



First American Title™

First American Title Company

California Department of Insurance License No. 2549-4

Graham Goodfield
Phone: (805)331-5252
Customer Reference:

Title Officer:	Lucy Padilla
Phone:	(805)688-6060
Fax No.:	(866)820-5580
E-Mail:	LPadilla@firstam.com
Owner:	The Wetzstein Family Trust
Property:	8300 Foothill Rd., APN 147-100-056 & 147-100-044 New Cuyama, CA 93254

PRELIMINARY REPORT

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

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

Please be advised that any provision contained in this document, or in a document that is attached, linked or referenced in this document, that under applicable law illegally discriminates against a class of individuals based upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, is illegal and unenforceable by law.

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.

Dated as of August 12, 2025 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

To Be Determined

A specific request should be made if another form or additional coverage is desired.

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

Jerome A. Wetzstein and Connie J. Wetzstein, husband and wife as community property, as to Tract One; Connie Joan Wetzstein, as Trustee of The Wetzstein Family Trust dated March 11, 2019, as to Tract Two;
Jerome Adam Wetzstein and Connie Joan Wetzstein, Trustees of the Wetzstein Family Trust dated March 11, 2019, subject to Exception No's. 18 and 20, as to Tract Three.

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

A FEE AS TO TRACTS ONE, THREE AND PARCEL(S) ONE OF TRACT TWO; AN EASEMENT AS TO PARCEL(S) TWO OF TRACT TWO.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2025-2026, a lien not yet due or payable.
2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
3. The terms, provisions and easement(s) contained in the document entitled "GRANT OF EASEMENT AND AGREEMENT" recorded December 19, 2019 as INSTRUMENT NO. [2019-0059115](#) of Official Records.
4. The terms and provisions contained in the document entitled "PURCHASE AND SALE AGREEMENT" recorded December 01, 2020 as INSTRUMENT NO. [2020-0070636](#) of Official Records.
5. Rights of the public in and to that portion of the Land lying within any Road, Street, Alley or Highway.
6. Water rights, claims or title to water, whether or not shown by the Public Records.

7. The new lender, **if any**, for this transaction may be a Non-Institutional Lender. If so, the Company will require the Deed of Trust to be signed before a **First American approved notary**.
8. Rights of parties in possession.

The Following Matters Affect TRACT ONE:

9. The terms, provisions and easement(s) contained in the document entitled "EASEMENT GENERAL" recorded July 13, 2005 as INSTRUMENT NO. [2005-0066098](#) of Official Records.

The location of the easement cannot be determined from record information.

The Following Matters Affect TRACT TWO:

10. THE FACT THAT THE PROPERTY HEREIN DESCRIBED HAS NO FRONTAGE ON ANY DEDICATED STREET OR ROAD APPEARING OF RECORD
11. An easement for INGRESS AND EGRESS AND FOR THE ERECTION AND MAINTENANCE OF ELECTRICAL AND TELEPHONE LINES AND POLES and incidental purposes, recorded May 28, 1981 as INSTRUMENT NO [81-21277](#) OF OFFICIAL RECORDS.

In Favor of: WILLIAM S. FRICK AND HIS SUCCESSORS AND ASSIGNS
Affects: as described therein

The location of the easement cannot be determined from record information.

12. An easement for ROAD AND PUBLIC UTILITY and incidental purposes, recorded July 11, 2003 as INSTRUMENT NO. [2003-0092628](#) OF OFFICIAL RECORDS.

In Favor of: DONALD B. DEBUSSCHERE, TRUSTEE OF THE DONALD B. DEBUSSCHERE
 TRUST DATED AUGUST 22, 2002
Affects: as described therein

13. Any facts, rights, interests or claims that may exist or arise by reason of matters, if any, disclosed by that certain Record of Survey filed in [book 173, page 93](#).
14. The terms and provisions contained in the document entitled "WATER WELL ASSIGNMENT AGREEMENT" recorded October 13, 2008 as INSTRUMENT NO. [2008-58912](#) OF OFFICIAL RECORDS.
15. Any easements and/or servitudes affecting easement parcel(s) TWO herein described.

