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15 IN THE UNITED STATES DISTRICT COURT
16 FOR THE CENTRAL DISTRICT OF CALIFORNIA

17 UNITED STATES OF AMERICA,
18 Plaintiff,

CIV. NO. CV 97-9449 CAS
(RZx)

19 a.

20 KENNETH HUNTER, JR., et al.,

21
22 Defendants.
23

24 CASMALIA RESOURCES SITE
25 STEERING COMMITTEE,

CIV. NO. CV 98-0074 CAS
(RZx)

26 Plaintiff,

27 v.

28 KENNETH HUNTER, JR., et al.,

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Defendants.

} CONSENT DECREE WITH THE
} SUCCESSOR TRUSTEE OF THE
} KENNETH H. HUNTER, JR.
} LIVING TRUST,
} BENEFICIARIES OF
} THE KENNETH H. HUNTER,
} JR. LIVING TRUST,
} HUNTER RESOURCES, AND
} CASMALIA RESOURCES

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2 I. BACKGROUND

3 A. The United States of America ("United
4 States"), on behalf of the Administrator of the United
5 States Environmental Protection Agency ("EPA"), filed
6 a complaint in this matter against Settling
7 Defendants, as defined in Section IV of this Consent
8 Decree, pursuant to Section 107 of the Comprehensive
9 Environmental Response, Compensation, and Liability
10 Act of 1980, 42 U.S.C. § 9607, as amended ("CERCLA"),
11 on December 23, 1997. The complaint sought
12 reimbursement of response costs incurred and to be
13 incurred for response actions taken at or in
14 connection with the release or threatened release of
15 hazardous substances at the Casmalia Resources
16 Superfund Site in Santa Barbara County, California
17 (hereinafter "the Site"), and other relief.

18 B. The United States, on behalf of EPA, also
19 filed a complaint pursuant to Section 107 of CERCLA
20 against the members of the Casmalia Resources Site
21 Steering Committee ("CSC") on September 17, 1996,
22 captioned *United States v. ABB Vetco Gray, Inc. et*
23 *al.*, Civ. No. 96-6518 KMW (Jgx), seeking response
24 costs in connection with the Site, and other
25 injunctive relief.

26 C. The CSC filed its complaint against the
27 Settling Defendants on January 6, 1998, seeking
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1 contribution for response costs incurred and to be
2 incurred in connection with the Site, and other
3 relief, pursuant to CERCLA and common law.

4 D. The United States has obtained partial summary
5 judgment against Settling Defendants Casmalia
6 Resources and Hunter Resources. With the approval of
7 the Court, the United States, the Settling Parties and
8 the CSC have engaged in extensive mediation to resolve
9 this action under the guidance of the Hon. Eugene F.
10 Lynch, federal district court judge, Ret.

11 E. The Settling Parties, as defined in Section IV
12 of this Consent Decree, do not admit any liability to
13 Plaintiff or any other person arising out of the
14 transactions or occurrences alleged in the complaints.

15 F. The successor trustee of the trust identified
16 below has informed the United States that, except for
17 the shares of Hunter Resources, and the shares of NTU
18 Corp., the funds to be paid to the United States
19 pursuant to Paragraph 4 of this Consent Decree and to
20 guarantee compliance with the other requirements of
21 this Consent Decree, the assets formerly held in the
22 Kenneth H. Hunter, Jr. Living Trust, dated October 19,
23 1990 ("the Hunter Living Trust") have been distributed
24 in accordance with the terms of the Hunter Living
25 Trust. The United States has not determined that this
26 information affects the liability of any person in

1 this action.

2 G. On June 27, 1997, a consent decree that
3 resolved certain claims between EPA and the CSC was
4 entered by the United States District Court for the
5 Central District of California in *United States v. ABB*
6 *Vetco Gray, Inc., et al.*, Civ. No. 96-6518 KMW(JGx)
7 ("Casmalia Consent Decree"). Under the Casmalia
8 Consent Decree, the CSC agreed to perform certain work
9 with its own funds and with funds from third parties.
10 The Casmalia Consent Decree requires EPA and the CSC
11 to deposit monetary recoveries received from third
12 parties, including the Settling Defendants, into the
13 Escrow Account, as defined in Section IV of this
14 Consent Decree, for distribution according to the
15 priorities set forth in the Casmalia Consent Decree.
16 This Consent Decree is not intended to amend or
17 supercede the Casmalia Consent Decree, or to violate
18 the rights afforded to any party to the Casmalia
19 Consent Decree.

20 H. The United States and Settling Parties agree,
21 and this Court by entering this Consent Decree finds,
22 that this Consent Decree has been negotiated by the
23 Parties in good faith, that settlement of this matter
24 will avoid further prolonged and complicated
25 litigation between the Parties, and that this Consent
26 Decree is fair, reasonable, and in the public

1 interest.

2 THEREFORE, with the consent of the Settling
3 Parties, it is ORDERED, ADJUDGED, AND DECREED:

4 II. JURISDICTION

5 1. This Court has jurisdiction over the subject
6 matter of this action pursuant to 28 U.S.C. §§ 1331
7 and 1345 and 42 U.S.C. §§ 9607 and 9613(b) and also
8 has personal jurisdiction over Settling Parties.
9 Settling Parties consent to and shall not challenge
10 entry of this Consent Decree or this Court's
11 jurisdiction to enter and enforce this Consent Decree.

12 III. PARTIES BOUND

13 2. This Consent Decree is binding upon the United
14 States and upon Settling Parties and their heirs,
15 successors and assigns. Any change in ownership or
16 corporate or other legal status, including but not
17 limited to, any transfer of assets or real or personal
18 property, shall in no way alter the status or
19 responsibilities of Settling Parties under this
20 Consent Decree.

1 IV. DEFINITIONS

2 3. Unless otherwise expressly provided herein,
3 terms used in this Consent Decree that are defined in
4 CERCLA or in regulations promulgated under CERCLA
5 shall have the meaning assigned to them in CERCLA or
6 in such regulations. Whenever terms listed below are
7 used in this Consent Decree or in any appendix
8 attached hereto, the following definitions shall
9 apply:

10 a. "30 Day Period" shall mean the period within
11 thirty (30) days of entry of this Consent Decree.

12 b. "Beneficiaries" shall mean the following
13 individuals in their capacities as beneficiaries of
14 the Hunter Living Trust and as heirs, successors,
15 donees and/or surviving joint tenants of Kenneth H.
16 Hunter, Jr., deceased, and/or his property: Alexis
17 Chernow, Francesca Hunter, Kenneth H. Hunter, III,
18 Nancy Hunter, Sally Hunter, and Katherine Kramer.

19 c. "CERCLA" shall mean the Comprehensive
20 Environmental Response, Compensation, and Liability
21 Act of 1980, as amended, 42 U.S.C. § 9601, et seq.

22 d. "Consent Decree" shall mean this Consent
23 Decree and all appendices attached hereto. In the
24 event of conflict between this Consent Decree and any
25 appendix, this Consent Decree shall control.

1 e. "Casmalia Consent Decree" shall mean the
2 consent decree between the United States and the
3 Casmalia Steering Committee entered by the United
4 States District Court for the Central District of
5 California on June 27, 1997 in *United States v. ABB*
6 *Vetco Gray, Inc., et al.*, Civ. No. 96-6518 KMW(JGx).

7 f. "Day" shall mean a calendar day. In computing
8 any period of time under this Consent Decree, where
9 the last day would fall on a Saturday, Sunday, or
10 federal holiday, the period shall run until the close
11 of business of the next working day.

12 g. "DOJ" shall mean the United States Department
13 of Justice and any successor departments, agencies or
14 instrumentalities.

15 h. "Escrow Account" shall mean the escrow account
16 for the Site, which was established pursuant to the
17 Casmalia Consent Decree.

18 i. "EPA" shall mean the United States
19 Environmental Protection Agency and any successor
20 departments, agencies or instrumentalities.

21 j. "EPA Hazardous Substance Superfund" shall mean
22 the Hazardous Substance Superfund established by the
23 Internal Revenue Code, 26 U.S.C. § 9507.

24 k. "Facility" shall mean the Casmalia Resources
25 Disposal Site, encompassing approximately 252 acres,
26 located in Santa Barbara County, California, as

1 depicted more clearly in Appendix B to this Consent
2 Decree and on the map included within Appendix B to
3 this Consent Decree.

4 1. "Facility Fringe Area" or "FFA" shall mean
5 the property that immediately surrounds the Facility,
6 as more particularly described in Appendix C to this
7 Consent Decree and on the map included within Appendix
8 C to this Consent Decree.

9 m. "Interest Rate I" shall mean interest at the
10 rate specified on October 1, 2001 for interest on
11 investments of the Hazardous Substance Superfund
12 established by 26 U.S.C. § 9507, compounded annually
13 on October 1 of each year, in accordance with 42
14 U.S.C. § 9607(a). Interest Rate I has been
15 established as 3.35% per annum.

16 n. "Interest Rate II" shall mean interest at the
17 then-current rate for interest on investments of the
18 Hazardous Substance Superfund established by 26 U.S.C.
19 § 9507, compounded annually on October 1 of each year,
20 in accordance with 42 U.S.C. § 9607(a).

21 o. "Owner Settling Defendant" shall mean Casmalia
22 Resources and any successor entity to Casmalia
23 Resources.

24 p. "Paragraph" shall mean a portion of this
25 Consent Decree identified by an arabic numeral or an
26 upper or lower case letter.

1 q. "Parties" shall mean the United States and the
2 Settling Parties.

3 r. "Plaintiff" shall mean the United States.

4 s. "Property" shall mean the property owned by
5 Casmalia Resources comprising approximately 3800 acres
6 in Santa Barbara County, California, in the near
7 vicinity of the Facility, which is more particularly
8 described in and Appendix A and on the map included
9 within Appendix A. The Property does not include the
10 Facility or the Facility Fringe Area, as defined in
11 this Section.

12 t. "Record of Decision" or "ROD" shall mean any
13 EPA Record of Decision relating to the Facility. No
14 ROD for the Site has been signed by the Regional
15 Administrator, EPA Region 9, or his/her delegatee, at
16 the time of lodging of this Consent Decree.

17 u. "Remedial Action" shall mean those activities,
18 except for Operation and Maintenance, to be undertaken
19 to implement a ROD for the Facility.

20 v. "Response Costs" shall mean all costs,
21 including but not limited to direct and indirect
22 costs, that EPA or DOJ on behalf of EPA or any other
23 person or entity has incurred or paid or will incur or
24 pay at or in connection with the Facility, plus
25 accrued Interest on all such costs.

26 w. "Section" shall mean a portion of this Consent
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1 Decree identified by a roman numeral.

2 x. "Settling Defendants" shall mean Casmalia
3 Resources, Hunter Resources and the trustee of the
4 Hunter Living Trust, in his capacity as trustee.

5 y. "Settling Parties" shall mean Casmalia
6 Resources, Hunter Resources, the trustee of the Hunter
7 Living Trust, in his capacity as trustee, and the
8 Beneficiaries, as defined in this Section.

9 z. "Site" shall mean the Casmalia Resources
10 Superfund Site, encompassing approximately 252 acres,
11 located in Santa Barbara County, California, as
12 depicted more clearly in Appendix B to this Consent
13 Decree and on the map included within Appendix B to
14 this Consent Decree, together with the areal extent of
15 contamination that is presently located in the vicinity of the
16 Facility and all suitable areas in very close proximity to the
17 contamination necessary for the implementation of the response
18 action and any areas to which such contamination migrates.

19 aa. "Title Commitment" shall mean the Pro Forma
20 Title Commitment dated September 26, 2001, issued by
21 Lawyer's Title Company, a copy of which is attached as
22 Appendix D to this Consent Decree.

23 ab. "United States" shall mean the United States
24 of America, including its departments, agencies and
25 instrumentalities.

26 V. PAYMENT OF RESPONSE COSTS AND OTHER REQUIREMENTS
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1 4. Payment of Response Costs.

2 (a) Within 30 (thirty) days after execution
3 of this Consent Decree by all Parties, Settling
4 Defendants shall deposit into a designated settlement
5 trust account ("the Trust Account") the amount of
6 \$ 6,957,000 (six million, nine hundred and fifty-seven
7 thousand dollars) ("Fixed Amount") for Response Costs,
8 Interest Rate I on one half of the Fixed Amount from
9 May 1, 2001 to September 30, 2001 and interest on the
10 entire Fixed Amount at Interest Rate I or II,
11 whichever is applicable, from October 1, 2001 to the
12 date of such deposit. Upon payment to the United
13 States as set forth below, Interest Rate I or II,
14 whichever is applicable, shall be paid to the United
15 States on the Fixed Amount from the date of such
16 deposit until the Fixed Amount has been paid to the
17 United States. If, upon the written approval of the
18 United States, prior to the payment of the Fixed
19 Amount to the United States, any of the Settling
20 Defendants, or entities controlled by any of the
21 Settling Parties, acquire for consideration the deeds
22 of trust identified in the Title Commitment as
23 exception numbers 32 and 33, then Settling Defendants
24 shall receive a credit on the Fixed Amount equal to
25 the amount actually paid to the third party holder of
26 such deeds of trust. Within 30 (thirty) days after
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1 entry of this Consent Decree, Settling Defendants
2 shall cause the Fixed Amount and all interest accrued
3 thereon pursuant to this Consent Decree to be
4 transferred from the Trust Account to the Escrow
5 Account, in accordance with instructions approved by
6 EPA. Although this Consent Decree is not intended to
7 amend or supercede the Casmalia Consent Decree, in the
8 event the Casmalia Consent Decree is declared invalid,
9 is no longer in force, is otherwise superceded, or
10 otherwise determined not to be binding upon the United
11 States by the Court prior to the time Settling
12 Defendants are required to make payment to the Escrow
13 Account, Settling Defendants shall remit payment to an
14 alternate account that will be specified in the future
15 by the United States.

16 (b) Payment shall be made by wire transfer
17 to:

18 Banker's Trust Co.
19 c/o Mr. Thomas Hacker
20 4 Albany Street
21 New York, NY 10006
22 ABA/Locator #: 021-001-033
Acct. #: 01-419-647
REF: Casmalia Resources Site Custodial
Agreement
Payors: e.g. Casmalia Resources

23 Payment shall reference the Settling Parties' names
24 precisely. Any payments received by the Escrow
25 Account after 5:00 p.m. Pacific Daylight Time shall be
26 credited on the next business day. At the time of

1 payment, Settling Defendants shall submit a copy of
2 the completed Payment Invoice in accordance with
3 Section XI (Notices and Submissions). Payment
4 instructions are attached hereto as Appendix E, and a
5 Payment Invoice Form is attached hereto as Appendix F.

6 5. Closure/Post-Closure Fund Disposition. As
7 additional consideration, the Settling Parties hereby
8 relinquish any claim, right or title to the Casmalia
9 Resources Hazardous Waste Management Facility
10 Closure/Post-Closure Fund, EPA ID #CAD 02 748 125,
11 account no. MBT 7401-00 ("the Closure/Post-Closure
12 Fund") and any funds that are or have been in the
13 Closure/Post-Closure Fund, which shall be and has been
14 used to conduct response actions at or in connection
15 with the Site. The value of the Closure/Post-Closure
16 Fund, as of September 30, 2001, was \$ 13,410,649
17 exclusive of any earlier withdrawals. The United
18 States has previously accessed \$ 1,419,008.77 from the
19 Closure/Post-Closure Fund to perform response actions
20 at the Site.

21 6. By signing this Consent Decree, Settling
22 Defendants certify, and the United States relies on
23 such certification, that except for the Facility, the
24 Property and the Facility Fringe Area, Casmalia
25 Resources and Hunter Resources have owned no other
26 real property since the commencement of this action,
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1 except a property owned by Hunter Resources, which
2 consists of approximately 120 acres of land situated
3 in the Santa Clarita River riverbed, which Hunter
4 Resources has represented to the United States is of
5 nominal value. In accordance with the Covenant,
6 Irrevocable Option Agreement, Environmental
7 Restrictions and Joint Escrow Agreement ("Option
8 Agreement") attached to this Consent Decree as
9 Appendix H and as otherwise provided in this Consent
10 Decree, Settling Defendants shall, for the period of
11 10 (ten) years after entry of this Consent Decree
12 ("the Option Period"), transfer to a United States
13 designee all or a portion of the Property and/or the
14 Facility Fringe Area, at the United States' option.

15 7.

16 a. Owner Settling Defendant shall establish an
17 escrow agency with a competent financial institution
18 (the "Escrow Agent"), to the satisfaction of the
19 United States, pursuant to which the Escrow Agent
20 shall be designated to pay property taxes for the
21 Property, and perform other escrow management
22 activities related to the Property and/or the FFA, all
23 in accordance with the terms and conditions of an
24 Escrow Agency Agreement in substantially the form set
25 forth as Appendix G to this Consent Decree. The
26 Escrow Agency Agreement is for the benefit of EPA to

1 act as collateral to assure payment and performance of
2 items covered by the Escrow Agency Agreement. The
3 Escrow Agency Agreement shall provide, inter alia, a
4 guaranty arrangement to assure that real property
5 taxes on the Property are paid during the Option
6 Period. Notwithstanding the creation or existence of
7 the Escrow Agency Agreement, the obligation to pay any
8 taxes on the Property and to discharge any and all
9 obligations of this Consent Decree shall remain the
10 obligation of the Settling Defendants.

11 b. Owner Settling Defendant shall designate
12 a contact person generally knowledgeable about the
13 Property ("Contact Person"). The Contact person shall
14 be available to be contacted for information by the
15 EPA or by third persons seeking contact with the owner
16 of the Property, the FFA or the Facility, and to be
17 utilized by the EPA for certain limited activities.
18 The Contact Person shall be so available for a ten-
19 year period after entry of this Consent Decree subject
20 to the following limitations: the Contact Person
21 shall not be required pursuant to this Consent Decree
22 to be available more than 10 (ten) hours per month;
23 100 (one hundred) hours per year and 500 (five
24 hundred) hours in the aggregate for the entire ten-
25 year period. The limited activities to be performed
26 by the Contact Person, in addition to availability for
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1 information, shall include creating fire breaks and
2 other similar or routine tasks to comply with local or
3 other governmental laws and regulations. Nothing in
4 this Consent Decree shall be deemed to impose any
5 obligations of Owner Settling Defendant upon EPA or
6 the United States, to comply with laws and regulations
7 or otherwise, or to carry out any of the activities of
8 this subparagraph b.

9 c. Settling Parties shall not remove from
10 the Facility, the Property or the FFA any fixtures,
11 appurtenances, equipment or other items, including but
12 not limited to pumps, pipelines, water tanks, fences,
13 buildings or any other improvements, without the prior
14 approval of EPA in its unreviewable discretion.

15 8. (a) During the Option Period, Settling
16 Defendants shall

17 (i) arrange for the payment of any
18 back taxes on the Property to the satisfaction of the
19 United States, and shall, prior to the delinquency
20 date, arrange for the payment of taxes due on the
21 Property during the Option Period;

22 (ii) deliver, at the United States'
23 option, free of charge and immediately upon the United
24 States' request, title to the Property and/or the FFA
25 to the United States or a United States designee,
26 subject only to the exceptions described in the Title

1 Commitment, Appendix D to this Consent Decree. Until
2 such request to deliver title is made and title to all
3 or a portion of the Property and/or the FFA is
4 transferred to the United States or a United States
5 designee, Owner Settling Defendant shall retain title
6 to the Property and the FFA during the Option Period;
7 and shall pay taxes on the Property during the Option
8 Period. If the United States takes title to a
9 portion, but not all of the Property, Owner Settling
10 Defendant shall continue to retain title to and pay
11 taxes for the remaining portion of the Property during
12 the Option Period. Such taxes may be paid through the
13 Escrow Agent.

