



Fidelity Title Company

117 NORTH 4TH STREET • P.O. BOX 1682 • YAKIMA, WASHINGTON 98907
PHONE (509) 248-6210 (800) 666-8308 • FAX (509) 248-2048

Agent for

Chicago Title Insurance Company

ALTA COMMITMENT

Schedule A

Title Order No.: **00076325 - MB**

To: **Fidelity Escrow**
117 North 4th Street
Yakima, WA 98901
Attn: **Christina Morehead**
[**christina@fitico.com**](mailto:christina@fitico.com)
Ref: **Homeplace**

1. Effective Date: **March 30, 2010** at 8:00 a.m.

2. Policy or policies to be issued:

- | | |
|--|-------------------------|
| a. Standard Owner's Policy (ALTA 6/17/06) | Amount \$TO COME |
| Proposed Insured:
TO COME | |
| b. Extended Coverage Loan Policy (ALTA 6/17/06) | Amount \$TO COME |
| Proposed Insured:
TO COME | |

PREMIUM INFORMATION:

- | | |
|-------------------------------------|-------------------|
| A. GENERAL RATE (E) | \$ TO COME |
| B. SIMULTANEOUS EXTENDED (E) | \$ TO COME |

3. The estate or interest in the land described herein and which is covered by this commitment is:

A Fee

4. The estate or interest referred to herein is at Date of Commitment vested in:

CERVANTES ORCHARDS AND VINEYARDS, LLC, a Washington limited liability company

5. The land referred to in this Commitment is situated in the County of **Yakima**, State of Washington and is more fully described as follows:

See Exhibit A attached hereto and made a part hereof.

ALTA COMMITMENT

Schedule B

Commitment No. **00076325**

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

GENERAL EXCEPTIONS:

- A. Rights or claims disclosed only by possession, or claimed possession, of the premises.
- B. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.
- C. Easements, prescriptive rights, rights-of-way, streets, roads, alleys or highways not disclosed by the Public Records.
- D. Any lien, or right to a lien, for contributions to employees benefit funds, or for state workers' compensation, or for services, labor or material heretofore or hereafter furnished, all as imposed by law and not shown by the Public Records.
- E. Taxes or special assessments which are not yet payable or which are not shown as existing liens by the Public Records.
- F. Any service, installation, connection, maintenance, or construction charges for sewer, water, electricity, natural gas or other utilities or garbage collection and disposal.
- G. Reservations or exceptions in United States Patents or in Acts authorizing the issuance thereof.
- H. Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
- I. Water rights, claims or title to water.
- J. Defects, liens encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

SPECIAL EXCEPTIONS:

- 1. Real Estate Excise Tax as may be due on this transfer.
- 2. The lien of compensating taxes as may be levied as a result of forced removal from Open Space tax classification.
- 3. Delinquent real property taxes for the following periods in the following sums, plus interest and penalty:

2008 - \$11,369.71

2009 - \$10,792.83

SCHEDULE B - continued

Commitment No. **00076325**

4. Delinquent assessment levied by Soil Conservation District #1 for the following periods in the following sums, plus interest:

2008 - \$30.66
2009 - \$30.66
5. Delinquent assessment levied by Weed District \$1 for the following periods in the following sums, plus interest:

2008 - \$16.88
2009 - \$16.88
6. Delinquent assessment levied by Horticulture Pest & Disease Control District for the year 2009 in the amount of \$192.00, plus interest.
7. Real property taxes for the assessment year 2010 in the original amount of \$11,090.44, which shall be delinquent after April 30th.
8. Assessment levied by Soil Conservation District #1 for the year 2010, in the original amount of \$30.66.
9. Assessment levied by Weed District #1 for the year 2010, in the original amount of \$16.88.
10. Assessment levied by Horticulture Pest & Disease Control District for the year 2010, in the original amount of \$192.00.
11. Charges or assessments which may be due the Roza Irrigation Project for construction and/or operation and maintenance.
12. Mortgage, and the terms and conditions thereof, wherein Cervantes Orchards and Vineyards, LLC; Jose G. Cervantes and Cynthia C. Cervantes, husband and wife; Andres T. Cervantes and Maria G. Cervantes, husband and wife is Mortgagor and Deere Credit, Inc. is Mortgagee, in the original amount of \$3,350,000.00, dated August 22, 2002 and recorded August 27, 2002, under Auditor's File Number 7289745. Includes other property.
13. Mortgage, and the terms and conditions thereof, wherein Cervantes Orchards and Vineyards, LLC, Cervantes Nurseries, LLC, Jose G. Cervantes and Cynthia C. Cervantes, husband and wife and Andres T. Cervantes and Maria G. Cervantes, husband and wife is Mortgagor and Deere Credit, Inc. is Mortgagee, dated May 11, 2004 and recorded August 12, 2004, under Auditor's File Number 7414626. Includes other property.
14. Notice of Federal Tax Lien on all property and rights to property belonging to Cervantes Orchards and Vineyards, for the amount of \$149,219.98 and additional penalties, interest and costs, filed May 19, 2004, under Auditor's File Number 7400451.
15. Notice of Federal Tax Lien on all property and rights to property belonging to Jose Cervantes, for the amount of \$238,243.43 and additional penalties, interest and costs, filed June 27, 2005, under Auditor's File Number 7460188.