The Following Matters Affect TRACT THREE:

16. The terms and provisions contained in the document entitled "PARTITION AND ASSUMPTION AGREEMENT" recorded December 28, 1971 as INSTRUMENT NO. [42272](#), BOOK 2378, PAGE 103 of Official Records.
17. The effect of a map purporting to show the land and other property, filed December 26, 2019 in [BOOK 213, PAGE 4](#) of Record of Surveys.

18. The effect of a document entitled "AFFIDAVIT OF DEATH OF TRUSTEE", recorded September 11, 2023 as INSTRUMENT NO. [2023-0026497](#) of Official Records.

Prior to the issuance of any policy of title insurance, the Company will require:

19. With respect to the trust referred to in the vesting:
- a. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
 - b. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
 - c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.
20. A copy of the Trust Agreement and all amendments should be submitted prior to closing. The Company may make additional requirements following a review of such documents including, but not limited to, a certification of trust confirming the powers of the trustees and the continuing existence of the trust.

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable 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. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. General and special taxes and assessments for the fiscal year 2024-2025.

First Installment:	\$1,035.41, PAID
Penalty:	\$0.00
Second Installment:	\$1,035.41, PAID
Penalty:	\$0.00
Tax Rate Area:	63-002
A. P. No.:	147-100-065

2. General and special taxes and assessments for the fiscal year 2024-2025.

First Installment:	\$428.59, PAID
Penalty:	\$0.00
Second Installment:	\$428.59, PAID
Penalty:	\$0.00
Tax Rate Area:	63-002
A. P. No.:	147-100-056

3. General and special taxes and assessments for the fiscal year 2024-2025.

First Installment:	\$437.35, PAID
Penalty:	\$0.00
Second Installment:	\$437.35, PAID
Penalty:	\$0.00
Tax Rate Area:	63-002
A. P. No.:	147-100-044

4. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) COMMERCIAL STRUCTURE known as 8300 Foothill Rd., APN [147-100-056](#) & [147-100-044](#), New Cuyama, CA 93254.

(Affects APN: [147-100-065](#))

5. The property covered by this report is vacant land.

(Affects APN'S: [147-100-056](#) AND [147-100-044](#))

6. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

(Affects APN'S: [147-100-065](#) AND [147-100-044](#))

7. According to the public records, there has been no conveyance of the land within a period of twenty four months prior to the date of this report, except as follows:

A document recorded September 11, 2023 as INSTRUMENT NO. [2023-0026499](#) of Official Records.

From: CONNIE J. WETZSTEIN
To: CONNIE JOAN WETZSTEIN, AS TRUSTEE OF THE WETZSTEIN FAMILY
TRUST DATED MARCH 11, 2019

(Affects APN: [147-100-056](#))

8. We find no outstanding voluntary liens of record affecting subject property. Disclosure should be made concerning the existence of any unrecorded lien or other indebtedness which could give rise to any possible security interest in the subject property.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Santa Barbara, State of California, described as follows:

Tract One: (APN: [147-100-065](#))

Being the Northwest quarter of Southeast quarter and the Northeast quarter of the Southwest quarter of Section 20, Township 10, North Range 27, West San Bernardino Base and Meridian, in the County of Santa Barbara, State of California.

Tract Two: (APN: [147-100-056](#))

Parcel One:

The Northeast Quarter of the Southeast Quarter of Section 20, Township 10 North, Range 27 West, San Bernardino Base and Meridian in the County of Santa Barbara, State of California, according to the Official Plat thereof.

EXCEPTING THEREFROM all oil, gas, petroleum and/or other Hydrocarbon substances within and underlying said land, together with the right of ingress and egress for the purpose of prospecting for and/or removing the same as reserved in deed from Purn Vorhees, et ux., recorded June 8, 1934, as Instrument No. [3934](#) in Book 305, Page 385 of Official Records.

EXCEPTING THEREFROM an undivided one-half interest in and to all oil, gas, petroleum, and/or other Hydrocarbon substances within and underlying said land, together with the right of ingress and egress for the purpose of prospecting for, developing and/or removing same as reserved by William Hinsdale, a single man, in deed recorded July 26, 1948 as Instrument No. [10359](#) in Book 788, Page 420 of Official Records.

ALSO EXCEPTING THEREFROM an undivided 7% of any and all minerals, oil, gas and other hydrocarbon substances, in, under and upon, and that may be produced from said land, as granted in deeds recorded June 30, 1950 as Instrument No. 9205 through 9215 in [Book 926, as Pages 62, 65, 68, 71, 74, 77, 80, 83, 86, 89 and 92](#), respectively, of Official Records.