14 (b) Grazing or farming activities permitted
15 by the Land Lease ("Lease") attached as Appendix I to
16 this Consent Decree may be conducted on the Property
17 up to and including December 31, 2002. All grazing or
18 other activities pursuant to the Lease shall cease no
19 later than December 31, 2002. No other farming,
20 grazing or other commercial activities may be
21 conducted on the Property, the FFA or the Facility by
22 Settling Parties without approval by EPA in its
23 unreviewable discretion.

24 VI. FAILURE TO COMPLY WITH REQUIREMENTS OF CONSENT
25 DECREE

26 9. Interest on Late Payments. In the event that
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1 any payments required by Section V (Payment of
2 Response Costs and Other Requirements) or Section VI,
3 Paragraph 10 (Stipulated Penalty), are not received
4 when due, Interest shall continue to accrue on the
5 unpaid balance through the date of payment.

6 10. Stipulated Penalty.

7 a. If the payment required by Paragraph 4.a
8 of this Consent Decree is not paid in accordance with
9 this Consent Decree, Settling Parties shall pay to EPA
10 as a stipulated penalty, in addition to the applicable
11 Interest Rate I or II, \$ 2000 (two thousand dollars)
12 per violation per day that such payment is late or
13 such obligation is not performed, for the first thirty
14 (30) days of such violation, \$ 5000 (five thousand
15 dollars) per violation per day for the following sixty
16 (60) days, and \$ 27,500 (twenty-seven thousand, five
17 hundred dollars) per day for each day thereafter. If
18 Settling Defendants fail to make any other payments
19 required by this Consent Decree or to perform any
20 other requirement of Section V of this Consent Decree
21 (Payment of Response Costs and Other Requirements),
22 Section X (Site and Property Access), Section XI
23 (Access to Information), or other provisions of this
24 Consent Decree, Settling Defendants shall pay to EPA,
25 as a stipulated penalty, \$ 1000 (one thousand dollars)
26 per violation per day of such noncompliance for the

1 first five (5) days of such violation, \$ 10,000 (ten
2 thousand dollars) per violation per day of such
3 violation for the sixth through thirtieth days, and
4 \$ 27,500 (twenty-seven thousand, five hundred dollars)
5 per violation per day for each day thereafter.

6 b. Stipulated penalties are due and payable
7 within 30 (thirty) days of the date of the demand for
8 payment of the penalties by EPA.

9 c. All penalties payable to the United
10 States under this Section shall be paid by certified
11 or cashier's check(s) made payable to "EPA Hazardous
12 Substances Superfund," and shall be mailed to

13 U.S. Environmental Protection Agency
14 Region IX, Attn: Superfund Accounting
P.O. Box 360863M
15 Pittsburgh, PA 15251

16 The transmittal shall indicate that the payment is for
17 stipulated penalties, and shall reference the EPA
18 Region and Site/Spill ID #09GW, the DOJ Case Number
19 90-7-1-611D, and the name and address of the party
20 making payment. Copies of check(s) paid pursuant to
21 this Section, and any accompanying transmittal
22 letter(s), shall be sent to the United States as
23 provided in Section XIII (Notices and Submissions).

24 c. Penalties shall accrue as provided in
25 this Paragraph regardless of whether EPA has notified
26 Settling Parties or any of them of the violation or
27 made a demand for payment, but need only be paid upon
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1 demand. All penalties shall begin to accrue on the
2 day after complete performance is due or the day a
3 violation occurs, and shall continue to accrue through
4 the final day of correction of the noncompliance or
5 completion of the activity. Nothing herein shall
6 prevent the simultaneous accrual of separate penalties
7 for separate violations of this Consent Decree.

8 11. If the United States brings an action to
9 enforce this Consent Decree, Settling Parties against
10 whom enforcement is sought shall reimburse the United
11 States for all direct and indirect costs of such
12 action, including but not limited to costs of attorney
13 time, provided that the United States prevails
14 substantially in the action.

15 12. Payments made under Paragraphs 10-11 of this
16 Consent Decree shall be in addition to any other
17 remedies or sanctions available to Plaintiff by virtue
18 of Settling Parties' failure to comply with the
19 requirements of this Consent Decree.

20 13.

21 i. The obligations of Settling Parties to
22 pay the amount required by Paragraph 4.a under this
23 Consent Decree are joint and several. The obligations
24 to make other payments and to perform the actions
25 required under this Consent Decree are joint and
26 several among the Settling Defendants. In the event
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1 of the failure of any one or more of the Settling
2 Parties to make the payments required by Paragraph
3 4.a, the remaining Settling Parties shall be
4 responsible for such payments or performance. In the
5 event of the failure of any one or more of the
6 Settling Defendants to make other payments or to
7 perform the actions required under this Consent
8 Decree, the remaining Settling Defendants shall be
9 responsible for such performance.

10 ii. Kenneth H. Hunter III, as the trustee of
11 the Hunter Living Trust, is executing this Consent
12 Decree in his capacity as trustee and not
13 individually. The Parties expressly acknowledge that
14 Kenneth H. Hunter III is not assuming any personal
15 liability by executing this Consent Decree as trustee
16 of the Hunter Living Trust.

17 14. Notwithstanding any other provision of this
18 Section, the United States may, in its unreviewable
19 discretion, waive payment of any portion of the
20 stipulated penalties that have accrued pursuant to
21 this Consent Decree.

22 VII. COVENANT NOT TO SUE BY PLAINTIFF

23 15. Covenant Not to Sue by United States

24 a. Covenant Not to Sue by United States to
25 Settling Defendants. Except as specifically provided
26 in Paragraph 16(a) (Reservation of Rights by United
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1 States), the United States covenants not to sue or
2 take administrative action against Settling Defendants
3 pursuant to Sections 106 and 107(a) of CERCLA, 42
4 U.S.C. §§ 9606, 9607(a), and Section 7003 of the
5 Resource, Conservation and Recovery Act ("RCRA"), 42
6 U.S.C. § 6973, with respect to the Site. This
7 covenant not to sue shall take effect upon receipt by
8 EPA of all payments required by Paragraph 4 (Payment
9 of Response Costs) and any amount due thereon under
10 Section VI, Paragraphs 9 (Interest on Late Payments)
11 and 10 (Stipulated Penalty). This covenant not to sue
12 is conditioned upon the satisfactory performance by
13 Settling Defendants, and each of them, of their
14 obligations under this Consent Decree. This covenant
15 not to sue extends only to Settling Defendants and
16 does not extend to any other person.

17 b. Covenant Not to Sue by United States to
18 Beneficiaries. Except as specifically provided in
19 Paragraph 16(c) (Reservation of Rights by United States
20 Against Beneficiaries), the United States covenants
21 not to sue or to take administrative action against
22 the Beneficiaries pursuant to Sections 106 and 107(a)
23 of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), and Section
24 7003 of the Resource, Conservation and Recovery Act
25 ("RCRA"), 42 U.S.C. § 6973, with respect to the Site.
26 With respect to present and future liability, this

1 covenant not to sue shall take effect upon receipt by
2 EPA of all payments required by Paragraph 4 (Payment
3 of Response Costs) and any amount due thereon under
4 Section VII (Failure to Comply with Consent Decree),
5 Paragraphs 9 (Interest on Late Payments) and 10
6 (Stipulated Penalty). This covenant not to sue is
7 conditioned upon the satisfactory performance by the
8 Beneficiaries of their obligations under this Consent
9 Decree. This covenant not to sue extends only to the
10 Beneficiaries and does not extend to any other person.

11 16. Reservation of Rights by United States.

12 a. Reservation of Rights by United States
13 Against Settling Defendants. The covenant not to sue
14 set forth in Paragraph 15(a) does not pertain to any
15 matters other than those expressly specified therein..
16 The United States reserves, and this Consent Decree is
17 without prejudice to, all rights against Settling
18 Defendants, with respect to all other matters,
19 including but not limited to:

- 20 i. liability for failure to meet a
21 requirement of this Consent Decree;
22 ii. liability, based upon the ownership or
23 operation of the Facility, except as provided for and
24 in compliance with the provisions of this Consent
25 Decree, or upon the transportation, treatment,
26 storage, or disposal, or the arrangement for the
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1 transportation, treatment, storage, or disposal, of a
2 hazardous substance or a solid waste at or in
3 connection with the Site, after the Effective Date of
4 this Consent Decree;

5 iii. liability arising from any past,
6 present, or future arrangement for disposal, release,
7 or threat of release of a hazardous substance,
8 pollutant or contaminant outside of the Site;

9 iv. liability for damages for injury to,
10 destruction of, or loss of natural resources, and for
11 the costs of any natural resource damage assessments;
12 and

13 v. criminal liability.

14 b. Notwithstanding any other provision of this
15 Consent Decree, the United States reserves, and this
16 Consent Decree is without prejudice to, the right to
17 institute proceedings in this action or in a new
18 action, or to issue an administrative order seeking to
19 compel Settling Defendants (1) to perform response
20 actions relating to the Site or (2) to reimburse the
21 United States for additional costs of response if:

22 (i) conditions at the Site, previously
23 unknown to EPA, are discovered, or

24 (ii) information, previously unknown to EPA,
25 is received, in whole or in part,

26 and EPA determines that these previously unknown
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1 conditions or information together with any other
2 relevant information indicates that the Remedial
3 Action at issue is not protective of human health or
4 the environment. For purposes of this Paragraph, the
5 information and the conditions known to EPA shall
6 include only that information and those conditions
7 known to EPA as of the date the ROD for the Remedial
8 Action at issue is signed and set forth in that ROD
9 and the administrative record supporting that ROD.

10 c. Reservation of Rights by United States
11 Against Beneficiaries. The United States reserves,
12 and this Consent Decree is without prejudice to, all
13 rights against Beneficiaries, if any, with respect to
14 all matters not expressly included within the Covenant
15 Not to Sue by United States in Paragraph 15(b).
16 Notwithstanding any other provision of this Consent
17 Decree, the United States reserves all rights against
18 Beneficiaries with respect to:

19 i. liability for failure by Beneficiaries to
20 meet a requirement of this Consent Decree;

21 ii. criminal liability;

22 iii. liability for damages for injury to,
23 destruction of, or loss of natural resources, and for
24 the costs of any natural resource damage assessments;

25 iv. liability, based upon the ownership or
26 operation of the Site, except as provided for and in
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1 compliance with the provisions of this Consent Decree,
2 or upon the transportation, treatment, storage, or
3 disposal, or the arrangement for the transportation,
4 treatment, storage, or disposal, of a hazardous
5 substance or a solid waste at or in connection with
6 the Site, after the Effective Date of this Consent
7 Decree;

8 v. liability arising from the past, present,
9 or future arrangement for disposal, release or threat
10 of release of a hazardous substance, pollutant, or
11 contaminant outside of the Site;

12 vi. liability for performance of response
13 action or for reimbursement of Response Costs if total
14 Response Costs incurred or to be incurred at or in
15 connection with the Site by the United States or any
16 other person exceed \$ 350 million, unless, within 90
17 (ninety) days of receipt of written notice by EPA that
18 Response Costs have exceeded \$ 350 million,
19 Beneficiaries pay to the United States \$ 347,850
20 (three hundred and forty seven thousand, eight hundred
21 and fifty dollars). Payments pursuant to this
22 Paragraph shall be made in accordance with the
23 provisions of Paragraph 4.a. Notices pursuant to this
24 Paragraph shall be given in accordance with the
25 provisions of Section XIII (Notices and Submissions).
26 The reservation in this subparagraph vi. shall be

1 deemed extinguished upon payment by Beneficiaries in
2 accordance with this subparagraph.

3 **VIII. COVENANT NOT TO SUE BY SETTLING PARTIES**

4 17. Settling Parties covenant not to sue and
5 agree not to assert any claims or causes of action
6 against the United States, or its contractors or
7 employees, with respect to Response Costs, the Site,
8 or this Consent Decree, including but not limited to:

9 a. any direct or indirect claim for
10 reimbursement from the Hazardous Substance Superfund
11 based on Sections 106(b)(2), 107, 111, 112, or 113 of
12 CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or
13 9613, or any other provision of law;

14 b. any claim arising out of response actions
15 at the Site;

16 c. any claim against the United States
17 pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C.
18 §§ 9607 and 9613, relating to Response Costs or the
19 Site;

20 d. any claim relating to the Equal Access to
21 Justice Act; and

22 e. any claim asserting a "takings" or
23 similar claim.

24 18. Settling Parties agree not to assert any
25 claims and to waive all claims or causes of action
26 that they may have for all matters relating to the
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1 Site, including for contribution, against any person
2 where the person's liability to Settling Parties with
3 respect to the Site is based solely on having arranged
4 for disposal or treatment, or for transport for
5 disposal or treatment, of hazardous substances at the
6 Site, or having accepted for transport for disposal or
7 treatment of hazardous substances at the Site, if:

8 (a) any materials contributed by such person
9 to the Site constituting Municipal Solid Waste ("MSW")
10 or Municipal Sewage Sludge ("MSS") did not exceed 0.2%
11 of the total volume of waste at the Site; and

12 (b) any materials contributed by such person
13 to the Site containing hazardous substances, but not
14 constituting MSW or MSS, did not exceed the greater of
15 (i) 0.002% of the total volume of waste at the Site,
16 or (ii) 110 gallons of liquid materials or 200 pounds
17 of solid materials.

18 c. This waiver shall not apply to any claim
19 or cause of action against any person meeting the
20 above criteria if EPA has determined that the
21 materials contributed to the Site by such person
22 contributed or could contribute significantly to the
23 costs of response at the Site. This waiver also shall
24 not apply with respect to any defense, claim, or cause
25 of action that a Settling Party may have against any
26 person if such person asserts a claim or cause of
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1 action relating to the Site against such Settling
2 Party.

3 19. Settling Parties agree not to assert any
4 claims and to waive all claims or causes of action
5 that they may have for all matters relating to the
6 Site, including for contribution, against any person
7 that has entered into a final CERCLA § 122(g) de
8 minimis settlement with EPA with respect to the Site.
9 This waiver shall not apply with respect to any
10 defense, claim, or cause of action that a Settling
11 Party may have against any person if such person
12 asserts a claim or cause of action relating to the
13 Site against such Settling Party.

14 20. Settling Parties covenant not to sue or
15 assert against any person that has entered or in the
16 future enters into a settlement agreement with EPA
17 relating to the Site, any claims or causes of action
18 seeking reimbursement or contribution for any payments
19 or obligations pursuant to this Consent Decree or any
20 Response Costs at the Site, except for cross-claims or
21 counterclaims against any such persons who are
22 asserting Site-related claims against the Settling
23 Parties.

24 21. Except as set forth in this Section, the
25 Settling Parties reserve, and this Consent Decree is
26 without prejudice to their right to assert all
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1 available denials or defenses against any party in any
2 future action, lawsuit or administrative proceeding
3 brought against any of them relating in any way to the
4 Site. Nothing in this Consent Decree shall be deemed
5 to admit or imply the existence of any element of any
6 claim or of any liability of any Settling Party under
7 civil or criminal law, including without limitations,
8 all rights of action reserved by the United States
9 hereunder.

10 22. Nothing in this Consent Decree shall be
11 deemed to constitute approval or preauthorization of a
12 claim within the meaning of Section 111 of CERCLA, 42
13 U.S.C. § 9611, or 40 C.F.R. 300.700(d).

14 **IX. EFFECT OF SETTLEMENT/CONTRIBUTION PROTECTION**

15 23. Nothing in this Consent Decree shall be
16 construed to create any rights in, or grant any cause
17 of action to, any person not a Party to this Consent
18 Decree. Except as provided in Paragraphs 18, 19, 20
19 and 21 of this Consent Decree, each of the Parties
20 expressly reserves any and all rights (including, but
21 not limited to, any right to contribution), defenses,
22 claims, demands, and causes of action which each Party
23 may have with respect to any matter, transaction, or
24 occurrence relating in any way to the Site against any
25 person not a Party hereto.

26 24. The Parties agree, and by entering this
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1 Consent Decree this Court finds, that Settling Parties.
2 are entitled to protection from contribution actions
3 or claims as provided by Section 113(f)(2) of CERCLA,
4 42 U.S.C. § 9613(f)(2), including but not limited to
5 those made in *Casmalia Resources Site Steering*
6 *Committee v. Kenneth H. Hunter, Jr. et al.*, Civ. No.
7 98-0074) filed prior to the Effective Date, for
8 "matters addressed" in this Consent Decree. The
9 matters addressed in this Consent Decree are all
10 response actions taken or to be taken and all Response
11 Costs incurred or to be incurred, at or in connection
12 with the Site, by the United States or any other
13 person. The matters addressed in this Consent Decree
14 do not include those Response Costs or response
15 actions as to which the United States has reserved its
16 rights under this Consent Decree (except for claims
17 for failure to comply with this Decree), in the event
18 that the United States asserts rights against Settling
19 Parties coming within the scope of such reservations.

20 .25. Each Settling Party agrees that, with respect
21 to any suit or claim for contribution brought by it
22 for matters related to this Consent Decree, it will
23 notify EPA and DOJ in writing no later than sixty (60)
24 days prior to the initiation of such suit or claim.
25 Each Settling Party also agrees that, with respect to
26 any suit or claim for contribution brought against it
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1 for matters related to this Consent Decree, it will
2 notify EPA and DOJ in writing within ten (10) days of
3 service of the complaint or claim upon it. In
4 addition, each Settling Party shall notify EPA and DOJ
5 within ten (10) days of service or receipt of any
6 Motion for Summary Judgment, and within ten (10) days
7 of receipt of any order from a court setting a case
8 for trial, for matters related to this Consent Decree.

9 26. In any subsequent administrative or judicial
10 proceeding initiated by the United States for
11 injunctive relief, recovery of response costs, or
12 other relief relating to the Site, Settling Parties
13 shall not assert, and may not maintain, any defense or
14 claim based upon the principles of waiver, res
15 judicata, collateral estoppel, issue preclusion,
16 claim-splitting, or other defenses based upon any
17 contention that the claims raised by the United States
18 in the subsequent proceeding were or should have been
19 brought in the instant case; provided, however, that
20 nothing in this Paragraph affects the enforceability
21 of the Covenant Not to Sue by Plaintiff set forth in
22 Section VII.

23 X. SITE, FFA AND PROPERTY ACCESS

24 27.

