adr.org](http://www.adr.org).

b. ALL CLAIMS AND DISPUTES MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL PROCEEDING IN ANY ARBITRATION GOVERNED BY CONDITION

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Form 50125406 (5-24-22)

Page 17 of 18



19. The arbitrator does not have authority to conduct any class action arbitration, private attorney general arbitration, or arbitration involving joint or consolidated claims under any circumstance.

c. *If there is a final judicial determination that a request for particular relief cannot be arbitrated in accordance with this Condition 19, then only that request for particular relief may be brought in court. All other requests for relief remain subject to this Condition 19.*

d. The Company will pay all AAA filing, administration, and arbitrator fees of the consumer when the arbitration seeks relief of \$100,000 or less. Other fees will be allocated in accordance with the applicable AAA Rules. The results of arbitration will be binding upon the parties. The arbitrator may consider, but is not bound by, rulings in prior arbitrations involving different parties. The arbitrator is bound by rulings in prior arbitrations involving the same parties to the extent required by law. The arbitrator must issue a written decision sufficient to explain the findings and conclusions on which the award is based. Judgment upon the award rendered by the arbitrator may be entered in any State or federal court having jurisdiction.

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Form 50125406 (5-24-22)

Page 18 of 18