



# 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.: **00076328 - MB**

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

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

2. Policy or policies to be issued:

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

#### PREMIUM INFORMATION:

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

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. **00076328**

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:

2007 - \$1,685.05

2008 - \$15,851.85

2009 - \$15,305.10

## SCHEDULE B - continued

Commitment No. **00076328**

4. Delinquent assessment levied by Soil Conservation District #1 for the following periods in the following sums, plus interest:  
  
2007 - \$6.93  
2008 - \$46.70  
2009 - \$46.70
5. Delinquent assessment levied by Weed District #1 for the following periods in the following sums, plus interest:  
  
2007 - \$5.30  
2008 - \$32.30  
2009 - \$32.30
6. Delinquent assessment levied by Horticulture Pest & Disease Control District for the year 2009 in the amount of \$236.25, plus interest.
7. Real property taxes for the assessment year 2010 in the original amount of \$15,659.30, which shall be delinquent after April 30th.
8. Assessment levied by Soil Conservation District #1 for the year 2010, in the original amount of \$46.70.
9. Assessment levied by Weed District #1 for the year 2010, in the original amount of \$32.30.
10. Assessment levied by Horticulture Pest & Disease Control District for the year 2010, in the original amount of \$236.25.
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 & Vineyards, a Washington Limited Liability Company is Mortgagor and Columbia Trust Bank is Mortgagee, in the original amount of \$263,000.00, dated June 21, 2002 and recorded July 9, 2002, under Auditor's File Number 7282235.
13. 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.
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. **00076328**

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. 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.
19. 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.
20. 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.
21. 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.
22. 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.
23. 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.
24. 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.
25. An easement affecting the portion of said premises and for the purposes stated herein, and incidental purposes, for electrical distribution system, in favor of Benton Rural Electric Association, as recorded June 16, 2000, under Auditor's File Number 7172974. Said easement affects said premises.

oj/04-2-10

# ALTA COMMITMENT

## Schedule C

Commitment No. **00076328**

### 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. **00076328**

### 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:  
231026-31002  
231026-31003  
231026-32001  
231026-33005  
231026-34002  
231026-43003  
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](mailto:title1@fitico.com)
4. Icc: Carlson Boyd and Bailey, 230 S 2nd St Ste 202, Yakima, WA 98901, ATTN: Roger Bailey, [rbailey@cvvlawfirm.com](mailto: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. **00076328**

**Exhibit A**

**PARCEL V**

**Parcels A, C, D, E, G, H and I of that certain survey recorded August 29, 1997, under Auditor's File Number 7024038, records of Yakima County, Washington, being a portion of the Southwest 1/4 and the West 1/2 of the Southeast 1/4 of Section 26, Township 10 North, Range 23, E.W.M.;**

**EXCEPT that portion of Parcel "A" of that certain survey recorded under Auditor's File Number 7024038, described as follows:**

**Beginning at the Southwest corner of said Section 26;  
thence North 3°06'55" East along the West line of said section 699.00 feet to the true point of beginning;  
thence continuing North 3°06'55" East 377.00 feet;  
thence South 89°36'50" East 345.00 feet;  
thence South 3°06'55" West 337.00 feet;  
thence North 89°36'50" West 345.00 feet to the point of beginning.**

**AND EXCEPT that portion conveyed to Yakima County, Washington, by instrument recorded under Auditor's File Number 7625559.**

**Situated in Yakima County, State of Washington.**