

PRELIMINARY REPORT



8880 Rio San Diego Dr., Suite 1100
San Diego, CA 92108
Escrow/Customer Phone:

Prelim Number:

LT3243110000

Issuing Policies of **Commonwealth Land Title Insurance Company**

Order No.: LT3243110000

Sunshine Properties Real Estate
330 N. Main St
Fallbrook, CA 92028
Attn: Samee Foster
Email: sameef@sunshineprops.net

Title Officer.: D.Burland/R. Stotler/M.Lapier Title Unit 31
Phone No.: 858-650-3914
Fax No.:
Email: tu31@ltic.com

Ref No.:

Property: Vacant Land, Unincorporated area, CA

In response to the application for a policy of title insurance referenced herein, **Lawyers 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 a defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Exclusions from Coverage, and Conditions of said policy forms.

With respect to any contemplated owner's policy, 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/ALTA Homeowner's Policy 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.

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.

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.

Countersigned By:

A handwritten signature in cursive script, appearing to read 'Josh White'.

Authorized Officer or Agent
Josh White, County Manager

Effective date: November 18, 2024 at 07:30 AM

The form of Policy or Policies of Title Insurance contemplated by this Report is:

CLTA Standard Coverage Owner's Policy - 2022

1. The estate or interest in the Land hereinafter described or referred to covered by this Report is:

Fee simple as to Parcel(s) 1

Easement(s) more fully described below as to Parcel(s) 2-5

2. Title to said estate or interest at the date hereof is vested in:

HAAS IV LTD, a Limited Partnership

3. The Land referred to in this Report is described as follows:

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

EXHIBIT A
Legal Description

For APN/Parcel ID(s): 128-460-45

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

PARCEL 1: (APN: 128-460-45)

THAT PORTION OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 10 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHERLY OF A LINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 24, DISTANT SOUTH 0° 38' 34" EAST 1553.00 FEET FROM THE NORTHWEST CORNER THEREOF; THENCE EASTERLY IN A STRAIGHT LINE TO A POINT IN THE EAST LINE OF SAID WEST HALF OF THE SOUTHWEST QUARTER, DISTANT THEREON SOUTH 1349.00 FEET FROM THE NORTHEAST CORNER OF SAID WEST HALF OF THE SOUTHWEST QUARTER,

PARCEL 2:

AN EASEMENT AND RIGHT OF WAY FOR ROAD PURPOSES OVER AND ACROSS A STRIP OF LAND 60 FEET IN WIDTH LYING WITHIN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 24, IN TOWNSHIP 10 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, THE SIDELINES OF SAID 60 FOOT STRIP LYING 7 FEET NORTHERLY AND 53 FEET SOUTHERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 24; THENCE ALONG THE WESTERLY LINE THEREOF NORTH 00° 01' 26" EAST (RECORD NORTH) 303.88 FEET TO THE WESTERLY TERMINUS OF A LINE USED IN DESCRIBING A 20.00 FOOT EASEMENT GRANTED TO VALLEY CENTER MUNICIPAL WATER DISTRICT BY DEED RECORDED MARCH 12, 1965 AS FILE NO. 44484, BEING THE TRUE POINT OF BEGINNING; THENCE ALONG SAID LINE AS FOLLOWS: SOUTH 76° 40' 00" EAST (RECORD SOUTH 77° 20' 00" EAST) 674.65 FEET; SOUTH 76° 34' 08" EAST (RECORD 77° 14' 10" EAST) 405.66 FEET; SOUTH 81° 24' 08" EAST (RECORD SOUTH 82° 04' 10" EAST) 172.54 FEET TO THE BEGINNING OF A TANGENT 1000.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY (RECORD NORTHEASTERLY); AND EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 07° 09' 43" A DISTANCE OF 125.00 FEET TO AN INTERSECTION WITH THE EASTERLY LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 25.

EXCEPTING THAT PORTION LYING WITHIN SECTION 25 IN SAID TOWNSHIP 10 SOUTH, RANGE 2 WEST.