ALSO EXCEPTING THEREFROM an undivided 1% of all oil substances lying in or under said land, as reserved by Leo A. Smith, a married man, in deed recorded November 29, 1966 as Instrument No. [37734](#) in Book 2173, Page 542 of Official Records.

ALSO EXCEPTING THEREFROM an undivided 12 1/2% of all oil substances lying in or under said land, as reserved by William C. Ramelli, a married man, in deed recorded November 29, 1966 as Instrument No. [37734](#) in Book 2173, Page 542 of Official Records.

ALSO EXCEPTING THEREFROM an undivided 14.75% interest in and to all oil, gas, petroleum, and/or other Hydrocarbon substances within and underlying said land, together with the right of ingress and egress for the purpose of prospecting for, developing and/or removing same as reserved in deed recorded June 4, 1993 as Instrument No. [93-42627](#) of Official Records.

Parcel Two:

An easement for road purposes 20 feet in width over the existing road lying within the Northeast Quarter

of the Northeast Quarter of Section 29, Township 10 North, Range 27 West, San Bernardino Base and Meridian, in the County of Santa Barbara, State of California, according to the Official Plat thereof.

The easement hereby granted is located between the Northerly line of the road known as foothill road and the Northerly line of the Northeast Quarter of the Northeast Quarter of said Section 29.

Tract Three: (APN: [147-100-044](#))

The Southwest quarter of the Northwest quarter of the Northeast quarter; and the Southwest quarter of the Northeast quarter of Section 20, Township 10 North, Range 27 West, San Bernardino Base and Meridian, in the County of Santa Barbara, State of California, according to the official plat of said land filed in the District Land Office on June 18, 1885.

Except [80%](#) of all minerals, oil, gas and other hydrocarbon substances, in, under, upon and that may be produced from said land.

Also except an undivided 10% interest in and to all minerals, oil, gas, and other hydrocarbon substances in, under, upon that may be produced from said land, as reserved by Bonnie Joe Robertson, a widow, and Jessie L. Robertson, a widow, in deed recorded November 29, 1965 as Instrument No. [42484](#) in Book 2130 Page 1149 of Official Records.

NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)
CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE [(07-01-2021) v. 01.00]
EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy and We 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, or 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 8.a., 14, 15, 16, 18, 19, 20, 23, or 27.
2. Any power to take the Land by condemnation. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 17.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by You;
 - b. not Known to Us, not recorded in the Public Records at the Date of Policy, but Known to You and not disclosed in writing to Us by You prior to the date You became an Insured under this policy;
 - c. resulting in no loss or damage to You;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 5, 8.f., 25, 26, 27, 28, or 32); or
 - e. resulting in loss or damage that would not have been sustained if You paid consideration sufficient to qualify You as a bona fide purchaser of the Title at the Date of Policy.
4. Lack of a right:
 - a. to any land outside the area specifically described and referred to in Item 3 of Schedule A; and
 - b. in any street, road, avenue, alley, lane, right-of-way, body of water, or waterway that abut the Land.
 Exclusion 4 does not modify or limit the coverage provided under Covered Risk 11 or 21.
5. The failure of Your existing structures, or any portion of Your existing structures, to have been constructed before, on, or after the Date of Policy in accordance with applicable building codes. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 14 or 15.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transfer of the Title to You 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 30.
7. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
8. Negligence by a person or an entity exercising a right to extract or develop oil, gas, minerals, groundwater, or any other subsurface substance.
9. Any lien on Your 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 9 does not modify or limit the coverage provided under Covered Risk 8.a. or 27.
10. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

LIMITATIONS ON COVERED RISKS

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

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

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

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 19:	1% of Policy Amount Shown on Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 21:	1% of Policy Amount Shown on Schedule A or \$2,500 (whichever is less)	\$5,000

ALTA OWNER'S POLICY [(07-01-2021) V. 01.00]
CLTA STANDARD COVERAGE OWNER'S POLICY [(02-04-22) V. 01.00]
 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.

NOTE: The 2021 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7. The 2021 CLTA Standard Coverage Owner's Policy will include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7.

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

2006 ALTA OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

NOTE: The 2006 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7.

EXCEPTIONS FROM COVERAGE

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

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records 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.