SCHEDULE B - continued

Commitment No. **00076325**

16. Pending proceeding in U.S. District Court, Case number 05-06600-JAR11, wherein Cervantes Orchards and Vineyards LLC, the debtor, filed a petition for relief. US Trustee has been appointed and qualified as trustee. Attorney for the debtor is Francios L. Fisher, R. Bruce Johnson and Steven H. Sackman.
17. Subordination Agreement, its terms and conditions, executed by Department of the Treasury, Internal Revenue Service, and recorded February 7, 2007, under Auditor's File Numbers 7547702 and 7547703.
18. Certificate of Violation and the terms and conditions thereof, recorded December 5, 2008, under Auditor's File Number 7635671.
19. State Tax Warrant Number 0238891, against Cervantes Orchards & Vineyards, and in favor of State of Washington, Department of Labor and Industries, in the amount of \$40,758.11, and interest, entered June 24, 2009, Judgment Number 09-9-02856-1, and Cause Number 09-2-02376-9.
20. State Tax Warrant Number 0238892, against Cervantes Orchards & Vineyards, and in favor of State of Washington, Department of Labor and Industries, in the amount of \$76,738.62, and interest, entered June 24, 2009, Judgment Number 09-9-02862-6, and Cause Number 09-2-02382-3.
21. State Tax Warrant Number 0242575, against Cervantes Orchards & Vineyards, and in favor of State of Washington, Department of Labor and Industries, in the amount of \$22,214.14, and interest, entered October 16, 2009, Judgment Number 09-9-04543-1, and Cause Number 09-2-03861-8.
22. Notice of Federal Tax Lien on all property and rights to property belonging to Cervantes Orchards and Vineyards, for the amount of \$14,224.78 and additional penalties, interest and costs, filed December 11, 2009, under Auditor's File Number 7676254.
23. Pending proceeding in U.S. District Court, Case number 10-00787-JAR11, wherein Cervantes Orchards and Vineyards LLC, the debtor, filed a petition for relief. US Trustee has been appointed and qualified as trustee. Attorney for the debtor is R. Bruce Johnson and Steven H. Sackmann.
24. State Tax Warrant Number 0246817, against Cervantes Orchards & Vineyards, and in favor of State of Washington, Department of Labor and Industries, in the amount of \$16,626.06, and interest, entered March 2, 2010, Judgment Number 10-9-00858-1, and Cause Number 10-2-00627-2.
25. Easement and rights of way over the lands herein described as may be necessary for canals, tunnels, or other conduits and for telephone and transmission lines, required in connection with the irrigation works constructed, disclosed by deeds or water contracts appearing in the record executed in favor of: Roza Irrigation District.
26. An easement affecting the portion of said premises and for the purposes stated herein, and incidental purposes, for electric transmission line, in favor of United States of America, as recorded November 25, 1946, in Volume 429 of Deeds, under Auditor's File Number 1147119. Said easement affects Parcel R.
27. Reservation of and severance of an undivided 50% interest in the oil, gas and mineral rights underlying said land by reason of document recorded August 12, 1952 in Volume 514 of Deeds, under Auditor's File Number 1427146 and all rights and easements thereunder by said holder of said reserved and severed estate or by any party claiming by, under, or through said holder. NOTE: Mineral title not shown further. As to Parcel R.