PARCEL 3:

AN EASEMENT AND RIGHT OF WAY FOR ROAD PURPOSES OVER AND ACROSS THAT PORTION OF THE WESTERLY 40 FEET OF THE WEST 1/2 OF THE SOUTHWEST QUARTER OF SAID SECTION 24 LYING SOUTHERLY OF THE SOUTHERLY LINE OF PARCEL 1 ABOVE AND LYING NORTHERLY OF THE WESTERLY LINE OF PARCEL 2 ABOVE.

PARCEL 4:

AN EASEMENT AND RIGHT OF WAY FOR ROAD AND PUBLIC UTILITY PURPOSES, OVER AND ACROSS THAT PORTION OF THE SOUTHERLY 28 FEET OF THE WEST 1/2 FEET OF THE SOUTHWEST QUARTER OF SAID SECTION 24 LYING EASTERLY OF THE NORTHEASTERLY LINE OF THE 60 FOOT STRIP DESCRIBED IN PARCEL 2 ABOVE.

EXHIBIT A
Legal Description

PARCEL 5:

AN EASEMENT FOR ROAD PURPOSES, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

AN EASEMENT FOR ROAD PURPOSES OVER AND ACROSS A STRIP OF LAND 25.00 FEET WIDE THROUGH A PORTION OF SECTIONS 24 AND 25, TOWNSHIP 10 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, BEING 12 1/2 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE:

BEGINNING AT A POINT DISTANT SOUTH 0° 30' WEST 13.50 FEET ON THE SOUTHERLY PROLONGATION OF THE EAST LINE OF SAID SECTION 24 FROM THE SOUTHEAST CORNER THEREOF; THENCE RUNNING PARALLEL TO THE SOUTH LINE OF SAID SECTION 24, AND DISTANT 13 1/2 FEET SOUTH THEREOF, NORTH 89° 16' WEST 1474.12 FEET TO A POINT DISTANT 13.50 FEET WEST OF THE SOUTHERLY PROLONGATION OF THE WEST LINE OF SOUTHEAST QUARTER OF SOUTHEAST QUARTER OF SAID SECTION 24; THENCE PARALLEL TO SAID WEST LINE OF SOUTHEAST QUARTER OF SOUTHEAST QUARTER OF SAID SECTION 24, AND DISTANT 13.50 FEET WEST THEREOF, NORTH 3° 53' WEST 233.42 FEET; THENCE NORTH 89° 57' WEST 365.45 FEET; THENCE NORTH 84° 47' WEST 166.40 FEET; THENCE NORTH 73° 47' WEST 121.21 FEET; THENCE SOUTH 81° 27' WEST 281.98 FEET; THENCE SOUTH 77° 06' WEST 163.88 FEET; THENCE SOUTH 40° 38' WEST 127.22 FEET; THENCE SOUTH 63° 49' WEST 210.04 FEET; THENCE SOUTH 77° 46' WEST 220.10 FEET; THENCE SOUTH 89° 02' WEST 207.74 FEET; THENCE SOUTH 57° 24' WEST 313.75 FEET; THENCE SOUTH 75° 59' WEST 148.55 FEET; THENCE SOUTH 62° 48' WEST 71.58 FEET; THENCE NORTH 82° 20' WEST 152.65 FEET; THENCE NORTH 7° 34' EAST 165.05 FEET, THENCE NORTH 52° 17' WEST 74.63 FEET; THENCE NORTH 75° 38' WEST 205.12 FEET TO A POINT IN THE EASTERLY LINE OF WEST HALF OF SOUTHWEST QUARTER OF SAID SECTION 24, AND DISTANT NORTH 5° 10' WEST 14.26 FEET FROM THE SOUTHEAST CORNER OF SAID WEST HALF OF SAID SOUTHWEST QUARTER OF SAID SECTION 24.