25 a. Commencing upon the date of lodging of this
26 Consent Decree, Settling Defendants agree to provide
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1 the United States, the State of California, and their
2 representatives, including EPA and its contractors and
3 any persons performing response actions at the Site
4 under EPA or State oversight, free of any charge,

5 (1) access to the Facility, the FFA and the
6 Property; and

7 (2) at the time access is requested, access
8 to any other property owned or controlled by Settling
9 Defendants to which access is determined by EPA or the
10 State to be required for the implementation of this
11 Consent Decree, or for the purpose of conducting any
12 response activity related to the Site, including but
13 not limited to:

14 1) Monitoring of investigation, removal,
15 remedial or other activities at the Site;

16 2) Verifying any data or information
17 submitted to the United States or the State;

18 3) Conducting investigations relating to
19 contamination at or near the Site;

20 4) Obtaining samples;

21 5) Assessing the need for, planning, or
22 implementing response actions at or near the Site;

23 6) Inspecting and copying records, operating
24 logs, contracts, or other documents maintained or
25 generated by Settling Defendants or their agents,
26 located on the Site, the FFA or the Property,

1 consistent with Section XI (Access to Information);

2 7) Implementing or maintaining any
3 institutional controls that may be selected by EPA;

4 8) Developing, maintaining, preserving or
5 restoring any vegetation or habitat that has been or
6 may be established; and

7 9) Assessing Settling Defendants' compliance
8 with this Consent Decree.

9 b. Prior to the lodging of this Consent Decree
10 with the Court, Casmalia Resources shall (1) grant to
11 Hunter Resources for the benefit of the United States
12 an exclusive option to purchase, or have transferred
13 to a United States designee, all or any portion of the
14 Facility, the FFA or the Property ("the Option"),
15 pursuant to the terms and conditions set forth in the
16 Option Agreement; and (2) shall record in the Official
17 Records of Santa Barbara County the executed Option
18 Agreement. The Option shall be exercisable for the
19 benefit of the United States or its designee for a
20 period of ten years after payment of the Fixed Amount
21 to the United States (the "Option Period").

22 c. The United States' option rights under the
23 Option Agreement shall be evidenced by a commitment to
24 issue a policy of title insurance obtained by Settling
25 Defendants and delivered to the United States within
26 the 30-Day Period at Settling Defendants' expense.

1 The commitment to issue a policy of title insurance
2 shall be in substantially the form attached to this
3 Consent Decree as Appendix D, and shall contain no
4 exceptions other than those set forth in the Title
5 Commitment, a copy of which is attached to this
6 Consent Decree as Appendix D.

7 d. In addition to any other requirements of this
8 Section, during any period of time that Owner Settling
9 Defendant or other of the Settling Defendants retains
10 title to the Property and/or the Facility and/or the
11 FFA, the United States and any persons performing
12 cleanup activities at the Facility and/or the Property
13 and/or the FFA, including but not limited to the
14 Casmalia Steering Committee (hereinafter "CSC"), shall
15 have, including but not limited to pursuant to the
16 Option Agreement, free of any charge, the right to
17 utilize and have access to the Property, the Facility
18 and the FFA, including but not limited to the rights
19 to: (a) access and use existing piping or other
20 facilities; (b) access and use all surface and
21 groundwater, including but not limited to the right to
22 extract water from water supply wells; (c) use or
23 borrow soil for purposes related to response actions
24 at or near the Facility, the Property and/or the FFA;
25 (d) construct fences or other barriers; (e) conduct
26 treatability, pilot or other studies, and (f) restore

1 and maintain vegetation and/or develop and maintain
2 wetland areas for habitat preservation or other
3 purposes related to response actions at or near the
4 Site. Any transfer of the Property, the Facility or
5 the FFA by Owner Settling Defendant after the
6 execution of this Consent Decree shall be subject to
7 the rights provided herein, including but not limited
8 to as reflected in the Option Agreement to be recorded
9 in connection with this Consent Decree.

10 28. In addition to any other requirements of this
11 Section, Settling Parties, to the extent they have any
12 control over the Facility, the Property and/or the
13 FFA, shall coordinate and cooperate with EPA and/or
14 its designated representatives in the implementation
15 of any institutional controls that may be selected for
16 the Site in any ROD for the Site. Owner Settling
17 Defendant shall furnish to EPA, free of any charge,
18 any portion of the Property, the Facility and/or the
19 FFA deemed by EPA to be necessary for the
20 implementation of any institutional controls that may
21 be selected in any ROD for the Site.

22 29. Notwithstanding any provision of this Consent
23 Decree, the United States retains all of its access
24 authorities and rights, including enforcement
25 authorities related thereto, under CERCLA, the
26 Resource Conservation and Recovery Act, 42 U.S.C.

1 § 6927, and any other applicable statutes or
2 regulations.

3 30. Notice of Obligations to Successors-in-Title.

4 a. Within fifteen (15) days after entry of
5 this Consent Decree, Owner Settling Defendant shall
6 record a notice of the entry of this Consent Decree
7 with the Recorder's Office, Santa Barbara County,
8 State of California. Thereafter, each deed, title, or
9 other instrument conveying an interest in the
10 Property, the Facility and/or the FFA shall contain a
11 notice stating that the Property, the Facility and the
12 FFA are subject to this Consent Decree and shall
13 reference the recorded location of the Consent Decree
14 and any restrictions applicable to the Property, the
15 Facility and the FFA under this Consent Decree.

16 b. The obligations of Owner Settling
17 Defendant or any other Settling Party with respect to
18 the provision of access under Section X (Site and
19 Property Access) and the implementation of
20 institutional controls under Section X (Site and
21 Property Access) of this Consent Decree shall be
22 binding upon any and all Settling Parties and upon any
23 and all persons who subsequently acquire any such
24 interest or portion thereof (hereinafter "Successors-
25 in-Title").

26 c. Owner Settling Defendant and any
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1 Successor-in-Title shall, at least thirty (30) days
2 prior to the conveyance of any interest in the
3 Facility, the FFA or the Property, give written notice
4 of this Consent Decree to the grantee and written
5 notice to EPA of the proposed conveyance, including
6 the name and address of the grantee, and the date on
7 which notice of the Consent Decree was given to the
8 grantee. In the event of any such conveyance, the
9 Settling Defendants' obligations under this Consent
10 Decree, including their obligation to provide or
11 secure access pursuant to Section X (Site, FFA and
12 Property Access), shall continue to be met by Settling
13 Defendants. In no event shall the conveyance of an
14 interest in property that includes, or is a portion
15 of, the Facility, the Property or the FFA release or
16 otherwise affect the liability of Settling Parties or
17 any of them to comply with this Consent Decree.

18 **XI. ACCESS TO INFORMATION**

19 31. Upon notice by EPA to Settling Defendants,
20 Settling Defendants shall provide to EPA copies of all
21 non-privileged documents and information within their
22 possession or control or that of their contractors or
23 agents relating to activities at the Site or to the
24 implementation of this Consent Decree, including, but
25 not limited to, sampling, analysis, chain of custody
26 records, manifests, trucking logs, receipts, reports,

1 sample traffic routing, correspondence, or other
2 documents or information related to the Site.

3 32. Confidential Business Information and
4 Privileged Documents.

5 a. Settling Parties may assert business
6 confidentiality claims covering part or all of the
7 documents or information submitted to Plaintiff under
8 this Consent Decree to the extent permitted by and in
9 accordance with Section 104(e)(7) of CERCLA, 42 U.S.C.
10 § 9604(e)(7), and 40 C.F.R. 2.203(b). Documents or
11 information determined to be confidential by EPA will
12 be accorded the protection specified in 40 C.F.R. Part
13 2, Subpart B. If no claim of confidentiality
14 accompanies documents or information when they are
15 submitted to EPA, or if EPA has notified Settling
16 Parties that the documents or information are not
17 confidential under the standards of Section 104(e)(7)
18 of CERCLA, the public may be given access to such
19 documents or information without further notice to
20 Settling Parties.

21 b. Settling Parties may assert that certain
22 documents, records or other information not submitted
23 to EPA are privileged under the attorney-client
24 privilege or any other privilege recognized by federal
25 law. If Settling Parties assert such a privilege in
26 lieu of providing documents, they shall provide

1 Plaintiff with the following: (1) the title of the
2 document, record, or information; (2) the date of the
3 document, record, or information; (3) the name and
4 title of the author of the document, record, or
5 information; (4) the name and title of each addressee
6 and recipient; (5) a description of the subject of the
7 document, record, or information; and (6) the
8 privilege asserted. However, no documents, reports or
9 other information created or generated pursuant to the
10 requirements of this or any other consent decree with
11 the United States shall be withheld on the grounds
12 that they are privileged. If a claim of privilege
13 applies only to a portion of a document, the document
14 shall be provided to Plaintiff in redacted form to
15 mask the privileged information only. Settling
16 Parties shall retain all records and documents that
17 they claim to be privileged until the United States
18 has had a reasonable opportunity to dispute the
19 privilege claim and any such dispute has been resolved
20 in the Settling Parties' favor.

21 33. No claim of confidentiality shall be made
22 with respect to any data, including but not limited
23 to, all sampling, analytical, monitoring,
24 hydrogeologic, scientific, chemical, or engineering
25 data, or any other documents or information evidencing
26 conditions at or around the Site.

1 XII. RETENTION OF RECORDS

2 35. Until ten (10) years after entry of this
3 Consent Decree, each Settling Party shall preserve and
4 retain all records and documents now in its possession
5 or control, or which come into its possession or
6 control, that relate in any manner to response actions
7 taken at the Site or the liability of any person for
8 response actions conducted and to be conducted at the
9 Site, regardless of any corporate, organizational or
10 individual retention policy to the contrary.

11 36. In lieu of the obligations of Paragraph 35 of
12 this Consent Decree, Settling Parties may arrange for
13 transfer and delivery to EPA at a designated storage
14 area at the Site all documents in their possession or
15 control, or which come into their possession or
16 control, that relate in any manner to response actions
17 taken at the Site or the liability of any person for
18 response actions conducted and to be conducted at the
19 Site. If Settling Parties elect the option in this
20 Paragraph, Settling Parties shall provide, prior to
21 delivery, an electronic, searchable index to the
22 documents, which shall be subject to EPA approval.
23 After EPA approval of the index, Settling Parties
24 shall furnish the documents in new or refurbished
25 boxes, and deliver and unload the documents on a

1 schedule and in accordance with procedures pre-
2 approved by EPA. If Settling Defendants select the
3 option in this Paragraph, EPA shall have unlimited and
4 unrestricted access to the documents without providing
5 prior notice to Settling Defendants throughout the
6 document retention period referred to in Paragraph 35.

7 37. After the conclusion of the document
8 retention period in Paragraph 35, all rights in the
9 documents described in Paragraphs 35 and 36 will be
10 deemed to be vested solely in EPA, and any rights of
11 Casmalia Resources, Hunter Resources or any of the
12 Settling parties will be deemed to have been
13 terminated. In the event that any additional
14 documents or records relating to the Site come into
15 the possession or control of Settling Parties after
16 the Effective Date, such documents and records shall
17 be delivered by Settling Parties to EPA pursuant to
18 Paragraphs 35 and 36, as applicable. Settling Parties
19 may assert that certain documents, records, or other
20 information are privileged under the attorney-client
21 privilege or any other privilege recognized by federal
22 law. If Settling Parties or any of them assert such a
23 privilege, they shall provide Plaintiff with the
24 following: (1) the title of the document, record, or
25 information; (2) the date of the document, record, or
26 information; (3) the name and title of the author of
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1 the document, record, or information; (4) the name and
2 title of each addressee and recipient; (5) a
3 description of the subject of the document, record, or
4 information; and (6) the privilege asserted. However,
5 no documents, reports, or other information created or
6 generated pursuant to the requirements of this or any
7 other consent decree with the United States shall be
8 withheld on the grounds that they are privileged. If
9 a claim of privilege applies only to a portion of a
10 document, the document shall be provided to Plaintiff
11 in redacted form to mask the privileged information
12 only. Settling Parties shall retain all records and
13 documents that they claim to be privileged until the
14 United States has had a reasonable opportunity to
15 dispute the privilege claim and any such dispute has
16 been resolved in the Settling Parties' favor.

17 38. Except for costs of storage at the Site in
18 accordance with the option provided in Paragraph 36,
19 costs of such transfer or costs of storage during the
20 ten-year period shall be paid by Settling Defendants.

21 39. By signing this Consent Decree, each Settling
22 Party certifies individually that, to the best of its
23 knowledge and belief, it has:

24 a. conducted a thorough, comprehensive, good
25 faith search for documents, or will through transfer
26 of possession and control of the documents as provided
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1 in Paragraph 36 of this Consent Decree, and has fully
2 and accurately disclosed to EPA, all information
3 currently in its possession, or in the possession of
4 its officers, directors, employees, contractors or
5 agents, which relates in any way to the ownership,
6 operation or control of the Site, or to the ownership,
7 possession, generation, treatment, transportation,
8 storage or disposal of a hazardous substance,
9 pollutant or contaminant at or in connection with the
10 Site;

11 b. not altered, mutilated, discarded,
12 destroyed or otherwise disposed of any records,
13 documents or other information relating to its
14 potential liability regarding the Site, and

15 c. fully complied with any and all EPA
16 requests for information regarding the Site pursuant
17 to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C.
18 §§ 9604(e) and 9622 and Section 3007 of RCRA, 42
19 U.S.C. § 6927.

20 XIII. NOTICES AND SUBMISSIONS

21 40. Whenever, under the terms of this Consent Decree,
22 notice is required to be given or a document is
23 required to be sent by one party to another, it shall
24 be directed to the individuals at the addresses
25 specified below, unless those individuals or their
26 successors give notice of a change to the other

Parties in writing. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of the Consent Decree with respect to the United States, EPA, DOJ, and Settling Parties, respectively.

As to the United States:

As to DOJ:

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice (DJ #90-7-1-611D)
P.O. Box 7611
Washington, D.C. 20044-7611

As to EPA:

Marie Rongone
Senior Counsel
Office of Regional Counsel, ORC-3
75 Hawthorne St.
San Francisco, CA 94105

As to Settling Parties:

Howard Coleman or Casmalia Attorney
Nossaman, Guthner, Knox & Elliott, LLP
445 S. Figueroa Street, 31st floor
Los Angeles, CA 90071-1602

XIV. RETENTION OF JURISDICTION

41. This Court shall retain jurisdiction over this matter for the purpose of interpreting and enforcing the terms of this Consent Decree.

XV. INTEGRATION/APPENDICES

42. This Consent Decree and its appendices constitute the final, complete and exclusive agreement and understanding among the Parties with respect to

1 the settlement embodied in this Consent Decree. The
2 Parties acknowledge that there are no representations,
3 agreements or understandings relating to the
4 settlement other than those expressly contained in
5 this Consent Decree.

6 43. The following appendices are attached to and
7 incorporated into this Consent Decree: Appendix A is
8 the legal description and a map of the Property.
9 Appendix B is a map of the Facility. Appendix C is
10 the legal description and a map of the FFA. Appendix
11 D is a copy of the Title Commitment. Appendix E the
12 payment instructions for payments required by the
13 Consent Decree. Appendix F is a Payment Invoice Form
14 for payments required by this Consent Decree.
15 Appendix G is the Escrow Agency Agreement. Appendix H
16 is the Option Agreement. Appendix I is the Lease.

17 XVI. LODGING AND OPPORTUNITY FOR PUBLIC COMMENT

18 44. This Consent Decree shall be lodged with the
19 Court for a period of not less than thirty (30) days
20 for public notice and comment. The United States
21 hereby gives notice of the right to a public hearing
22 in the affected area. The United States reserves the
23 right to withdraw or withhold its consent if the
24 comments regarding the Consent Decree disclose facts
25 or considerations which indicate that this Consent
26 Decree is inappropriate, improper, or inadequate.

1 Settling Parties consent to the entry of this Consent
2 Decree without further notice.

3 45. If for any reason this Court should decline
4 to approve this Consent Decree in the form presented,
5 this Consent Decree is voidable at the sole discretion
6 of any Party and the terms of this Consent Decree may
7 not be used as evidence in any litigation between the
8 Parties.

9 XVII. EFFECTIVE DATE

10 46. The effective date of this Consent Decree
11 shall be the date upon which it is entered by the
12 Court.

13 XVIII. SIGNATORIES/SERVICE

14 47. Each undersigned Settling Party or
15 representative of a Settling Party to this Consent
16 Decree and the Assistant Attorney General for the
17 Environment and Natural Resources Division of the
18 United States Department of Justice certifies that he
19 or she is authorized to enter into the terms and
20 conditions of this Consent Decree and to execute and
21 bind legally such Party to this document.

22 48. Each Party other than the United States
23 hereby agrees not to oppose entry of this Consent
24 Decree by this Court or to challenge any provision of
25 this Consent Decree, unless the United States has
26 notified the other Settling Parties in writing that it

1 no longer supports entry of the Consent Decree.

2 49. Each Party other than the United States shall
3 identify, on the attached signature page, the name and
4 address of an agent who is authorized to accept
5 service of process by mail on behalf of that Party
6 with respect to all matters arising under or relating
7 to this Consent Decree. Such Settling Parties hereby
8 agree to accept service in that manner
9 and to waive the formal service requirements set forth
10 in Rule 4 of the Federal Rules of Civil Procedure and
11 any applicable local rules of this Court, including
12 but not limited to, service of a summons.

13

14

15 SO ORDERED THIS _____ DAY OF _____,

16 2001.

17

18

United States District Court
Judge

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1
2 THE UNDERSIGNED PARTIES enter into this Consent Decree
3 in the matter of United States v. Kenneth H. Hunter,
4 Jr., et al., Case No. CV 97-9449 (JGx), CV 8-0074 WDK
5 (RNBx) (Consolidated), relating to the Casmalia
6 Resources Superfund Site.
7
8

9 FOR THE UNITED STATES OF
10 AMERICA
11

12 Date: _____


13 [Name]
14 Assistant Attorney General¹
15 Environment and Natural
16 Resources Division
17 U.S. Department of Justice
18 Washington, D.C. 20530

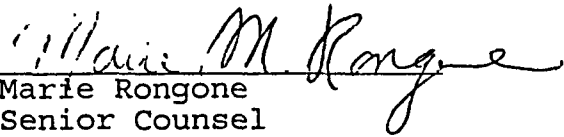
19 _____
20 [NAME]
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22 [Address]
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BRADLEY O'BRIEN
Attorney
Environmental Enforcement
Section
Environment and Natural
Resources Division
U.S.
Department of Justice
P.O. Box 7611
Washington, DC 20044-7611

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Jane Diamond, Acting
Superfund Division Director,
U.S. Environmental Protection
Agency, Region 9
75 Hawthorne St.
San Francisco, CA 94105


Marie Rongone
Senior Counsel
U.S. Environmental Protection
Agency
75 Hawthorne St.
San Francisco, CA 94105

1 THE UNDERSIGNED PARTY enters into this Consent Decree
2 in the matter of United States v. Kenneth H. Hunter,
3 Jr., et al., Case No. CV 97-9449 (JGx), CV 8-0074 WDK
4 (RNBx) (Consolidated), relating to the Casmalia
5 Resources Superfund Site.