SCHEDULE B - continued

Commitment No. **00076325**

28. An easement affecting the portion of said premises and for the purposes stated herein, and incidental purposes, as disclosed in instrument or by action herein set forth, for road. Said easement is in favor of the North 1/2 of the Northeast 1/4 of Section 10, as disclosed by Deed, dated July 3, 1962, and recorded or filed July 13, 1962, in Volume 629 of Deeds, under Auditor's File Number 1914520. Affects the East 30 feet. As to Parcel R.
29. An easement affecting the portion of said premises and for the purposes stated herein, and incidental purposes, for the purpose for constructing, installing, operating, maintaining and removing irrigation and drainage ditches, pipelines and appurtenant structures, including roadways, which may be necessary or useful in the utilization of easement, in favor of Roza Irrigation District, as recorded May 7, 2009, under Auditor's File Number 7651994. Said easement affects said premises.
30. An easement affecting the portion of said premises and for the purposes stated herein, and incidental purposes, for the purpose of constructing, installing, operating, maintaining and removing irrigation and drainage ditches, pipelines and appurtenant structures, including roadways, which may be necessary or useful in the utilization of easement, in favor of Roza Irrigation District, as recorded May 7, 2009, under Auditor's File Number 7651996. Said easement affects said premises.
31. An easement affecting the portion of said premises and for the purposes stated herein, and incidental purposes, for the purpose of constructing, installing, operating, maintaining and removing irrigation and drainage ditches, pipelines and appurtenant structures, including roadways, which may be necessary or useful in the utilization of easement, in favor of Roza Irrigation District, as recorded May 7, 2009, under Auditor's File Number 7651999. Said easement affects said premises.

oj/04-02-10

ALTA COMMITMENT

Schedule C

Commitment No. **00076325**

REQUIREMENTS:

The following are requirements to be complied with in a manner satisfactory to the Company prior to issuance of the policy:

- A. Requirements: Instruments creating the estate or interest to be insured must be approved and filed of record.
- B. Requirements: Payment of cancellation fee in accordance with our filed rate Schedule, to be imposed if this transaction is canceled for any reason.

INFORMATION FOR THE CLOSER AND/OR INSURED:

The following matters will not be listed as Special Exceptions in Schedule "B" of the Policy to be issued pursuant to this Commitment. Notwithstanding the absence of a Special Exception in Schedule "B" of the Policy to be issued, there will be no coverage for loss arising by reason of the matters listed below because these matters are either excepted from coverage under the General Exceptions section of Schedule "B", excluded from coverage under the Exclusions from Coverage or are not matters for which coverage is afforded under the insuring clauses of the Policy.

This Commitment shall not obligate the Company to issue any Endorsement. All Endorsements to be issued must be agreed to by the Company and appropriate for the estate insured.

Any sketch or map enclosed as an attachment herewith is furnished for information purposes only to assist in property location with reference to streets and other parcels. No representation is made as to accuracy and the Company assumes no liability for any loss occurring by reason of reliance thereof.

Property which is located in the following taxing districts is subject to excise tax at the rate of 1.78% upon sale or transfer: 305, 325, 331, 333, 334, 335, 349, 420, 460, 540, 581, 585 and 586. All other property is subject to excise tax at the rate of 1.53% upon sale or transfer.

Pursuant to RCW 82.45.180, in addition to real estate excise tax collected by the Yakima County Treasurer, a filing fee of \$5.00 will be collected on all taxable transactions. A filing fee of \$10.00 will be collected on all non-taxable transactions, and on all transactions wherein the calculated tax payment is less than \$5.00.

Notwithstanding anything to the contrary in this Commitment, if the policy to be issued is other than an ALTA Owner's Policy (6/17/06) or ALTA Loan Policy (6/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this Commitment. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, 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.

The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the amount, if any, 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.

SCHEDULE C - continued

Commitment No. **00076325**

NOTES:

1. Parcel number(s) assigned by the Yakima County Assessor's Office based upon their own composed narrative description, and used by the Yakima County Treasurer's Office in the collection of real property taxes and assessments:
231015-11002 - Parcel P
231014-22002 - Parcel Q
231010-44001 - Parcel R
NOTE: The designated Levy Code is 463
2. The amount owing for real property taxes is computed upon the basis of an Open Space parcel status classification, and the continuation of said status may be altered by a change in use, death of taxpayer, sale or transfer, resulting in further taxation, plus penalty. Inquiries relating to continuation should be made to the County Assessor's Office prior to closing.
3. Title Contact: Yvonne Munson; title1@fitico.com
4. Icc: Carlson Boyd and Bailey, 230 S 2nd St Ste 202, Yakima, WA 98901, ATTN: Roger Bailey, rbailey@cvvlawfirm.com

Fidelity Title Company
As agent for
Chicago Title Insurance Company and
Fidelity National Title Insurance Company
(Members of the Fidelity National Financial, Inc. group of companies)

Fidelity National Financial Group of Companies' Privacy Statement

July 1, 2001

We recognize and respect the privacy expectations of today's consumers and the requirements of applicable federal and state privacy laws. We believe that making you aware of how we use your non-public personal information ("Personal Information"), and to whom it is disclosed, will form the basis for a relationship of trust between us and the public that we serve. This Privacy Statement provides that explanation. We reserve the right to change this Privacy Statement from time to time consistent with applicable privacy laws.