EXCEPTIONS

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

<u>Tax Identification No.:</u>	128-460-45-00
<u>Fiscal Year:</u>	2024-2025
<u>1st Installment:</u>	\$2,745.65, Open
<u>Penalty:</u>	\$274.56 (Delinquent after December 10)
<u>2nd Installment:</u>	\$2,745.65, Open
<u>Penalty and Cost:</u>	\$284.56 (Delinquent after April 10)
<u>Homeowners Exemption:</u>	Not Shown
<u>Code Area:</u>	94058

2. The herein described Land is within the boundaries of the Mello-Roos Community Facilities District(s). The annual assessments, if any, are collected with the county property taxes. Failure to pay said taxes prior to the delinquency date may result in the above assessment being removed from the county tax roll and subjected to Accelerated Judicial Bond Foreclosure. Inquiry should be made with said District for possible stripped assessments and prior delinquencies.
3. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
4. Water rights, claims or title to water, whether or not disclosed by the public records.
5. Easement(s) in favor of the public over any existing roads lying within said Land.
6. Easements and rights of way for road and public utilities, and appurtenances thereto, as reserved and conveyed by various deeds of record.

Affects: Parcels 2, 3, 4 and 5

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

<u>Granted to:</u>	E. Grant Jamison and Betty A. Jamison, husband and wife as joint tenants
<u>Purpose:</u>	Road and utility purposes
<u>Recording Date:</u>	July 29, 1959
<u>Recording No.:</u>	153283, of Official Records
<u>Affects:</u>	Said land more particularly described therein

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

<u>Granted to:</u>	San Diego Gas & Electric Company
<u>Purpose:</u>	Public utilities, ingress and egress
<u>Recording Date:</u>	August 14, 1990
<u>Recording No.:</u>	90-444349, of Official Records
<u>Affects:</u>	Said land more particularly described therein

9. The herein described Land is located in an area frequently subject to Land Conservation Contracts executed pursuant to the Williamson Act (Cal. Govt. Code §§ 51200 et seq.). Land Conservation Contracts restrict the land use to agricultural, recreational, open-space and other compatible uses. If the herein described Land is subject to a Land Conservation Contract, please notify the Title Department.

The Company reserves the right to add additional items and/or make further requirements

10. The effect, if any, of the claim that any portion of the Land is being used for agricultural purposes, such as crops, vineyards, dairy, poultry farms, or other forms of chattel maintenance which may result in noise, odor, dust, chemical treatment, irrigation or other potentially detrimental effects.
11. The search did not disclose any open mortgages or deeds of trust of record, therefore the Company reserves the right to require further evidence to confirm that the property is unencumbered, and further reserves the right to make additional requirements or add additional items or exceptions upon receipt of the requested evidence.
12. Matters which may be disclosed by an inspection and/or by a correct ALTA/ACSM Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
13. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

14. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
15. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

END OF EXCEPTIONS

PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

REQUIREMENTS

1. In order to complete this report, the Company requires a Statement of Information to be completed by the following party(ies),

Party(ies): All Parties

The Company reserves the right to add additional items or make further requirements after review of the requested Statement of Information.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

2. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the limited partnership named below.

Name: HAAS IV LTD, a Limited Partnership, a limited partnership

- a. A complete copy of the limited partnership agreement and all amendments thereto.
- b. Satisfactory evidence that the partnership was validly formed and is in good standing

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

END OF REQUIREMENTS

INFORMATIONAL NOTES

1. The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.
2. California insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.
For wiring Instructions please contact your Title Officer or Title Company Escrow officer.
3. Lawyers Title is a division of Commonwealth Land Title Insurance Company. The insurer in policies of title insurance, when issued in this transaction, will be Commonwealth Land Title Insurance Company.
4. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
5. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
6. The vestee is eligible for a \$20.00 fee reduction pursuant to the Final Judgments entered in People of the State of California v. LandAmerica Financial Group, Inc., et al., Sacramento Superior Court Case No. 92 AS 06111, and Taylor, et al. v. LandAmerica Financial Group, Inc., et al., Los Angeles Superior Court Case No. BC 231917.

7. Note: The Company requires current beneficiary demands prior to closing. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:
- a) If the Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.
 - b) If the Company cannot obtain a verbal update on the demand, we will either pay off the expired demand or wait for the amended demand, at our discretion.
 - c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure the check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).
8. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

END OF INFORMATIONAL NOTES