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11 FOR PARTY _____

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14
15 Date: _____

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21 Names and address of Party's
22 signatories]

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28 Agent Authorized to Accept Service on Behalf of
Above-signed Party:

Name: Howard Coleman
Or Casmalia Attorney

Title: _____

Address: _____
Nossaman, Guthner, Knox &
Elliott, LLP
445 South Figueroa St.
31st floor
Los Angeles, CA 90071-1602

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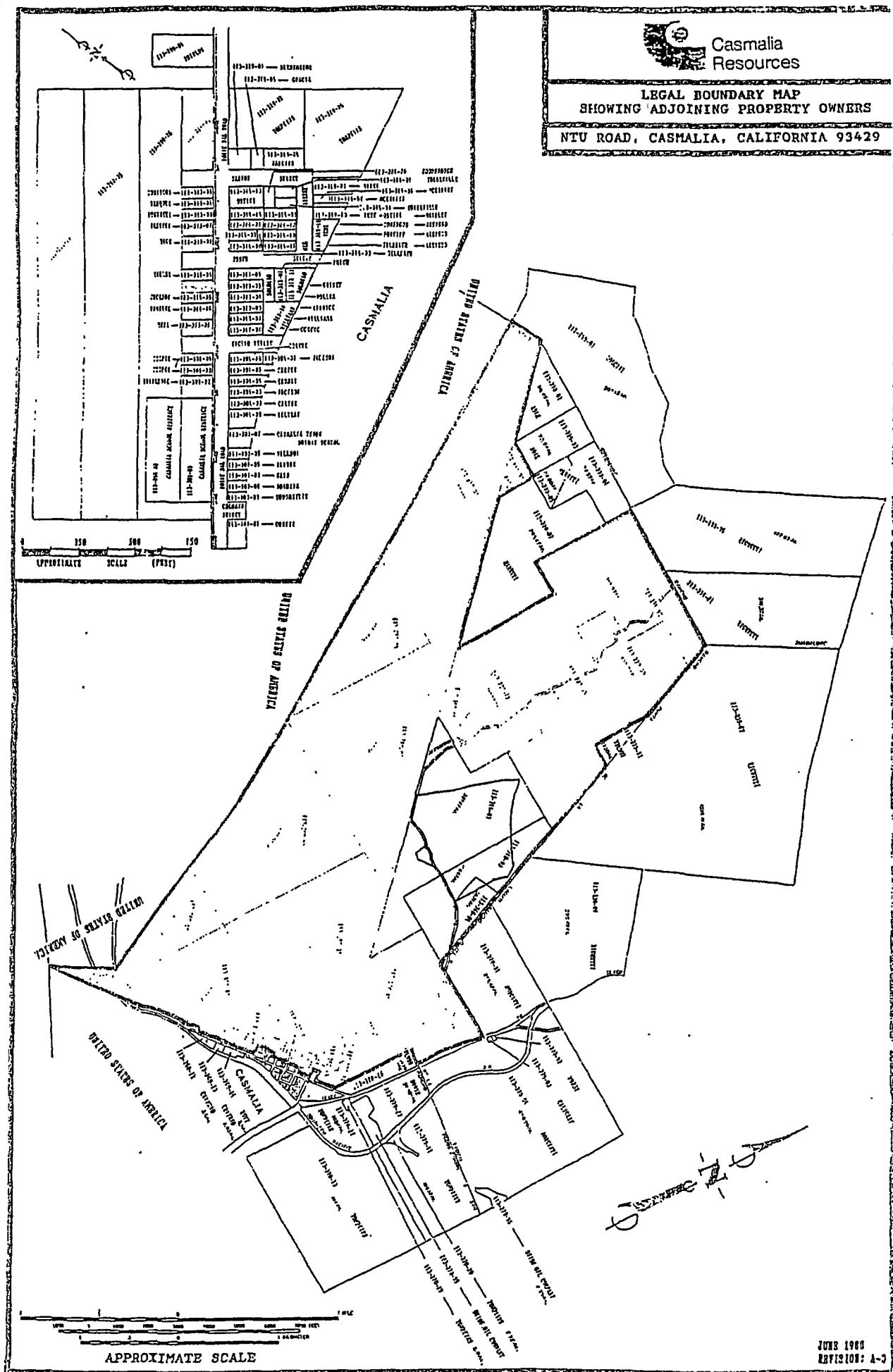
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APPENDIX A TO CONSENT DECREE
Legal Description and Map of Property



LEGAL BOUNDARY MAP
SHOWING ADJOINING PROPERTY OWNERS

NTU ROAD, CASMALIA, CALIFORNIA 93429



CDM174022

JUNE 1980
REVISION: A-3

TRACT ONE
(consisting of 18 parcels)

PARCEL 1

THAT CERTAIN PARCEL OF LAND SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, BEING PORTIONS OF THE RANCHO CASMALIA, SECTION 24, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.B.&M., AND THE TOWN OF SOMEO, ACCORDING TO THE MAP OF SAID TOWN OF SOMEO, RECORDED AUGUST 5, 1987, IN BOOK 1, PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF BLOCK 10 OF SAID TOWN, BEING A POINT IN THE NORTHWESTERLY LINE OF PT. SAL STREET (70 FEET WIDE) AS SHOWN ON SAID MAP; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID NORTHWESTERLY LINE NORTH $53^{\circ}25'55''$ EAST 983.5 FEET TO THE EASTERLY LINE OF LOT 3 OF SAID SECTION 24, BEING ALSO STATION 15 OF RANCHO TODOS Y ANTONIO (AND POST C. 3 & T. S. 5 MENTIONED ON SAID MAP); THENCE NORTH $0^{\circ}30'44''$ EAST ALONG SAID LINE OF SAID LOT 3, 739.54 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LOTS "A" TO "K", INCLUSIVE OF SAID TOWN, THENCE ALONG SAID SOUTHEASTERLY LINE AND THE PROLONGATION THEREON, SOUTH $53^{\circ}25'55''$ WEST 4,523.11 FEET; THENCE SOUTH $36^{\circ}34'05''$ EAST 590.00 FEET TO THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF PT. SAL STREET; THENCE ALONG SAID LAST MENTIONED PROLONGATION AND SAID NORTHWESTERLY LINE 3,093.72 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID TOWN LYING SOUTHEASTERLY OF THE NORTHWESTERLY LINE OF THE ALLEY RUNNING THROUGH BLOCKS 6 TO 10, INCLUSIVE, OF SAID TOWN.

ALSO EXCEPTING THEREFROM THE PARCEL OF LAND DESCRIBED IN THE DEED FROM ANTON TOGNAZZINI TO CASMALIA SCHOOL DISTRICT, DATED OCTOBER 24, 1902, RECORDED IN BOOK 87, PAGE 18 AND FOLLOWING OF DEEDS, RECORDS OF SANTA BARBARA COUNTY, CALIFORNIA, AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHERLY LINE OF THE GUADALUPE AND LOMPOC COUNTY ROAD (WHICH SAID ROAD IS NAMED PT. SAL STREET ON THE MAP OF THE TOWN OF SOMEO, COUNTY OF SANTA BARBARA, SURVEYED GEORGE STORY, 1897 AND ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SANTA BARBARA COUNTY, CALIFORNIA) DISTANT THEREON 100 FEET EASTERLY FROM THE EASTERLY LINE OF ALAMOS STREET, AS LAID DOWN ON THE SAID MAP OF THE TOWN OF SOMEO, AND RUNNING THENCE EASTERLY ALONG THE NORTH LINE OF SAID COUNTY ROAD 150 FEET; THENCE AT RIGHT ANGLES NORTHERLY 282 FEET; THENCE AT RIGHT ANGLES WESTERLY 150 FEET; THENCE AT RIGHT ANGLES SOUTHERLY 282 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THE PARCEL OF LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF COONBO STREET, WITH THE NORTHWESTERLY LINE OF THE ALLEYWAY RUNNING THROUGH BLOCKS 6 AND 7 OF SAID TOWN OF CASMALIA, AS SHOWN ON SAID

MAP; THENCE 1ST, NORTH 36°45' WEST, ALONG SAID NORTHEASTERLY LINE OF COLOMBO STREET, 140.00 FEET TO ITS INTERSECTION WITH THE SOUTHEASTERLY LINE OF CASMALIA STREET, AS SHOWN ON SAID MAP; THENCE 2ND, NORTH 53°15' EAST, ALONG SAID SOUTHEASTERLY LINE OF CASMALIA STREET, 480.00 FEET TO ITS INTERSECTION WITH THE NORTHEASTERLY LINE OF LOT 2, IN BLOCK 7, OF SAID TOWN OF CASMALIA, AS SHOWN ON SAID MAP; THENCE 3RD, SOUTH 36°45' EAST, ALONG THE NORTHEASTERLY LINE OF SAID LOT 2, 140.00 FEET TO SAID NORTHWESTERLY LINE OF SAID ALLEYWAY ABOVE REFERRED TO; THENCE 4TH, SOUTH 53°15' WEST, ALONG SAID NORTHWESTERLY LINE OF SAID ALLEYWAY, 480.00 FEET TO THE POINT OF BEGINNING.

PARCEL TWO:

A PORTION OF THE RANCHO CASMALIA IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, PATENTED TO ANTONIO LIVERA BY THE UNITED STATES OF AMERICA, BY PATENT DATED JULY 30, 1863, AND RECORDED IN BOOK "A" OF PATENTS, AT PAGE 388, ET SEQ., IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE MOST EASTERLY CORNER OF THE RANCH CASMALIA AS PER MAP OR PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND RUNNING THENCE SOUTH 53° WEST 10250 FEET TO A POINT; THENCE NORTH 35°32' EAST 2186 FEET TO A POINT; THENCE NORTH 26°15' WEST 7623 FEET TO A POINT; THENCE NORTH 32°34' WEST 18093 FEET TO A POINT; THENCE NORTH 64° EAST 1188 FEET TO A POINT; THENCE SOUTH 46° EAST 27356 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THOSE CERTAIN STRIPS AND PARCELS OF LAND CONVEYED TO THE SOUTHERN PACIFIC RAILROAD COMPANY BY DEED RECORDED JUNE 22, 1891 IN BOOK 30 OF DEEDS, AT PAGE 453 ET SEQ., AND BY DEED RECORDED AUGUST 19, 1895 IN BOOK 48 OF DEEDS AT PAGE 184 ET SEQ., RECORDS OF SAID SANTA BARBARA COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF BLOCK 10 OF SAID TOWN, BEING A POINT IN THE NORTHWESTERLY LINE OF PT. SAL STREET (70 FEET WIDE) AS SHOWN ON SAID MAP; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID NORTHWESTERLY LINE NORTH 53°25'55" EAST 983.5 FEET TO THE EASTERLY LINE OF LOT 3 OF SECTION 24, BEING ALSO STATION 15 OF RANCHO TODOS AND SAN ANTONIO (AND POST C. 3 & T. S. 5 MENTIONED ON SAID MAP); THENCE NORTH 0°30'44" EAST ALONG SAID EASTERLY LINE OF SAID LOT 3, 739.54 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LOTS A TO K, INCLUSIVE OF SAID TOWN; THENCE ALONG SAID SOUTHEASTERLY LINE AND THE PROLONGATION THEREOF, SOUTH 53°25'55" WEST 4523.11 FEET; THENCE SOUTH 36°34'05" EAST 590.00 FEET TO THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF PT. SAL STREET; THENCE ALONG SAID LAST MENTIONED PROLONGATION AND SAID NORTHWESTERLY LINE 4044 FEET MORE OR LESS TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN BLOCK "A TO K" INCLUSIVE OF THE TOWN OF SOMEO, (TOWN OF CASMALIA) AS SHOWN BY THE MAP ON FILE IN BOOK 1, PAGE 63 OF MAPS AND SURVEYS, RECORDS OF SANTA BARBARA COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND

PARCEL THREE:

THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L. 4" AND RUNNING FROM THIS POINT OF BEGINNING NORTH 22° WEST 35.35 CHAINS ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R. R. HARRIS, UNITED STATES DEPUTY SURVEYOR TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTIONS 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M.; THENCE EAST 42.31 CHAINS TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD WITH THE FOLLOWING COURSES AND DISTANCES: SOUTH 11°30' WEST 20.70 CHAINS; THENCE SOUTH 0°30' WEST 15.15 CHAINS TO THE POINT WHERE THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA INTERSECTS ABOVE-NAMED ROAD; THENCE LEAVING ROAD NORTH 83°45' WEST 25.00 CHAINS ALONG THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA TO A STAKE MARKED "P.L.4" WHICH MARKS THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AND THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT LAND LYING WITHIN THE COUNTY RIGHT OF WAY OF THAT CERTAIN COUNTY ROAD KNOWN AS TO "N.T.U." ROAD.

ALSO EXCEPTING THAT CERTAIN PROPERTY SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THE EXISTING COUNTY ROAD, WHICH POINT IS PERPENDICULAR TO AND 50 FEET DISTANT FROM HIGHWAY ENGINEERS STATION 79 +00.73 OF THE CASMALIA-SANTA MARIA HIGHWAY SURVEY; THENCE ALONG THE ARC OF A 5050 FOOT RADIUS CURVE RIGHT, CENTRAL ANGLE 2°10', 190.97 FEET, THENCE NORTH 9°06' EAST 571.80 FEET; THENCE SOUTH 89°32'30" EAST 37.98 FEET TO AN IRON PIPE WHICH MARKS THE NORTHEAST BOUNDARY OF THE LAND OF CLELIA MUSCIO HANSEN ET AL., AND THE WESTERLY COUNTY RIGHT-OF-WAY LINE; THENCE ALONG SAID RIGHT-OF-WAY LINE SOUTH 11°37'50" WEST 769.18 FEET TO THE POINT OF BEGINNING, CONTAINING 0.32 ACRES MORE OR LESS, AS CONVEYED TO THE COUNTY OF SANTA BARBARA BY DEED RECORDED JANUARY 21, 1944 IN BOOK 997, PAGE 77 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND.

PARCEL FOUR:

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER (N.W. 1/4 OF THE N.E. 1/4) AND LOTS 4, 5, 6, 7 AND 8 OF SECTION 23, TOWNSHIP 9 NORTH, RANGE 35 WEST S. B. B. & M., IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND.

PARCEL FIVE:

LOTS 1, 2 AND 3 OF SECTION 24, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M. IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF. EXCEPTING FROM SAID LOT 3 ALL OF THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE SOUTHERLY CORNER OF SAID LOT: THENCE NORTH 0°30'44" EAST ALONG THE EAST LINE OF SAID LOT 739.54 FEET THENCE SOUTH 53°25'55" WEST TO AN INTERSECTION WITH THE NORTHEASTERLY LINE OF THE RANCHO CASHALIA; THENCE SOUTHEASTERLY ALONG SAID RANCH LINE TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND.

PARCEL SIX:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

A PORTION OF THE RANCHO CASHALIA IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, PATENTED TO ANTONIO LIVERA BY THE UNITED STATES OF AMERICA, BY PATENT DATED JULY 30, 1863, AND RECORDED IN BOOK "A" OF PATENTS, AT PAGE 388, ET SEQ., IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE MOST EASTERLY CORNER OF THE RANCHO CASHALIA, AS PER MAP OR PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND RUNNING THENCE SOUTH 53° WEST 10250 FEET TO A POINT; THENCE NORTH 35°32' EAST 2186 FEET TO A POINT; THENCE NORTH 26°15' WEST 7623 FEET TO A POINT; THENCE NORTH 32°34' WEST 18093 FEET TO A POINT; THENCE NORTH 64° EAST 1188 FEET TO A POINT; THENCE SOUTH 46° EAST 26356 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THOSE CERTAIN STRIPS AND PARCELS OF LAND CONVEYED TO THE SOUTHERN PACIFIC RAILROAD COMPANY BY DEED RECORDED JUNE 22, 1891 IN BOOK 30 OF DEEDS, AT PAGE 453 ET SEQ., AND BY DEED RECORDED AUGUST 19, 1895 IN BOOK 48 OF DEEDS AT PAGE 184 ET SEQ., RECORDS OF SAID SANTA BARBARA COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF BLOCK 10 OF SAID TOWN, BEING A POINT IN THE NORTHWESTERLY LINE OF PT. SAL STREET (70 FEET WIDE) AS

SHOWN ON SAID MAP; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID NORTHWESTERLY LINE NORTH 53°25'55" EAST 983.5 FEET TO THE EASTERLY LINE OF LOT 3 OF SECTION 24, BEING ALSO STATION 15 OF RANCHO TODOS AND SAN ANTONIO (AND POST C. 3 & T. S. 5 MENTIONED ON SAID MAP); THENCE NORTH 0°30'44" EAST ALONG SAID EASTERLY LINE OF SAID LOT 3, 739.54 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LOTS A TO F, INCLUSIVE OF SAID TOWN; THENCE ALONG SAID SOUTHEASTERLY LINE AND THE PROLONGATION THEREOF, SOUTH 53°25'55" WEST 4523.11 FEET; THENCE SOUTH 36°34'05" EAST 590.00 FEET TO THE SOUTH-WESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF PT. SAL STREET; THENCE ALONG SAID LAST MENTIONED PROLONGATION AND SAID NORTHWESTERLY LINE 4044 FEET MORE OR LESS TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN BLOCKS "A" TO "K" INCLUSIVE, OF THE TOWN OF SOMELO (TOWN OF CASMALIA) AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 63 OF MAPS AND SURVEYS, RECORDS OF SANTA BARBARA COUNTY. CALIFORNIA.

PARCEL SEVEN:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L. 4" AND RUNNING FROM THIS POINT OF BEGINNING NORTH 22° WEST 35.35 CHAINS ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R.R. HARRIS, UNITED STATES DEPUTY SURVEYOR TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTIONS 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M.; THENCE EAST 42.31 CHAINS TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD WITH THE FOLLOWING COURSES AND DISTANCES: SOUTH 11°30' WEST 20.70 CHAINS; THENCE SOUTH 0°30' WEST 15.15 CHAINS TO THE POINT WHERE THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA INTERSECTS ABOVE-NAMED ROAD; THENCE LEAVING ROAD NORTH 83°45' WEST 25.00 CHAINS ALONG THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA TO A STAKE MARKED "P.L. 4", WHICH MARKS THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AND THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT LAND LYING WITHIN THE COUNTY RIGHT OF WAY OF THE CERTAIN COUNTY ROAD KNOWN AS THE "N.T.U." ROAD.

ALSO EXCEPTING THAT CERTAIN PROPERTY SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THE EXISTING COUNTY ROAD, WHICH POINT IS PERPENDICULAR TO AND 50 FEET DISTANT FROM HIGHWAY ENGINEERS STATION 79 + 00.73 OF THE CASMALIA-SANTA MARIA HIGHWAY SURVEY; THENCE ALONG THE ARC OF A 5050 FOOT RADIUS CURVE RIGHT, CENTRAL ANGLE 2°10', 190.97 FEET, THENCE NORTH 9°06' EAST 571.80 FEET; THENCE SOUTH 89°32'30" EAST 37.98 FEET TO AN IRON PIPE WHICH MARKS THE NORTHEAST BOUNDARY OF THE LAND OF CLELIA MUSCIO HANSEN ET AL., AND THE WESTERLY COUNTY RIGHT-OF-WAY LINE; THENCE ALONG SAID RIGHT-OF-WAY LINE SOUTH 11°37'50" WEST 769.18 FEET TO THE POINT OF BEGINNING, CONTAINING 0.32 ACRES MORE OR LESS, AS CONVEYED TO THE COUNTY OF SANTA BARBARA BY DEED RECORDED JANUARY 21, 1944 IN BOOK 997, PAGE 77 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM THAT PORTION LYING NORTHERLY AND NORTHEASTERLY OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD."