In the course of our business, we may collect Personal Information about you from the following sources:

- ◆ From applications or other forms we receive from you or your authorized representative;
- ◆ From your transactions with, or from the services being performed by, us, our affiliates or others;
- ◆ From our internet web sites;
- ◆ From the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others; and
- ◆ From consumer or other reporting agencies.

Our Policies Regarding the Protection of the Confidentiality and Security of Your Personal Information

We maintain physical, electronic and procedural safeguards to protect your Personal Information from unauthorized access or intrusion. We limit access to the Personal Information only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

Our Policies and Practices Regarding the Sharing of Your Personal Information

We may share your Personal Information with our affiliates, such as insurance companies, agents, and other real estate settlement service providers. We also may disclose your Personal Information:

- ◆ To agents, brokers or representatives to provide you with services you have requested;
- ◆ To third-party contractors or service providers who provide services or perform marketing or other functions on our behalf, and
- ◆ To others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest .

Privacy Statement

(Continued)

In addition, we will disclose your Personal Information when you direct or give us permission, when we are required by law to do so, or when we suspect fraudulent or criminal activities. We also may disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

One of the important responsibilities of some of our affiliated companies is to record documents in the public domain. Such documents may contain your Personal Information.

Right to Access Your Personal Information and Ability To Correct Errors or Request Changes or Deletion

Certain states afford you the right to access your Personal Information and, under certain circumstances, to find out to whom your Personal Information has been disclosed. Also, certain states afford you the right to request correction, amendment or deletion of your Personal Information. We reserve the right, where permitted by law, to charge a reasonable fee to cover the costs incurred in responding to such requests.

All requests must be made in writing to the following address:

Privacy Compliance Officer
Fidelity National Financial, Inc.
4050 Calle Real, Suite 220
Santa Barbara, CA 93110

Multiple Products or Services

If we provide you with more than one financial product or service, you may receive more than one privacy notice from us. We apologize for any inconvenience this may cause you.

Commitment No. **00076325**

Exhibit A

PARCEL P

The Northeast 1/4 of Section 15, Township 10 North, Range 23, E.W.M.;

EXCEPT Roza right of way;

EXCEPT the North and West 25 feet for road;

EXCEPT right of way for road as conveyed to Yakima County in Deeds recorded under Auditor's File Numbers 2017956 and 2029139;

EXCEPT right of way for road along the East line;

AND EXCEPT that portion of the Southeast 1/4 of the Northeast 1/4 of Section 15, Township 10 North, Range 23, E.W.M., described as follows:

Beginning at the Southeast corner of said subdivision;

thence North along the East line of said subdivision a distance of 839.07 feet;

thence South 53°33'21" West, 358.22 feet;

thence South 33°06'57" West, 243.48 feet;

thence South 25°27'15" West, 138.04 feet;

thence South 01°43'25" West, 303.85 feet to the South line of said subdivision;

thence North 89°17'47" East, along said South line a distance of 489.69 feet to the point of beginning;

ALSO

That portion of the Northwest 1/4 of the Southeast 1/4 of Section 15, Township 10 North, Range 23, E.W.M., described as follows:

Beginning at a stake in the intersection of the East boundary of the County Road with the North boundary line of the above described quarter section;

thence East along said North boundary line of said quarter section, 465 feet, more or less, to the West bank of a run;

thence in a Southwesterly direction along the Western meander line of the bank of said run 633 feet, more or less, to a point on the East boundary line of the County Road along the West line of said quarter section which point is 415 feet South of the point of beginning;

thence North along the East boundary line of said County Road 415 feet, to the point of beginning.

Situated in Yakima County, State of Washington.

PARCEL Q

That portion of the Northwest 1/4 of the Northwest 1/4 of Section 14, Township 10 North, Range 23, E.W.M., lying Westerly of the Roza Main Canal;

EXCEPT the North 20 feet for county road.

Situated in Yakima County, State of Washington.

PARCEL R

That portion of the Southeast 1/4 of the Southeast 1/4 of Section 10, Township 10 North, Range 23, E.W.M., lying Southeasterly of the Roza Main Canal right of way;

EXCEPT the South 20 feet for county road;

AND

That portion of the Southeast 1/4 of the Southeast 1/4 of Section 10, Township 10 North, Range 23, E.W.M., described as follows:

Beginning at the Northeast corner of said subdivision;

thence South 57 feet;

thence South 21°0' West 528 feet;

thence South 13°30' East 100 feet;

thence East 165 feet, more or less, to the East line of said subdivision;

EXCEPTING any portion that lies within the Roza Canal right of way.

Situated in Yakima County, State of Washington.