ALSO EXCEPTING THEREFROM THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L.4"; THENCE, N. 22° WEST 2333.1 FEET ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R. R. HARRIS, UNITED STATES DEPUTY SURVEYOR, TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTION 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, SBB&M' THENCE EAST 2792.46 FEET TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE, SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD SOUTH 11°30' WEST 905.0 FEET TO THE TRUE POINT OF BEGINNING; THENCE, CONTINUING SOUTH 11°30' WEST ALONG SAID CENTERLINE 461.2 FEET; THENCE, SOUTH 0°30' WEST 461.32 FEET; THENCE, WESTERLY 1416.55 FEET TO A POINT WHICH IS DISTANT 922.52 FEET SOUTH OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD"; THENCE NORTH 0°30' EAST 461.32 FEET; THENCE, NORTH 11°30' EAST 461.2 FEET; THENCE EASTERLY TO THE CENTERLINE OF THE OLD SANTA MARIA-CASMALIA ROAD 1416.55 FEET, AND THE POINT OF BEGINNING.

PARCEL EIGHT:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER (N.W. 1/4 OF THE N.E. 1/4) AND LOTS 4, 5, 6, 7 AND 8 OF SECTION 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M. IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PARCEL NINE:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

LOTS 1, 2 AND 3 OF SECTION 24, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M. IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF. EXCEPTING FROM SAID LOT 3 ALL OF THE FOLLOWING DESCRIBED PARCEL: COMMENCING AT THE SOUTHERLY CORNER OF SAID LOT; THENCE NORTH 0°30'44" EAST ALONG THE EAST LINE OF SAID LOT 739.54 FEET THENCE SOUTH 53°25'55" WEST TO AN INTERSECTION WITH THE NORTHEASTERLY LINE OF THE RANCHO CASMALIA; THENCE SOUTHEASTERLY ALONG SAID RANCHO LINE TO THE POINT OF BEGINNING.

PARCEL TEN:

AN UNDIVIDED 1/2 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THAT PROPERTY IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF SUBDIVISION 16 OF THE RANCHO PUNTA DE LA LAGUNA, HEREINAFTER DESCRIBED, LYING NORTHERLY AND NORTHEASTERLY OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD", TO WIT:

BEGINNING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L. 4" AND RUNNING FROM THIS POINT OF BEGINNING NORTH 22° WEST 35.35 CHAINS ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R.R. HARRIS, UNITED STATES DEPUTY SURVEYOR TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTIONS 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M.; THENCE EAST 42.31 CHAINS TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD WITH THE FOLLOWING COURSES AND DISTANCES: SOUTH 11°30' WEST 20.70 CHAINS; THENCE SOUTH 0°30' WEST 15.15 CHAINS TO THE POINT WHERE THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA INTERSECTS ABOVE-NAMED ROAD; THENCE LEAVING ROAD NORTH 83°45' WEST 25.00 CHAINS ALONG THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA TO A STAKE MARKED "P.L. 4", WHICH MARKS THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AND THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT LAND LYING WITHIN THE COUNTY RIGHT OF WAY OF THE CERTAIN COUNTY ROAD KNOWN AS THE "N.T.U." ROAD.

ALSO EXCEPTING THAT CERTAIN PROPERTY SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THE EXISTING COUNTY ROAD, WHICH POINT IS PERPENDICULAR TO AND 50 FEET DISTANT FROM HIGHWAY ENGINEERS STATION 79 + 00.73 OF THE CASMALIA-SANTA MARIA HIGHWAY SURVEY; THENCE ALONG THE ARC OF A 5050 FOOT RADIUS CURVE RIGHT, CENTRAL ANGLE 2°10', 190.97 FEET, THENCE NORTH 9°06' EAST 571.80 FEET; THENCE SOUTH 89°32'30" EAST 37.98 FEET TO AN IRON PIPE WHICH MARKS THE NORTHEAST BOUNDARY OF THE LAND OF CLELIA MUSCIO HANSEN ET AL., AND THE WESTERLY COUNTY RIGHT-OF-WAY LINE; THENCE ALONG SAID RIGHT-OF-WAY LINE SOUTH 11°37'50" WEST 769.18 FEET TO THE POINT OF BEGINNING, CONTAINING 0.32 ACRES MORE OR LESS, AS CONVEYED TO THE COUNTY OF SANTA BARBARA BY DEED RECORDED JANUARY 21, 1944 IN BOOK 997, PAGE 77 OF OFFICIAL RECORDS.

PARCEL ELEVEN:

AN UNDIVIDED 1/2 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L.4"; THENCE, N. 22° WEST 2333.1 FEET ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R. R. HARRIS, UNITED STATES DEPUTY SURVEYOR, TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTION 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, SBB&M' THENCE EAST 2792.46 FEET TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE, SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD SOUTH 11°30' WEST 905.0 FEET TO THE TRUE POINT OF BEGINNING; THENCE, CONTINUING SOUTH 11°30' WEST ALONG SAID CENTERLINE 461.2 FEET; THENCE, SOUTH 0°30' WEST 461.32 FEET; THENCE, WESTERLY 1416.55 FEET TO A POINT WHICH IS DISTANT 922.52 FEET SOUTH OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD"; THENCE NORTH 0°30' EAST 461.32 FEET; THENCE, NORTH 11°30' EAST 461.2 FEET; THENCE EASTERLY TO THE CENTERLINE OF THE OLD SANTA MARIA-CASMALIA ROAD 1416.55 FEET, AND THE POINT OF BEGINNING.

PARCEL TWELVE

ALL THAT CERTAIN LAND SITUATED IN THE STATE OF CALIFORNIA IN THE UNINCORPORATED AREA OF THE COUNTY OF SANTA BARBARA, DESCRIBED AS FOLLOWS:

ALL OF BLOCKS A, B, C, D, E, F, G, H, I, J, AND K, IN THE TOWN OF SOME0, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED AUGUST 5, 1897, IN BOOK I, AT PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL THIRTEEN

LOTS 7 THROUGH 12, INCLUSIVE IN BLOCK 10, IN THE TOWN OF SOME0, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED ON AUGUST 5, 1897, IN BOOK I, AT PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL FOURTEEN

LOT 11, IN BLOCK 8, IN THE TOWN OF SOME0, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED AUGUST 5, 1897, IN BOOK I, AT PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL FIFTEEN

THE NORTH HALF OF THE SOUTHWEST QUARTER, THE NORTH HALF OF THE SOUTHEAST QUARTER, THE SOUTH HALF OF THE NORTHWEST QUARTER, THE SOUTH HALF OF THE NORTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 10, AND THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER AND LOTS 3 AND 4 OF SECTION 11, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THE FULL, FREE, EXCLUSIVE AND PERPETUAL RIGHT TO, AND THE OWNERSHIP OF ALL GAS, OIL AND OTHER HYDROCARBON SUBSTANCES AND ALL MINERALS IN, UPON OR UNDERLYING SAID LAND, WHICH HYDROCARBON SUBSTANCES AND MINERALS ARE NOW OR IN THE FUTURE WILL BE OWNED BY J. F. GOODWIN COMPANY, A CALIFORNIA CORPORATION, OR ITS ASSIGNEES, TOGETHER WITH THE PERPETUAL RIGHT, PRIVILEGE AND EASEMENT TO ENTER IN AND UPON SAID LANDS TO PROSPECT, EXPLORE, DRILL, OPERATE, DEVELOP AND DISPOSE OF ALL SUCH MINERALS, AND ALL SUCH OIL, GAS OR OTHER HYDROCARBONS.

PARCEL SIXTEEN

THE SOUTH HALF OF THE SOUTHWEST QUARTER AND LOTS 3, 4, 6 AND 7 IN SECTION 3, LOT 5 AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4; THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 9; THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 10; ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON OFFICIAL PLAT OF THE SURVEY OF SAID LANDS FILED IN THE DISTRICT LAND OFFICE.

PARCEL SEVENTEEN

LOT 5 AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 3, LOT ONE AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 10, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON OFFICIAL PLAT OF SAID LAND, FILED IN THE DISTRICT LAND OFFICE.

PARCEL EIGHTEEN

GOVERNMENT LOT 1 OF SECTION 9, TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

Parcel 19:

LOT 2 AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 10 AND LOTS 1 AND 2 AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 15, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FIELD IN THE DISTRICT LAND OFFICE ON SEPTEMBER 11, 1884.

EXCEPT AN UNDIVIDED 75% OF ALL OIL, GAS, MINERALS, PETROLEUM, AND OTHER HYDROCARBON SUBSTANCES, IN, UNDER OR RECOVERABLE FROM THE PORTION OF SUBSURFACE OF THE ABOVE DESCRIBED LAND LYING BELOW A PLANE PARALLEL TO AND 500 FEET VERTICALLY BELOW THE SURFACE OF SAID LAND, WITHOUT HOWEVER, THE RIGHT TO ENTER ON THE SURFACE THEREOF.

PARCEL 20

That portion of Subdivision No. 16 of the Rancho Punta De La Laguna, County of Santa Barbara, State of California, described as follows:

Beginning at the Southwesterly corner of the Rancho Punta De La Laguna at a stake marked "P.L. 4" and running from this point of beginning North 22° West 35.35 chains along the Easterly line of government land as surveyed by R. R. Harris, United States Deputy Surveyor to a point where this line intersects the line between Sections 14 and 23, Township 9 North, Range 35 West, S. B. B. & M.; thence East 42.31 chains to the center of the old Santa Maria-Casmalia Road; thence Southerly along the centerline of the aforementioned road with the following courses and distances: South 11°30' West 20.70 chains; thence South 0°30' West 15.15 chains to the point where the Southerly line of the Rancho Punta De La Laguna intersects above-named road; thence leaving road North 83°45' West 25.00 chains along the Southerly line of the Rancho Punta De La Laguna to a stake marked "P.L. 4" which marks the Southwesterly corner of the Rancho Punta De La Laguna and the point of beginning.

EXCEPTING therefrom that land lying within the County Right of Way of that certain County Road known as the "N.T.U." Road.

ALSO EXCEPTING therefrom that certain property situated in the County of Santa Barbara, State of California, and more particularly described as follows:

Beginning at a point on the Westerly right of way line of the existing County road, which point is perpendicular to and 50 feet distant from Highway Engineers Station 79 +00.73 of the Casmalia-Santa Maria Highway Survey; thence along the arc of a 5,050 foot radius curve right, central angle 2°10', 190.97 feet, thence North 9°06' East 571.80 feet; thence South 89°32'30" East 37.98 feet to an iron pipe which marks the Northeast boundary of the land of Clelia Muscio Hansen et al., and the Westerly County right of way line; thence along said right of way line South 11°37'50" West 769.18 feet to the point of beginning, containing 0.32 acres more or less, as conveyed to the County of Santa Barbaraby Deed recorded January 21, 1944 in Book 997, Page 77 of Official Records.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-270-06)

PARCEL 21

The Northwest quarter of the Northeast quarter (N.W. 1/4 of the N.E. 1/4) and Lots 4, 5, 6, 7 and 8 of Section 23, Township 9 North, Range 35 West S. B. B. & M., in the County of Santa Barbara, State of California, according to the official plat thereof.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-260-16)

PARCEL 22

Lots 1, 2 and 3 of Section 24, Township 9 North, Range 35 West, S.B.B. & M. in the County of Santa Barbara, State of California, according to the official plat thereof. Excepting from said Lot 3 all of the following described parcel:

Commencing at the Southerly corner of said Lot: thence North $0^{\circ}30'44''$ East along the East line of said Lot 739.54 feet thence South $53^{\circ}25'55''$ West to an intersection with the Northeasterly line of the Rancho Casmalia; thence Southeasterly along said Ranch line to the point of beginning.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-260-18)

APPENDIX B TO CONSENT DECREE

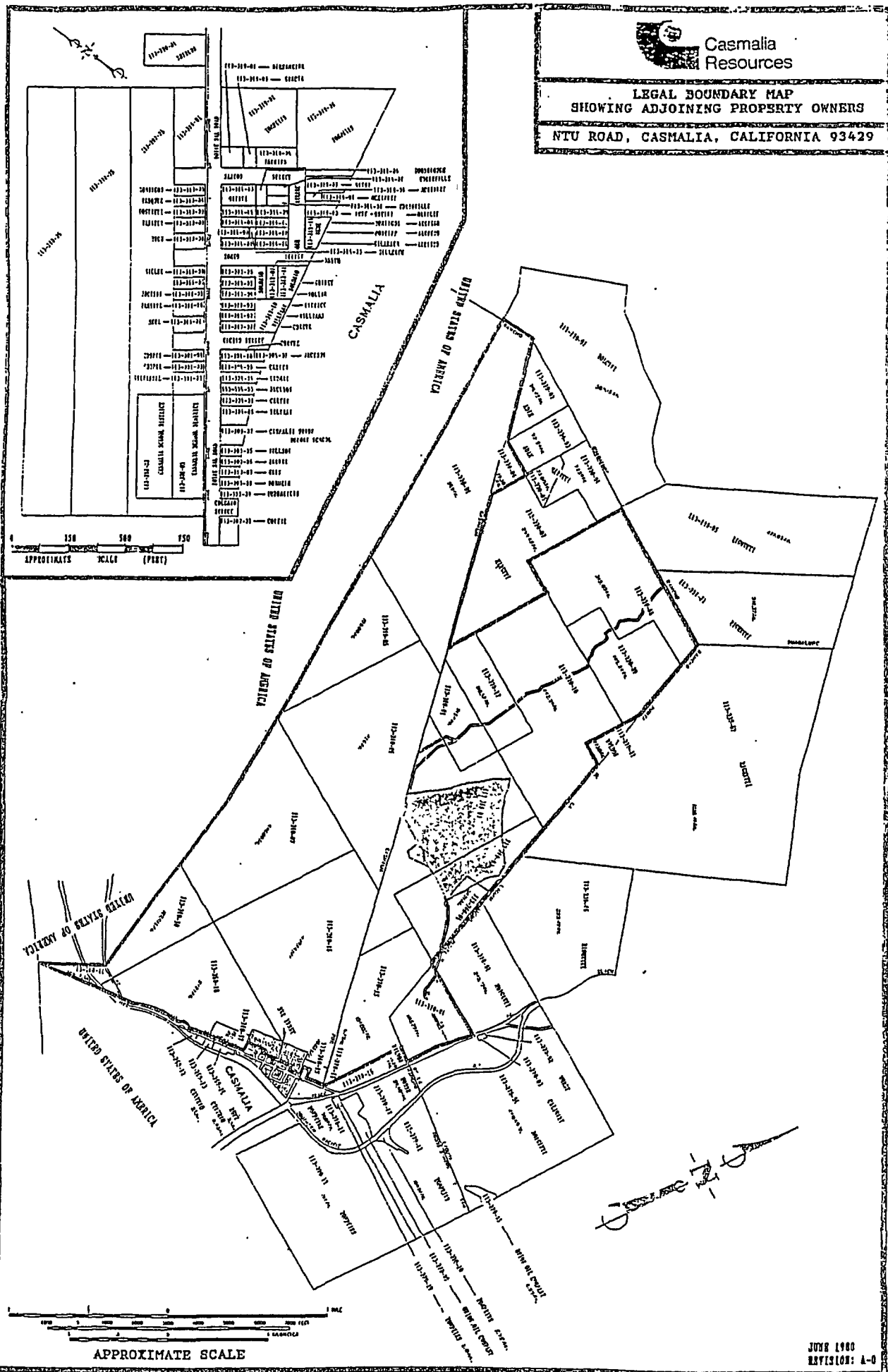
Map of the Facility



Casmalia
Resources

LEGAL BOUNDARY MAP
SHOWING ADJOINING PROPERTY OWNERS

NTU ROAD, CASMALIA, CALIFORNIA 93429



CDM174038

JUNE 1980
REVISION: A-0

SECTION 9, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.B. & M.

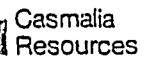
Parcel is the area contained within the following surveyed lines, bearings, and distances:

LINE	BEARING	DISTANCE
1	N 2° 18' 52" W	872.06
2	N 2° 18' 52" W	280.00
3	N 23° 00' 29" E	672.26
4	N 32° 26' 44" W	458.53
5	N 65° 21' 26" W	907.16
6	N 77° 11' 05" W	485.82
7	N 52° 15' 17" W	767.15
8	N 66° 41' 32" W	308.00
9	N 38° 41' 25" W	662.89
10	S 30° 00' 42" W	635.00
11	S 9° 25' 06" W	388.34
12	S 32° 44' 46" W	396.12
13	S 17° 07' 43" W	401.48
14	S 13° 07' 13" W	715.27
15	S 23° 45' 40" W	274.23
16	S 23° 45' 40" W	158.67
17	S 32° 36' 47" W	548.69
18	S 44° 36' 11" E	925.83
19	N 74° 54' 04" E	246.69
20	N 82° 06' 16" E	216.42
21	S 83° 53' 50" E	207.16
22	S 65° 50' 06" E	369.27
23	S 15° 24' 38" E	133.36
24	S 11° 38' 43" E	218.40
25	S 80° 14' 49" E	148.64
26	N 57° 16' 38" E	248.97
27	N 43° 31' 42" E	172.40
28	N 64° 42' 03" E	234.62
29	N 84° 40' 54" E	523.19
30	S 89° 04' 48" E	198.73
31	S 85° 37' 05" E	504.71
32	N 7° 38' 59" E	277.89
33	N 19° 56' 14" W	831.13
34	N 70° 03' 46" E	264.02
35	S 8° 42' 44" W	287.09
36	S 1° 41' 12" W	557.97
37	N 77° 41' 58" W	425.20
38	S 31° 28' 43" W	564.67
39	S 5° 38' 46" W	428.19
40	S 19° 22' 47" W	739.39
41	N 57° 33' 28" W	741.87
42	S 83° 18' 57" E	578.52
43	N 58° 07' 42" E	219.44
44	S 5° 47' 29" W	584.61

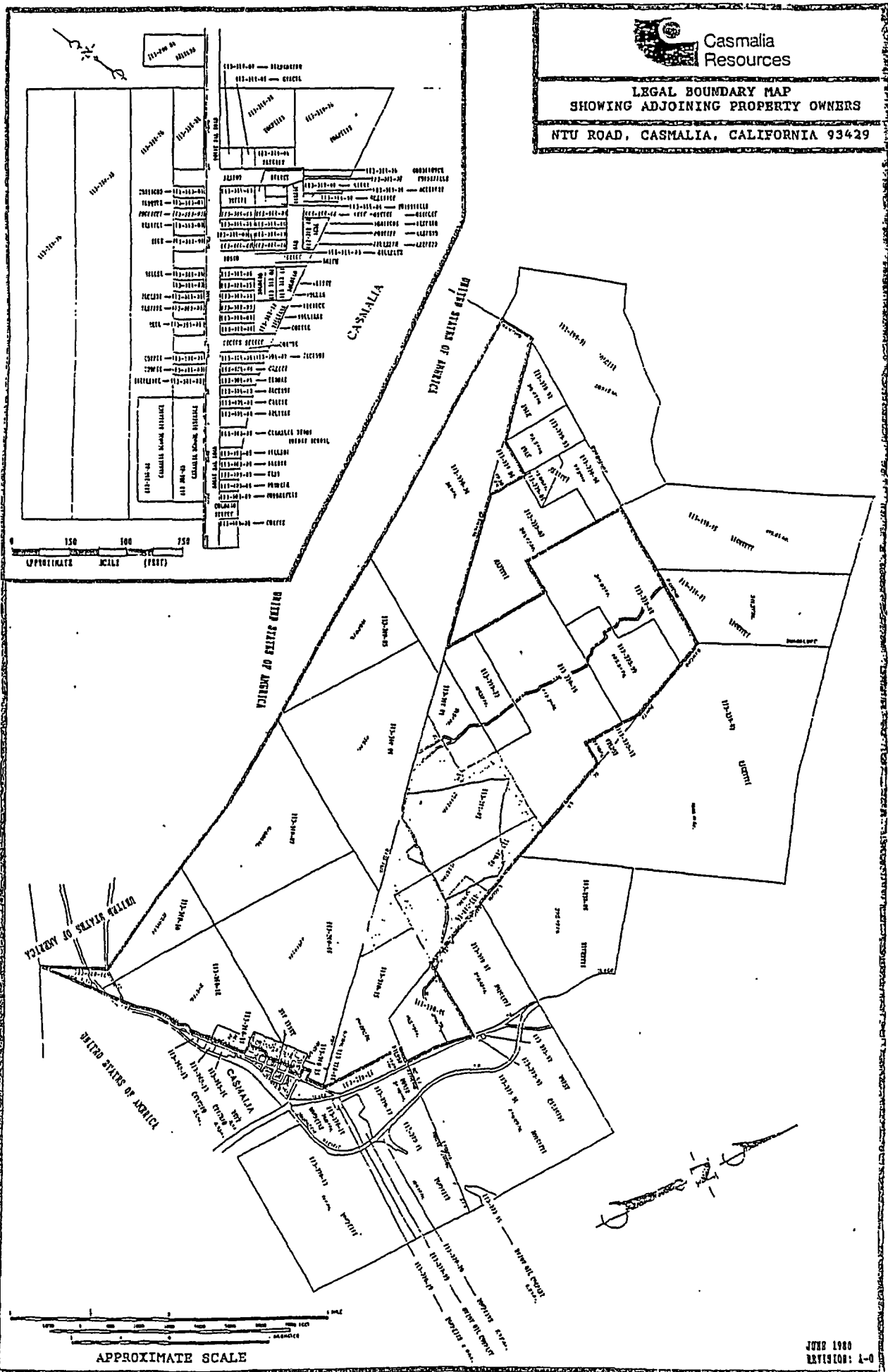
SAID PROPERTY CONTAINS APPROXIMATELY 253.46 ACRES

CDM174039

APPENDIX C TO CONSENT DECREE
Legal Description and Map of Facility Fringe Area



NTU ROAD, CASMALIA, CALIFORNIA 93429



Parcel 1:

THE WEST HALF OF THE NORTHWEST QUARTER, THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AND LOT 5 OF SECTION 14; THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, SOUTHEAST QUARTER OF THE NORTHEAST QUARTER AND LOTS 3, 4, 5, 6 AND 7 OF SECTION 15; AND LOTS 1, 2 AND 3 OF SECTION 23, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THE FULL, FREE, EXCLUSIVE AND PERPETUAL RIGHT TO, AND THE OWNERSHIP OF ALL GAS, OIL AND OTHER HYDROCARBON SUBSTANCES AND ALL MINERALS IN, UPON OR UNDERLYING SAID LAND, WHICH HYDROCARBON SUBSTANCES AND MINERALS ARE NOW OR IN THE FUTURE WILL BE OWNED BY J. F. GOODWIN COMPANY, A CALIFORNIA CORPORATION, OR ITS ASSIGNEES, TOGETHER WITH THE PERPETUAL RIGHT, PRIVILEGE AND EASEMENT TO ENTER IN AND UPON SAID LANDS TO PROSPECT, EXPLORE, DRILL, OPERATE, DEVELOP AND DISPOSE OF ALL SUCH MINERALS, AND ALL SUCH OIL, GAS OR OTHER HYDROCARBONS.

Parcel 2:

LOTS 1, 2, 3 AND 4 AND THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO 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 SEPTEMBER 11, 1884.

EXCEPTING THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A 1-INCH PIPE IN THE WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO, BEARING NORTH 22°20' WEST 447.3 FEET FROM THE INTERSECTION OF THE SOUTH LINE OF SECTION 14, TOWN-9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, AND SAID WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO; THENCE NORTH 55°01' WEST 409 FEET TO A 1-INCH PIPE NO. 2; THENCE NORTH 50°29' WEST 589 FEET TO A 1-INCH PIPE NO. 3; THENCE NORTH 57°46' WEST 519.2 FEET TO A 1-INCH PIPE NO. 4; THENCE NORTH 81°45' WEST 214.1 FEET TO A 1-INCH PIPE NO. 5; THENCE NORTH 22°20' WEST 1179.00 FEET TO A 1-INCH PIPE NO. 6; THENCE NORTH 67°40' EAST 983.9 FEET TO A 1-INCH PIPE NO. 7, AND IN THE WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO; THENCE SOUTH 22° 20' EAST 2574.3 FEET TO THE POINT OF BEGINNING.

Parcel 3:

THAT PORTION OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.M., IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A ONE-INCH PIPE IN THE WEST LINE OF THE PUNTA DE LAGUNA RANCHO, BEARING NORTH 22°20' WEST 447.3 FEET FROM THE INTERSECTION OF THE SOUTH LINE OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.M., AND SAID WEST LINE OF THE PUNTA DE LAGUNA RANCHO; RUNNING THENCE 1ST, NORTH 55°01' WEST 409 FEET TO ONE-INCH PIPE NO. 2; THENCE 2ND, NORTH 50°29' WEST 589 FEET TO A ONE-INCH PIPE NO. 3; THENCE 3RD, NORTH 57°46' WEST 519.2 FEET TO ONE-INCH PIPE NO. 4; THENCE 4TH, NORTH 81°45' WEST 214.1 FEET TO ONE-INCH PIPE NO. 5; THENCE 5TH, NORTH 22°20' WEST 1179 FEET TO ONE-INCH PIPE NO. 6; THENCE 6TH, NORTH 67°40' EAST 983.9 FEET TO ONE-INCH PIPE NO. 7; AND IN THE WEST LINE OF THE PUNTA DE LAGUNA RANCHO; THENCE 7TH, SOUTH 22°20' EAST 2574 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM AN UNDIVIDED 75% OF ALL OIL, GAS, GASOLINE AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS IN, UNDER OR PRODUCED FROM THE PORTION OF THE SUB-SURFACE OF THE ABOVE-DESCRIBED LAND LYING BELOW A PLANE PARALLEL TO AND 500 FEET VERTICALLY BELOW THE SURFACE OF SAID LAND WITHOUT, HOWEVER, THE RIGHT TO ENTER ON THE SURFACE THEREOF.

EXCLUDING:

(SEE FOLLOWING PAGE)

SECTION 9, TOWNSHIP 9 NORTH, RANGE 35 WEST, S B B & M.

Parcel is the area contained within the following surveyed lines, bearings, and distances:

LINE	BEARING	DISTANCE
1	N 2° 18' 52" W	872.06
2	N 2° 18' 52" W	280.00
3	N 23° 00' 29" E	672.26
4	N 32° 26' 44" W	458.53
5	N 65° 21' 26" W	907.16
6	N 77° 11' 05" W	485.82
7	N 52° 15' 17" W	767.15
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13	S 17° 07' 43" W	401.48
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15	S 23° 45' 40" W	274.23
16	S 23° 45' 40" W	158.67
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19	N 74° 54' 04" E	246.69
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21	S 83° 53' 50" E	207.16
22	S 65° 50' 06" E	369.27
23	S 15° 24' 38" E	133.36
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29	N 84° 40' 54" E	523.19
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31	S 85° 37' 05" E	504.71
32	N 7° 38' 59" E	277.89
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36	S 1° 41' 12" W	557.97
37	N 77° 41' 58" W	425.20
38	S 31° 28' 43" W	564.67
39	S 5° 38' 46" W	428.19
40	S 19° 22' 47" W	739.39
41	N 57° 33' 28" W	741.87
42	S 83° 18' 57" E	578.52
43	N 58° 07' 42" E	219.44
44	S 5° 47' 29" W	584.61

SAID PROPERTY CONTAINS APPROXIMATELY 253.46 ACRES

CDM174044

APPENDIX D
Title Commitment

Lawyers Title Insurance Corporation

Home Office — Richmond, Virginia

PRO FORMA

COMMITMENT FOR TITLE INSURANCE

LAWYERS TITLE INSURANCE CORPORATION, a Virginia corporation, herein called the Company, for valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor, all subject to the provisions of Schedules A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement.

The Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate ~~at the time of the~~ after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company. This Commitment shall not be valid or binding until countersigned by an authorized officer or agent.

**** ten years**

IN WITNESS WHEREOF, the Company has caused this Commitment to be signed and sealed, to become valid when countersigned by an authorized officer or agent of the Company, all in accordance with the By-Laws. This Commitment is effective as of the date shown in Schedule A as "Effective Date."

Conditions and Stipulations

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.

2. If the proposed Insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed insured shall disclose such knowledge to the Company or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.

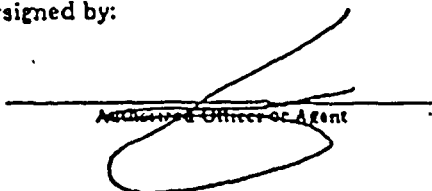
3. Liability of the Company under this commitment shall be

only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the Insuring provisions, the Conditions and Stipulations, and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.

4. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of the Commitment.

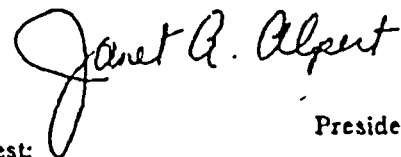
Lawyers Title Insurance Corporation

Countersigned by:


Authorized Officer or Agent



Attest:


President


Secretary

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061-1-088-0006

This Commitment is invalid unless
Schedules A and B are attached.

1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990**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 which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land, (ii) the character, dimensions or location of any improvement now or hereafter erected on the land, (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but 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; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by the policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

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

1. Taxes or assessments which are not shown as existing here by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

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 which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.

3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose and which are 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.

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)**AND****AMERICAN LAND TITLE ASSOCIATION LEASEHOLD OWNER'S POLICY (10-17-92)****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 which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land, (ii) the character, dimensions or location of any improvement now or hereafter erected on the land, (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
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; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by the policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws that is based on:
 - (a) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer, or
 - (b) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (i) to timely record the instrument of transfer, or
 - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

CDM174047

3. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)

EXCLUSIONS

In addition to the Exceptions in Schedule E, you are not insured against loss, costs, attorneys' fees, and expenses resulting from

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning
 - land use
 - improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 2 and 3 of Covered Title Risks.

2. The right to take the land by condemning it, unless
 - a notice of exercising the right appears in the public records
 - on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
3. Title Risks
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - that result in no loss to you
 - that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title

5. Lack of a right
 - to any land outside the area specifically described and referred to in Item 3 of Schedule A
 - or
 - in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)

AND

AMERICAN LAND TITLE ASSOCIATION LEASEHOLD LOAN POLICY (10-17-92)

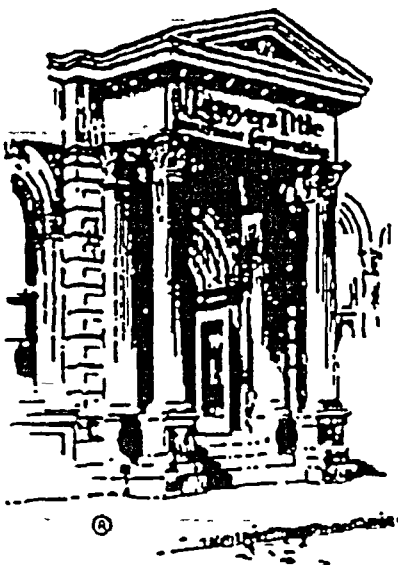
EXCLUSIONS FROM COVERAGE

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 which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy use, or enjoyment of the land, (ii) the character, dimensions or location of any improvement now or hereafter erected on the land, (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
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 (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (a) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer, or
 - (b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination, or
 - (c) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (i) to timely record the instrument of transfer, or
 - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

11.02.04:47:11 JALFA 22: Page 5 36

AMERICAN LAND TITLE ASSOCIATION
STANDARD FORM COMMITMENT



**Lawyers Title
Insurance Corporation**

**NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA**

31-B COVER

CDM174049

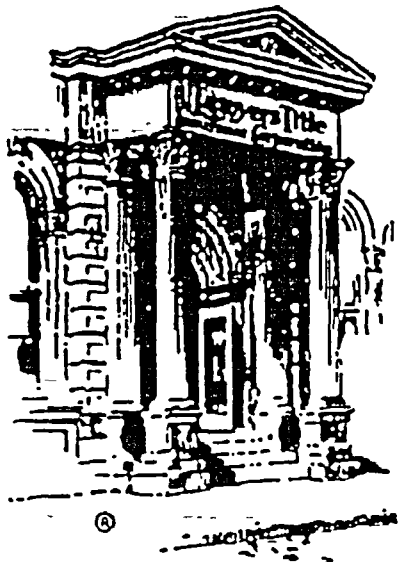
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מחלקת המחקר והפיתוח

5.

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AMERICAN LAND TITLE ASSOCIATION
STANDARD FORM COMMITMENT



Lawyers Title
Insurance Corporation
NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

Issued at: LAWYERS TITLE COMPANY
A Wholly Owned Subsidiary of
Lawyers Title Insurance Corporation
1435 ANACAPA STREET
SANTA BARBARA, CALIFORNIA 93101

COMMITMENT FOR TITLE INSURANCE

SCHEDULE A

YOUR NO.: CASMALIA
ORDER NO.: 3012525

MAIL TO: NOSSAMAN, GUTHNER, KNOX & ELLIOTT, LLP
445 S. FIGUEROA STREET, 31ST FLOOR
LOS ANGELES, CALIFORNIA 90072-1602

ATTENTION: DIANA S. PARKS

1. Effective Date: September 26, 2001 at 7:30 a.m.
2. Policy or policies to be issued:

(a) CLTA Standard Coverage 1990 Owners/and or Loan	Amount: \$1,000,000.00
(b) ALTA Loan Policy, 1992, 10-17-92	Amount: \$
(c) ALTA Owner's Extended Coverage (1970-B)	Amount: \$
(d) ALTA Residential Policy 6-1-87	Amount: \$

Proposed Insured:

TO BE DETERMINED

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

A FEE

4. And is at the effective date hereof vested in:

TO BE DETERMINED

Title Officer, CAROLYN FERRICK

This commitment is invalid unless the Insuring Provisions and Schedules A and B are attached.

CDM174050

ORDER NO.: 3012525

EXHIBIT A
LEGAL DESCRIPTION

CDM174051

ORDER NO.: 3012525

LEGAL DESCRIPTION

(CONTINUED)

PARCEL ONE:

That certain parcel of land situated in the County of Santa Barbara, State of California, being portions of the Rancho Casmalia, Section 24, Township 9 North, Range 35 West, S.B.S. & M., and the Town of Someo, according to the map of said Town of Someo, recorded August 5, 1967 in Book 1, Page 63 of Maps and Surveys, in the office of the County Recorder of said County, described as follows:

Beginning at the most Easterly corner of Block 10 of said Town, being a point in the Northwestern line of Pt. Sal Street (70 feet wide) as shown on said map; thence along the Northeasterly prolongation of said Northwestern line North $53^{\circ}25'55''$ East 983.5 feet to the Easterly line of Lot 3 of said Section 24, being also Station 15 of Rancho Todos Y Antonio (And Post C. 3 & T. S. 5 mentioned on said map); thence North $0^{\circ}30'44''$ East along said line of said Lot 3, 739.5 feet to the Northeasterly prolongation of the Southeasterly line of Lots "A" to "K" inclusive of said Town, thence along said Southeasterly line and the prolongation thereon, South $53^{\circ}25'55''$ West 4,523.11 feet; thence South $36^{\circ}34'05''$ East 590.00 feet to the Southwesterly prolongation of said Northwestern line of Pt. Sal Street; thence along said last mentioned prolongation and said Northwestern line 3,093.72 feet to the point of beginning.

EXCEPTING therefrom that portion of said Town lying Southeasterly of the Northwestern line of the alley running through Blocks 6 to 10, inclusive, of said Town.

ALSO EXCEPTING therefrom the parcel of land described in the Deed from Anton Tognazzini to Casmalia School District, dated October 24, 1902, recorded in Book 87, Page 18 and following of Deeds, Records of Santa Barbara County, California, as follows:

Commencing at a point on the Northerly line of the Guadalupe and Lompoc County Road (which said road is named Pt. Sal Street on the Map of the Town of Someo, County of Santa Barbara, surveyed by George Story, 1897 and on file in the office of the County Recorder of Santa Barbara County, California) distant thereon 100 feet Easterly from the Easterly line of Alamos Street, as laid down on the said map of the Town of Someo, and running thence Easterly along the North line of said county road 150 feet; thence at right angles Northerly 282 feet; thence at right angles Westerly 150 feet; thence at right angles Southerly 282 feet to the point of beginning.

ALSO EXCEPTING therefrom the parcel of land described as follows:

Beginning at the point of intersection of the Northeasterly line of Colombo Street with the Northwestern line of the alleyway running through Blocks 6 and 7 of said Town of Casmalia, as shown on said map; thence 1st, North $36^{\circ}45'$ West, along said Northeasterly line of Colombo Street, 140.00 feet to its intersection with the Southeasterly line of Casmalia Street, as shown on said map; thence 2nd, North $53^{\circ}15'$ East, along said Southeasterly line of Casmalia Street, 480.00 feet to its intersection with the

CDM174052

ORDER NO.: 3012525

LEGAL DESCRIPTION

(CONTINUED)

Northeasterly line of Lot 2, in Block 7, of said Town of Casmalia, as shown on said map; thence 3rd, South 36°45' East, along the Northeasterly line of said Lot 2, 140.00 feet to said Northwesterly line of said alleyway above referred to; thence 4th, South 53°15' West, along said Northwesterly line of said alleyway, 480.00 feet to the point of beginning.

APN: 113-260-15, 113-260-17, 113-270-14, 113-290-15 AND 113-290-08

PARCEL TWO:

A portion of the Rancho Casmalia in the County of Santa Barbara, State of California, patented to Antonio Livera by the United States of America, by Patent dated July 30, 1863, and recorded in Book "A" of Patents, at Page 388, et seq., in the office of the County Recorder of said County, described as follows:

Beginning at a point on the most Easterly corner of the Rancho Casmalia as per map or plan thereof on file and of record in the office of the County Recorder of Santa Barbara County, State of California, and running thence South 53° West 10,250 feet to a point; thence North 35°32' East 2,186 feet to a point; thence North 26°15' West 7,623 feet to a point; thence North 32°34' West 18,093 feet to a point; thence North 64° East 1,188 feet to a point; thence South 46° East 27,356 feet to the point of beginning.

EXCEPTING therefrom those certain strips and parcels of land conveyed to the Southern Pacific Railroad Company by Deed recorded June 22, 1891 in Book 30 of Deeds, at Page 453 et seq., and by Deed recorded August 19, 1895 in Book 46 of Deeds, at Page 184 et seq., Records of said County.

ALSO EXCEPTING therefrom that portion thereof described as follows:

Beginning at the most Easterly corner of Block 10 of said Town, being a point in the Northwesterly line of Pt. Sal Street (70 feet wide as shown on said map; thence along the Northeasterly prolongation of said Northwesterly line North 53°25'55" East 983.5 feet to the Easterly line of Lot 3 of Section 24, being also Station 15 of Rancho Todos Santos and San Antonio (and Post C. 3 & T. S. 5 mentioned on said map); thence North 0°30'44" East along said Easterly line of said Lot 3, 739.54 feet to the Northeasterly prolongation of the Southeasterly line of Lots A to K, inclusive, of said Town; thence along said Southeasterly line and the prolongation thereof, South 53°25'55" West 4,523.11 feet; thence South 36°34'05" East 590.00 feet to the Southwesterly prolongation of said Northwesterly line of Pt. Sal Street; thence along said last mentioned prolongation and said Northwesterly line 4,044 feet more or less to the point of beginning.

ALSO EXCEPTING therefrom that portion thereof lying within Block "A" to "K" inclusive of the Town of Someo, (Town of Casmalia) as shown by the map on file in Book 1, Page 61 of Maps and Surveys, Records of Santa Barbara County, California.

CDM174053

ORDER NO.: 3012525

LEGAL DESCRIPTION

(CONTINUED)

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land.

APN: 113-220-01

PARCEL THREE:

That portion of Subdivision No. 16 of the Rancho Punta De La Laguna, County of Santa Barbara, State of California, described as follows:

Beginning at the Southwesterly corner of the Rancho Punta De La Laguna at a stake marked "P.L. 4" and running from this point of beginning North 22° West 35.35 chains along the Easterly line of government land as surveyed by R. R. Harris, United States Deputy Surveyor to a point where this line intersects the line between Sections 14 and 23, Township 9 North, Range 35 West, S. B. B. & M.; thence East 42.31 chains to the center of the old Santa Maria-Casmalia Road; thence Southerly along the centerline of the aforementioned road with the following courses and distances: South 11°30' West 20.70 chains; thence South 0°30' West 15.15 chains to the point where the Southerly line of the Rancho Punta De La Laguna intersects above-named road; thence leaving road North 63°45' West 25.00 chains along the Southerly line of the Rancho Punta De La Laguna to a stake marked "P.L. 4" which marks the Southwesterly corner of the Rancho Punta De La Laguna and the point of beginning.

EXCEPTING therefrom that land lying within the County Right of Way of that certain County Road known as the "N.T.U." Road.

ALSO EXCEPTING therefrom that certain property situated in the County of Santa Barbara, State of California, and more particularly described as follows:

Beginning at a point on the Westerly right of way line of the existing County road, which point is perpendicular to and 50 feet distant from Highway Engineers Station 79 +00.73 of the Casmalia-Santa Maria Highway Survey; thence along the arc of a 5,050 foot radius curve right, central angle 2°10', 190.97 feet, thence North 9°06' East 571.80 feet; thence South 89°32'30" East 37.98 feet to an iron pipe which marks the Northeast boundary of the land of Clelia Muscio Hansen et al., and the Westerly County right of way line; thence along said right of way line South 11°37'50" West 769.18 feet to the point of beginning, containing 0.32 acres more or less, as conveyed to the County of Santa Barbara by Deed recorded January 21, 1944 in Book 997, Page 77 of Official Records.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land.

APN: 113-260-05

CDM174054

ORDER NO.: 3012525

LEGAL DESCRIPTION

(CONTINUED)

PARCEL FOUR:

The Northwest quarter of the Northeast quarter (N.W. 1/4 of the N.E. 1/4) and Lots 4, 5, 6, 7 and 8 of Section 23, Township 9 North, Range 35 West S. B. B. & M., in the County of Santa Barbara, State of California, according to the official plat thereof.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land.

APN: 113-260-06

PARCEL FIVE:

Lots 1, 2 and 3 of Section 24, Township 9 North, Range 35 West, S.B.B. & M. in the County of Santa Barbara, State of California, according to the official plat thereof. Excepting from said Lot 3 all of the following described parcel:

Commencing at the Southerly corner of said Lot: thence North 0°30'44" East along the East line of said Lot 739.54 feet thence South 53°25'55" West to an intersection with the Northeasterly line of the Rancho Casmalia; thence Southeasterly along said Ranch line to the point of beginning.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land.

APN: 113-260-07

PARCEL SIX:

All of Blocks A, B, C, D, E, F, G, H, I, J, and K, in the Town of Someo, in the County of Santa Barbara, State of California, according to the map thereof recorded August 5, 1897, in Book 1, Page 63 of Maps and Surveys, in the office of the County Recorder of said County.

APN 113-290-06

PARCEL SEVEN:

Lots 7 through 12, inclusive in Block 10, in the Town of Someo, in the County of Santa Barbara, State of California, according to the map thereof recorded on August 5, 1897, in

CDM174055

ORDER NO.: 3012525

LEGAL DESCRIPTION

(CONTINUED)

Book 1, Page 63 of Maps and Surveys, in the office of the County Recorder of said County.

APN 113-316-01

PARCEL EIGHT:

Lot 11, in Block 8, in the Town of Someo, in the County of Santa Barbara, State of California, according to the map thereof recorded August 5, 1897, in Book 1, Page 63 of Maps and Surveys, in the office of the County Recorder of said County.

APN: 113-311-03

PARCEL NINE

That portion of Section 14, Township 9 North, Range 35 West, S.B.M., in the County of Santa Barbara, State of California, as follows:

Beginning at a point marked by a one-inch pipe in the West line of the Punta De Laguna Rancho, bearing North 22°20' West 447.3 feet from the intersection of the South line of Section 14, Township 9 North, Range 35 West, S.B.M., and said West line of the Punta De Laguna Rancho; running thence 1st, North 55°01' West 409 feet to a one-inch pipe No. 2; thence 2nd, North 50°29' West 589 feet to a one-inch pipe No. 4; thence 3rd North 57°45' West 519.2 feet to one-inch pipe No. 4; thence 4th, North 81°45" West 214.1 feet to one-inch pipe No. 5; thence 5th, North 22°20' West 1179 feet to one-inch pipe No. 6; thence 6th North 67°40" East 983.9 feet to one-inch pipe No. 7; and in the West line of the Punta De Laguna Rancho; thence 7th, South 22°20' East 2574 feet to the point of beginning.

EXCEPTING therefrom an undivided 75% of all oil, gas, gasoline and other hydrocarbon substances and other minerals in, under or produced from the portion of the sub-surface of the above described land lying below a plane parallel to and 500 feet vertically below the surface of said land without, however, the right to enter on the surface thereof

Parcel No. 113-260-04.

PARCEL TEN:

The South half of the Southwest quarter of Lots 3, 4, 6 and 7 in Section 3, Lot 5 and the Southeast quarter of the Southeast quarter of Section 4; the Northeast quarter of the Northeast quarter of Section 9; the Northwest quarter of the Northwest quarter of Section 10; all in Township 9 North, Range 35 West, San Bernardino Meridian, in the County of Santa Barbara, State of California, as shown on official plat of the survey of said lands filed in the District Land Office.

CDM174056

ORDER NO.: 3012525

LEGAL DESCRIPTION

(CONTINUED)

APN: 113-220-03

PARCEL ELEVEN:

Lot 5 of the Southwest quarter of the Southeast quarter of Section 3, Lot 1 and the Northwest quarter of the Northeast quarter and the Northeast quarter of the Northwest quarter of Section 10, all in Township 9 North, Range 35 West, San Bernardino Meridian, in the County of Santa Barbara, State of California, as shown on official plat of said land, filed in the District Land Office.

APN: 113-220-09

PARCEL TWELVE:

All that real property in the State of California, County of Santa Barbara, described as follows:

Government Lot 1 of Section 9, Township 9 North, Range 35 West, San Bernardino Base and Meridian, according to the official plat thereof. Parcel # 113-220-06

PARCEL THIRTEEN:

Lots 1, 2, 3 and 4 and the East half of the Southwest quarter of Section 14, Township 9 North, Range 35 West, San Bernardino 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 September 11, 1884.

EXCEPTING that portion thereof described as follows:

Beginning at a point marked by a 1-inch pipe in the West line of the Punta De La Laguna Rancho, bearing North 22°20' West 447.3 feet from the intersection of the South line of Section 14, Township 9 North, Range 35 West, San Bernardino Meridian, and said West line of the Punta De La Laguna Rancho; thence North 55°01' West 409 feet to a 1-inch pipe No. 2; thence North 50°29' West 589 feet to a 1-inch Pipe No. 3; thence North 57°46' West 519.2 feet to a 1-inch Pipe No. 4; thence North 81°45' West 214.1 feet to a 1-inch Pipe No. 5; thence North 67°40' East 983.9 feet to a 1-inch Pipe No. 7; and in the West line of the Punta De la Laguna Rancho; thence South 22°20' East 2574.3 feet to the point of beginning.

EXCEPTING all oil, gas and other minerals and hydrocarbons contained within the property hereinabove described, whether now known to exist or hereafter discovered, and all oil, gas and other mineral and hydrocarbon rights belonging or appertaining to said property, the exclusive right to prospect for, drill for, produce, mine, extract and remove oil, gas and other minerals and hydrocarbons upon and from said property, the exclusive right to drill

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LEGAL DESCRIPTION

(CONTINUED)

upon, to drill through and otherwise to use said property to produce, mine, extract and remove oil, gas and other minerals and hydrocarbon substances thereof, whether produced from said property or elsewhere together with the right to drill and operate whatever wells, and to construct, install, operate, maintain and remove whatever other facilities and to do whatever else may be reasonably necessary upon or under said property for the full enjoyment and exercise of the rights so excepted as reserved by Berry Holding company, a corporation organized under the laws of the State of California, and Fred Newburg, a widower, in Deed recorded 6-28-74 as Instrument No. 24116 of Official Records.

Parcel No. 113-260-03

PARCEL FOURTEEN:

The North half of the Southwest quarter, the North half of the Southeast quarter, the South half of the Northwest quarter, the South half of the Northeast quarter and the Southeast quarter of the Southeast quarter of Section 10; the Southwest quarter of the Southwest quarter and Lots 3 and 4 of Section 11; the West half of the Northwest quarter, the Northwest quarter of the Southwest quarter and Lot 5 of Section 14; the Northeast quarter of the Northeast quarter, Southeast quarter of the Northeast quarter and Lots 3, 4, 5, 6 and 7 of Section 15; and Lots 1, 2 and 3 of Section 23, all in Township 9 North, Range 35 West, San Bernardino Base and Meridian, in the County of Santa Barbara, State of California, according to the government survey thereof.

EXCEPTING therefrom the full, free, exclusive and perpetual right to, and the ownership of all gas, oil and other hydrocarbon substances and all minerals in, upon or underlying said land, which hydrocarbon substances and minerals are now or in the future will be owned by J. F. Goodwin Company, a California Corporation or its assignees, together with the perpetual right, privilege and easement to enter in and upon said lands to prospect, explore, drill, operate, develop and dispose of all such minerals, and all such oil, gas or other hydrocarbons.

Parcel No. 113-220-10 AND 113-260-02

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LEGAL DESCRIPTION

(CONTINUED)

PARCEL FIFTEEN:

Lot 2 and the Southwest quarter of the Southeast quarter and the Southeast quarter of the Southwest quarter of Section 10 and Lots 1 and 2 and the Northwest quarter of the Northeast quarter of Section 15, all in Township 5 North, Range 35 West, San Bernardino 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 September 11, 1884.

EXCEPT an undivided 75% of all oil, gas minerals, petroleum, and other hydrocarbon substances, in, under or recoverable from the portion of subsurface of the above described land lying below a plane parallel to and 500 feet vertically below the surface of said land, without however, the right to enter on the surface thereof.

Parcel No.'s 113-220-12 and 113-260-01

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SCHEDULE B (continued)

PARCEL SIXTEEN::

That portion of Subdivision No. 16 of the Rancho Punta De La Laguna, County of Santa Barbara, State of California, described as follows:

Beginning at the Southwesterly corner of the Rancho Punta De La Laguna at a stake marked "P.L. 4" and running from this point of beginning North 22° West 35.35 chains along the Easterly line of government land as surveyed by R. R. Harris, United States Deputy Surveyor to a point where this line intersects the line between Sections 14 and 23, Township 9 North, Range 35 West, S. B. B. & M.; thence East 42.31 chains to the center of the old Santa Maria-Casmalia Road; thence Southerly along the centerline of the aforementioned road with the following courses and distances: South 11°30' West 20.70 chains; thence South 0°30' West 15.15 chains to the point where the Southerly line of the Rancho Punta De La Laguna intersects above-named road; thence leaving road North 83°45' West 25.00 chains along the Southerly line of the Rancho Punta De La Laguna to a stake marked "P.L. 4" which marks the Southwesterly corner of the Rancho Punta De La Laguna and the point of beginning.

EXCEPTING therefrom that land lying within the County Right of Way of that certain County Road known as the "N.T.U." Road.

ALSO EXCEPTING therefrom that certain property situated in the County of Santa Barbara, State of California, and more particularly described as follows:

Beginning at a point on the Westerly right of way line of the existing County road, which point is perpendicular to and 50 feet distant from Highway Engineers Station 79 +00.73 of the Casmalia-Santa Maria Highway Survey; thence along the arc of a 5,050 foot radius curve right, central angle 2°10', 190.97 feet, thence North 9°06' East 571.80 feet; thence South 89°32'30" East 37.98 feet to an iron pipe which marks the Northeast boundary of the land of Clelia Muscio Hansen et al., and the Westerly County right of way line; thence along said right of way line South 11°37'50" West 769.18 feet to the point of beginning, containing 0.32 acres more or less, as conveyed to the County of Santa Barbaraby Deed recorded January 21, 1944 in Book 997, Page 77 of Official Records.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-270-06)

PARCEL SEVENTEEN:

The Northwest quarter of the Northeast quarter (N.W. 1/4 of the N.E. 1/4) and Lots 4, 5, 6, 7 and 8 of Section 23, Township 9 North, Range 35 West S. B. B. & M., in the County of Santa Barbara, State of California, according to the official plat thereof.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-260-16)

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SCHEDULE B (continued)

PARCEL EIGHTEEN:

Lots 1, 2 and 3 of Section 24, Township 9 North, Range 35 West, S.B.B. & M. in the County of Santa Barbara, State of California, according to the official plat thereof. Excepting from said Lot 3 all of the following described parcel:

Commencing at the Southerly corner of said Lot: thence North $0^{\circ}30'44''$ East along the East line of said Lot 739.54 feet thence South $53^{\circ}25'55''$ West to an intersection with the Northeasterly line of the Rancho Casmalia; thence Southeasterly along said Ranch line to the point of beginning.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-260-18)

PARCEL NINETEEN::

An undivided $1/4$ interest in and to all gas, oil, minerals or hydrocarbon substances found in, on or under the following described real property:

that portion of Subdivision No. 16 of the Rancho Punta De La Laguna, County of Santa Barbara, State of California, described as follows:

Beginning at the Southwesterly corner of the Rancho Punta De La Laguna at a stake marked "P.L. 4" and running from this point of beginning North 22° West 35.35 chains along the Easterly line of government land as surveyed by R. R. Harris, United States Deputy Surveyor to a point where this line intersects the line between Sections 14 and 23, Township 9 North, Range 35 West, S.B.B. & M.; thence East 42.31 chains to the center of the old Santa Maria-Casmalia Road; thence Southerly along the centerline of the aforementioned road with the following courses and distances: South $11^{\circ}30'$ West 20.70 chains; thence South $0^{\circ}30'$ East 15.15 chains to the point where the Southerly line of the Rancho Punta De La Laguna intersects above-named road; thence leaving road North $83^{\circ}45'$ West 25.00 chains along the Southerly line of the Rancho Punta De La Laguna to a stake marked "P.L. 4", which marks the Southwesterly corner of the Rancho Punta De La Laguna and the point of beginning.

EXCEPTING therefrom that land lying within the County right of way of the certain County road known as the "N.T.U." road.

ELSO EXCEPTING therefrom that certain property situated in the County of Santa Barbara, State of California, and more particularly described as follows:

Beginning at a point on the Westerly right of way line of the existing County road, which point is perpendicular to and 50 feet distant from Highway Engineers Station 79 +00.73 of the Casmalia-Santa Maria Highway Survey; thence along the arc of a 5,050 foot radius curve right, central angle $2^{\circ}20'$, 190.97 feet, thence North $9^{\circ}06'$ East 571.80 feet; thence South $89^{\circ}32'30''$ East 37.98 feet to an iron pipe which marks the Northeast boundary of the land of Clelia Muscio Hansen et al., and the Westerly

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SCHEDULE B (continued)

County right of way line; thence along said right of way line South 11°37'50" West 769.18 feet to the point of beginning, containing 0.32 acres more or less, as conveyed to the County of Santa Barbara by Deed recorded January 21, 1944 in Book 997, Page 77 of Official Records.

EXCEPTING therefrom that portion lying Northerly and Northeasterly of the centerline of that certain County road known as "N.T.U. Road".

February ALSO EXCEPTING therefrom that portion of Subdivision No. 16 of the Rancho Punto De La Laguna, in the County of Santa Barbara, State of California, described as follows:

Commencing at the Southwesterly corner of the Rancho Punta De La Laguna at a stake marked "P.L. 4"; thence North 22° West 2,333.1 feet along the Easterly line of government land as surveyed by R. R. Harris, United States Deputy Surveyor, to a point where this line intersects the line between Section 14 and 23, Township 9 North, Range 35 West, SBB&M; thence East 2,792.46 feet to the center of the old Santa Maria-Casmalia Road; thence, Southerly along the centerline of the aforementioned road South 11°30' West 905.0 feet to the true point of beginning; thence, continuing South 11°30' West along said centerline 461.2 feet; thence South 0°30' West 461.32 feet; thence, Westerly 1,416.55 feet to a point which is distant 922.52 feet South of the centerline of that certain County road known as "N.T.U. Road"; thence North 0°30' East 461.32 feet; thence North 11°30' East 461.2 feet; thence Easterly to the centerline of the old Santa Maria-Casmalia Road 1,416.55 feet, and the point of beginning. (113-260-11)

PARCEL TWENTY:

An undivided 1/2 interest in and to all gas, oil, minerals or hydrocarbon substances found in, on or under the following described real property:

That portion of Subdivision No. 16 of the Rancho Punta De La Laguna, in the County of Santa Barbara, State of California, described as follows:

Commencing at the Southwesterly corner of the Rancho Punta De La Laguna at a stake marked "P.L. 4"; thence North 22° West 2,333.1 feet along the Easterly line of government land as surveyed by R. R. Harris, United States Deputy Surveyor, to a point where this line intersects the line between Section 14 and 23, Township 9 North, Range 35 West, SBB&M; thence East 2,792.46 feet to the center of the old Santa Maria-Casmalia Road; thence Southerly along the centerline of the aforementioned road South 11°30' West 905.0 feet to the true point of beginning; thence, continuing South 11°30' West along said centerline 461.2 feet; thence, South 0°30' West 461.32 feet; thence, Westerly of the centerline of that certain County road known as "N.T.U. Road"; thence North 0°30' East 461.32 feet; thence, North 11°30' East 461.2 feet; thence Easterly to the centerline of the old Santa Maria-Casmalia Road 1,416.55 feet, and the point of beginning. (113-270-15)

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SCHEDULE B - SECTION 2

EXCEPTIONS

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

1. 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.

A. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, to be levied for the fiscal year 2001 - 2002 which are a lien not yet payable.

B. Supplemental or escaped assessments of property taxes, if any, assessed pursuant to the Revenue and Taxation Code of the State of California.

C. A portion of said property has been declared Tax-Defaulted for non-payment of delinquent taxes for the fiscal year 1990-2000 (parcel no. 113-260-04 (PARCEL NINE)).

Amount to redeem by October 31, 2001 for the above-stated year (and subsequent years, if any) is \$6,554.80

D. A portion of said property has been declared Tax-Defaulted for non-payment of delinquent taxes for the fiscal year 1990-2000. (parcel no. 113-260-03 PARCEL THIRTEEN)

Amount to redeem by October 31, 2001 for the above-stated year (and subsequent years, if any) is \$125,645.69

E. A portion of said property has been declared Tax-Defaulted for non-payment of delinquent taxes for the fiscal year 1990-2000 (parcel no. 113-260-02 PARCEL FOURTEEN).

Amount to redeem by October 31, 2001 for the above-stated year (and subsequent years, if any) is \$444,384.20

1. The right of the public to use for road purposes any portion of said land lying within the lines of any public road or highway.

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EXCEPTIONS (continued)

2. Water rights, claims or title to water, whether or not shown by the public records.
3. Reservations contained in the Patent from the United States of America, as follows:

Subject to any vested and accrued water rights for mining, agriculture, manufacturing or other purposes, and right to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledge by local customs, laws and decisions of courts.

Also subject to the right of a proprietor of any vein or lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises hereby granted as provided by law.

And there is reserved from the land thereby granged a right of way thereon for ditches or canals constructed by the authority of the United States.

4. The sole use and occupancy of the dwelling house occupied by Clielia Hansen, deceased, at the time of her death, together with the family yard surrounding the same, during said devisee's lifetime, and without any obligation to pay rental thereon, which said house is located upon the lands described as Parcel One herein, as devised to Gladys T. Muscia, daughter of deceased, by the will of said deceased duly admitted to probate in Santa Barbara County, Superior Court Case No. 56568.
5. Any adverse claim to any portion of said land affected by that certain Deed dated May 6, 1887, executed by James Taylor and James Conney, the then record owners of portions of said land, in favor of Antonio Tognazzini and recorded May 19, 1887 in Book 15, Page 26 of Deeds; which Deed purports to convey a parcel of land described as follows:

All that certain piece or parcel of land lying South of the following described line: Commencing at a post marked T. No. 1, 14.93 chains South of the Southsoutheast corner of the Northeast quarter of the Northwest quarter of Section 15, Township 9 North, Range 35 West, San Bernardino Meridian; thence South 46° East along fence 36.46 chains to a post marked T. No. 2; thence South 89 3/4° East along fence 18.66 chains; thence South 48° East 30 chains to a post marked T. No. 4.

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EXCEPTIONS (continued)

6. Recitals as contained in that certain Patent from the United States of America to James Couney, recorded March 16, 1889, in Book A, Page 716 of Patents, as follows: "Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local customs, laws and decisions of courts and also subject to the right of the proprietor of a view or lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises hereby granted as provided by law." (Affects a portion of the property herein described.)
7. The right of the public to use for road purposes any portion of the premises herein described lying within the lines of any public road or highway, and including that portion of said land which lies within a strip of land 40 feet wide as granted by Mary Tyler to County of Santa Barbara, by Deed dated October 12, 1901, recorded in Book 79, Page 304 of Deeds.
8. An easement for the purpose shown below and rights incidental thereto as set forth in a document
- | | |
|-------------|--|
| Granted to: | County of Santa Barbara |
| Purpose: | A right of way for public highway as conveyed to the County of Santa Barbara, by Deed recorded in Book 79, Page 301 of Deeds |
| Recorded: | November 4, 1901 |
| Affects: | a portion of said land |
9. The right to extend the slopes and embankments and to build and maintain culverts and surface ditches beyond the limits of the right of way and the right to quarry and haul stone for the construction of culverts and bridges, and incidental rights as conveyed to the Southern Pacific Railroad Company by an Instrument recorded June 27, 1891, in Book 30, Page 453 of Deeds.
10. The right to dig, bore for, develop and remove water from and upon portions of Parcel 1, together with easements for ingress and egress and for pipelines in connection therewith, as described in Agreement and Deed dated May 31, 1905, executed by Antonio Tognazzini to Syndicate Oil Company, a corporation, recorded November 6, 1905 in Book 12 Page 228 of Deeds.
11. An easement for the purpose shown below and rights incidental thereto as set forth in a document
- | | |
|-------------|--|
| Granted to: | County of Santa Barbara |
| Purpose: | Road |
| Recorded: | September 12, 1890 in Book 28, page 181 of Deeds |
| Affects: | Portion of said land |

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EXCEPTIONS (continued)

12. A waiver of any claims for damages to said land by reason of the location of a freeway or highway contiguous thereto as contained in a document

In favor of: County of Santa Barbara

Recorded: September 12, 1890 in Book 28, Page 181 of Deeds

13. Covenants and restrictions imposed by a Land Conservation Contract executed pursuant to Section 51200, et seq. California Government Code.

Dated: January 25, 1971

Executed By: Guy L. Goodwin Co.

Recorded: February 10, 1971 as Instrument No. 3767 in Book 2336,
Page 386 of Official Records

Affects: Said land

A Notification of Assumption of Land Conservation Contract from Guy L. Goodwin Company (Grantor) to Kenneth H. Hunter Jr., General Partner Casmalia Disposal (Grantee) dated July 9, 1974, as Instrument No. 42755 in Book 2543, Page 773 of Official Records

14. Covenants and restrictions imposed by a Land Conservation Contract executed pursuant to Section 51200, et seq. California Government Code.

Dated: January 1, 1972

Executed By: Guy L. Goodwin Co.

Recorded: May 22, 1972 as Instrument No. 18636 in Book 2402, Page
816 of Official Records

Affects: Said land

15. INTENTIONALLY OMITTED

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EXCEPTIONS (continued)

16. An oil and gas lease for the term therein provided with certain covenants, conditions and provisions, together with easements, if any, as set forth therein.

Dated: March 1, 1946
Lessor: Clelia M. Hansen, Ted H. Muscio, Gladys T. Muscio and Neva Hancock
Lessee: Alphonzo E. Bell Corporation, a California Corporation
Recorded: April 26, 1946 as Instrument No. 6672 in Book 673, Page 324 of Official Records

No assurance is made as to the present ownership of the leasehold created by said lease, nor as to other matters affecting the rights or interest of the lessor or lessee in said lease.

17. Any easements and rights of way remaining a charge and restrictions on drilling, lying within the lines of Lots 4 and 5 and the Northwest quarter of the Northeast quarter of Section 23, Township 9 North, Range 35 West, San Bernardino Meridian, according to the provisions of an Oil and Gas Lease recorded April 26, 1946, in Book 673, Page 324 of Official Records, said Lease having been cancelled as to said land by Deed recorded November 17, 1965, as Instrument No. 40958 in Book 2129, Page 258 of Official Records

18. An oil and gas lease for the term therein provided with certain covenants, conditions and provisions, together with easements, if any, as set forth therein.

Dated: November 23, 1965
Lessor: Lester B. Muscio and Emma O. Muscio
Lessee: M.B. Dreblow and John Pehar, jointly and severally
Recorded: March 3, 1966 as Instrument No. 7346 in Book 2142, Page 494 of Official Records

No assurance is made as to the present ownership of the leasehold created by said lease, nor as to other matters affecting the rights or interest of the lessor or lessee in said lease.

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Order No.: 3012525

EXCEPTIONS (continued)

19. An action commenced and pending in United States District Court, Central Division of California, entitled "United States of America, Plaintiff, vs. 2501.41 acres of land, more or less, situated in the County of Santa Barbara, State of California. Theodore H. Muscio, et al., and unknown owners, Defendants", Case No. 67-924-CC Civil, a Notice of Pendency of said Action dated July 19, 1967, being recorded July 27, 1967 as Instrument No. 21201 in Book 2198, Page 1052 of Official Records and a Notice of Pendency of said Action dated January 16, 1968, being recorded February 5, 1968 as Instrument No. 4850 in Book 2221, Page 5 of Official Records.
20. Covenants and restrictions imposed by a Land Conservation Contract executed pursuant to Section 51200, et seq. California Government Code.
- Purpose: Agricultural Preserve
Dated: December 29, 1971
Executed By: Neva E. Hancock, Gladys T. Muscio and Theodore H. Muscio, and the County of Santa Barbara
Recorded: February 21, 1972 as Instrument No. 6238 in Book 2367, Page 1196 of Official Records
21. An Action commenced and pending in United States District Court, Central Division of California, entitled "United State of America, plaintiff vs. 2501.41 acres of land, more or less, situated in the County of Santa Barbara, state of California. Theodore H. Muscio, et al, and unknown owners, Defendants", Case No. 72-1503F a Notice of Pendency of said Action dated July 3, 1972 being recorded July 6, 1972 as Instrument No.. 25216, in Book 2409, Page 406 of Official Records and a Notice of Pendency of said Action dated January 16, 1968 being recorded July 6, 1972 as Instrument No.. 25215 in Book 2409, Page 398 of Official Records
22. A lease with certain terms, covenants, conditions and provisions set forth therein.
- Lessor: Milo Morganti, et al
Lessee: United States of America
Recorded: October 27, 1965 as Instrument No. 38196 of Official Records (AFFECTS PARCEL FIFTEEN)
23. Covenants and restrictions imposed by a Land Conservation Contract executed pursuant to Section 51200, et seq. California Government Code.
- Dated: December 29, 1975
Executed By: Casmalia Disposal and the County of Santa Barbara
Recorded: January 12, 1976 as Instrument No. 1211 in Book 2598, Page 2544 of Official Records
Affects: PARCEL FIFTEEN

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Order No.: 3012525

SCHEDULE B (continued)

24. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein.

Lessor: Ted H. Muscio, a married man; Gladys T. Muscio, a single woman; and Neve E. Hancock, a married woman, each dealing in his or her sole and separate property

Lessee: Union Oil Company of California, a California Corporation

Disclosed by: Memorandum.

Recorded: February 14, 1972 as Instrument No. 4946 in Book 2386, Page 581 of Official Records

25. The effect of a Declaration of Taking, filed March 31, 1977, in United States District Court, Central District of California Civil No. 77 1181 MML, said land being taken for public uses pursuant to Act of Congress for a term for years beginning April 1, 1977 and ending March 31, 1978, extendable for yearly periods thereafter, at the election of the United State recorded April 20, 1977 as Instrument No. 77-18461 of Official Records, which among other things, provide for the right to require the owners, their families, employees, lessees, and any other person or persons occupying or using said land by permission or knowledge of the owners, to vacate said land for intermittent periods which shall not exceed 12 consecutive hours for each period, provided the United States shall give to said owners and above mentioned occupants and other authorized persons no less than 24 hours, prior notice of the necessity to vacate said land, reference being hereby made to the record thereof for further particulars.

26. A pending court action as disclosed by a recorded notice.

Plaintiff: The United States of America

Defendant: 2.501.41 acres of land, more or less, situated in Santa Barbara, County, State of California, and Theodore H. Muscio, et al

County: Santa Barbara

Court: United States District

Case No.: CV 77 1181 MML

Nature of

Action: To condemn land for public use

Recorded: April 20, 1977 as Instrument No. 77-28462 of Official Records

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Order No.: 3012525

SCHEDULE B (continued)

27. An easement for the purpose shown below and rights incidental thereto as set forth in a document,

Granted to: General Telephone Company of California, a Corporation
Purpose: Public utilities
Recorded: June 8, 1977 as Instrument No. 77-28492 of Official Records
Affects: a strip of land 10 feet wide

28. Covenants, conditions and restrictions as set forth in the document,

Recorded: November 1, 1977 as Instrument No. 77-54611 of Official Records

NOTE: This exception omits any covenant, condition or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that the covenant, condition or restriction (a) is not in violation of state or federal law, (b) is exempt under 42 U.S.C. Section 3607 or (c) relates to a handicap but does not discriminate against handicapped people.

29. The effect of an unrecorded Land Use Agreement dated August 13, 1977 by and between Theodore H. Muccio and June H. Muscio and Casmalia Disposal Company, a California Limited Partnership, as disclosed by that certain Grant Deed recorded November 1, 1977 as Instrument No. 77-54611 of official records, a Memorandum of which was recorded July 30, 1985 as Instrument No. 85-039336 of Official Records.

30. Covenants and restrictions imposed by a Land Conservation Contract executed pursuant to Section 51200, et seq. California Government Code.

Dated: February 27, 1978
Executed By: William Ivan Worsham and County of Santa Barbara, a political subdivision of the State of California
Recorded: February 28, 1978 as Instrument No. 78-9253 of Official Records
Affects: Portion of said land

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Order No.: 3012525

SCHEDULE B (continued)

31. An oil and gas lease for the term therein provided with certain covenants, conditions and provisions, together with easements, if any, as set forth therein.

Dated: May 1, 1980
Lessor: Gladys T. Muscio, Theodore H. Muscio, Bank of American NTS&A under the Will of Neva E. Hancock
Lessee: Casmalia Disposal Company, a California Limited Partnership
Recorded: June 3, 1980 as Instrument No. 80-21906 of Official Records

No assurance is made as to the present ownership of the leasehold created by said lease, nor as to other matters affecting the rights or interest of the lessor or lessee in said lease.

32. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount: \$3,725,000.00
Dated: May 9, 1990
Trustor: Casmalia Resources, a California Limited Partnership, which was formerly known as Casmalia Disposal and acquired title in name of Casmalia Disposal or Casmalia Disposal Company, and Kenneth H. Hunter, Jr., Trustee of Trust dated January 23, 1985 (as to Parcels Sixteen and Seventeen in Exhibit A hereto), collectively
Trustee: Ticor Title Insurance Company of California, a California Corporation
Beneficiary: Canonic Environmental Services Corp., a Delaware Corporation
Recorded: May 31, 1990 as Instrument No. 90-036642 of Official Records
Loan No.: none shown

And re-recorded: March 9, 1992 as Instrument No. 92-015370 of Official Records

Affects: The herein described land and other land.

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Order No.: 3012525

SCHEDULE B (continued)

An agreement to modify the terms and provisions of said deed of trust as therein provided

Executed by: among Canonic Environmental Services Corp., Casmalia Resources, a California Limited Partnership, and Kenneth H. Hunter, Jr. as Trustee of Trust dated January 23, 1985
Recorded: June 24, 1994 as Instrument No. 94-052956 of Official Records

A substitution of trustee under said deed of trust which names as the substituted trustee, the following

Trustee: LAWYERS TITLE COMPANY, a California corporation
Recorded: August 1, 2001 as Instrument No. 2001-0064161

A Notice of Default under the terms of said deed of trust

Executed by: Lawyers Title Company, a California corporation
Recorded: August 1, 2001 as Instrument No. 2001-0064162

33. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount: \$3,725,000.00
Dated: May 9, 1990
Trustor: Casmalia Resources, a California Limited Partnership
Trustee: Ticor Title Insurance Company of California, a California Corporation
Beneficiary: Canonic Environmental Services, Corp. a Delaware Corporation
Recorded: May 31, 1990 as Instrument NO. 90-036643 of Official Records and re-recorded May 9, 1992 as Instrument NO. 92-015371 of Official Records.

Affects: The herein described land and other land.

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Order No.: 3012525

SCHEDULE B (continued)

An agreement to modify the terms and provisions of said deed of trust as therein provided

Executed by: among Canonic Environmental Services Corp., Casmalia Resources, a California Limited Partnership, and Kenneth H. Hunter, Jr. as Trustee of Trust dated January 23, 1985

Recorded: June 24, 1994 as Instrument No. 94-052956 of Official Records

34. Covenants, conditions and restrictions as set forth in the document,

Recorded: January 10, 1991 as Instrument No.s 1528 through 1559 inclusive, all of Official Records

NOTE: This exception omits any covenant, condition or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that the covenant, condition or restriction (a) is not in violation of state or federal law, (b) is exempt under 42 U.S.C. Section 3607 or (c) relates to a handicap but does not discriminate against handicapped people.

35. An abstract of judgment for the amount shown below and any other amounts due.

Debtor: Casmalia Resources, a California Limited Partnership

Creditor: AICCO, Inc., a California Corporation

Date entered: August 3, 1993

County: Los Angeles

Court: Superior

Case No.: BC 049820

Amount: \$265,021.30

Recorded: October 18, 1993 as Instrument No. 93-081981 of Official Records

CDM174073

Order No.: 3012525

SCHEDULE B (continued)

36. INTENTIONALLY OMITTED

37. INTENTIONALLY OMITTED

38. INTENTIONALLY OMITTED

CDM174074

Order No.: 3012525

SCHEDULE B (continued)

39. INTENTIONALLY OMITTED

40. An easement for the purpose shown below and rights incidental thereto as set forth in a Final Order of Condemnation rendered out of Case No. SM 93277 of the Superior Court of the State of California for the County of Santa Barbara

Granted to: The State of California
Purpose: right of way for water pipelines and appurtenances
Recorded: March 6, 1996 as Instrument No. 96-014041 of Official Records
Affects: a 30' wide strip over portions of said land

41. An easement for the purpose shown below and rights incidental thereto as set forth in a document entitled "Final Order of Condemnation rendered out of Case No. SM 93276 of the Superior Court of the State of California for the County of Santa Barbara

Granted to: The State of California, acting by and through the California Water Commission
Purpose: right of way for construction of water pipelines, construction access and service roads
Recorded: March 19, 1996 as Instrument No. 96-16793 of Official Records
Affects: portions of said land

CDM174075

Order No.: 3012525

SCHEDULE B (continued)

42. INTENTIONALLY OMITTED

43. The matters contained in a Document,

Entitled: "NOTICE OF POWER TO SELL TAX-DEFAULTED PROPERTY"
Executed by: Gary L. Feramisco, Treasurer-Tax Collector
Recorded: March 8, 1999 as Instrument No. 99-018408 of Official Records

Reference is made to said document for full particulars.

44. INTENTIONALLY OMITTED

45. The matters contained in a Document,

Entitled: NOTICE OF POWER TO SELL TAX-DEFAULTED PROPERTY
Executed by
and Between: COUNTY OF SANTA BARBARA/ TREASURER-TAX COLLECTOR
Recorded: March 8, 1999 as Instrument No.'s 99-018402 AND 99-018403 of Official Records

Reference is made to said document for full particulars.

CDM174076

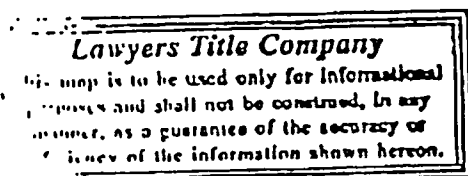
Order No.: 3012525

SCHEDULE B (continued)

46. Lack of a right of access to and from the land.

CDM174077

113-22



Assessor's Map Bk. 113 - Pg. 22
County of Santa Barbara, Calif.

CDM174078

Tax Area Code

T. 9 N., R. 35 W., S. B. B. & M
POR. RANCHO CASMALIA & POR. RANCHO TODOS SANTOS Y SAN ANTONIO



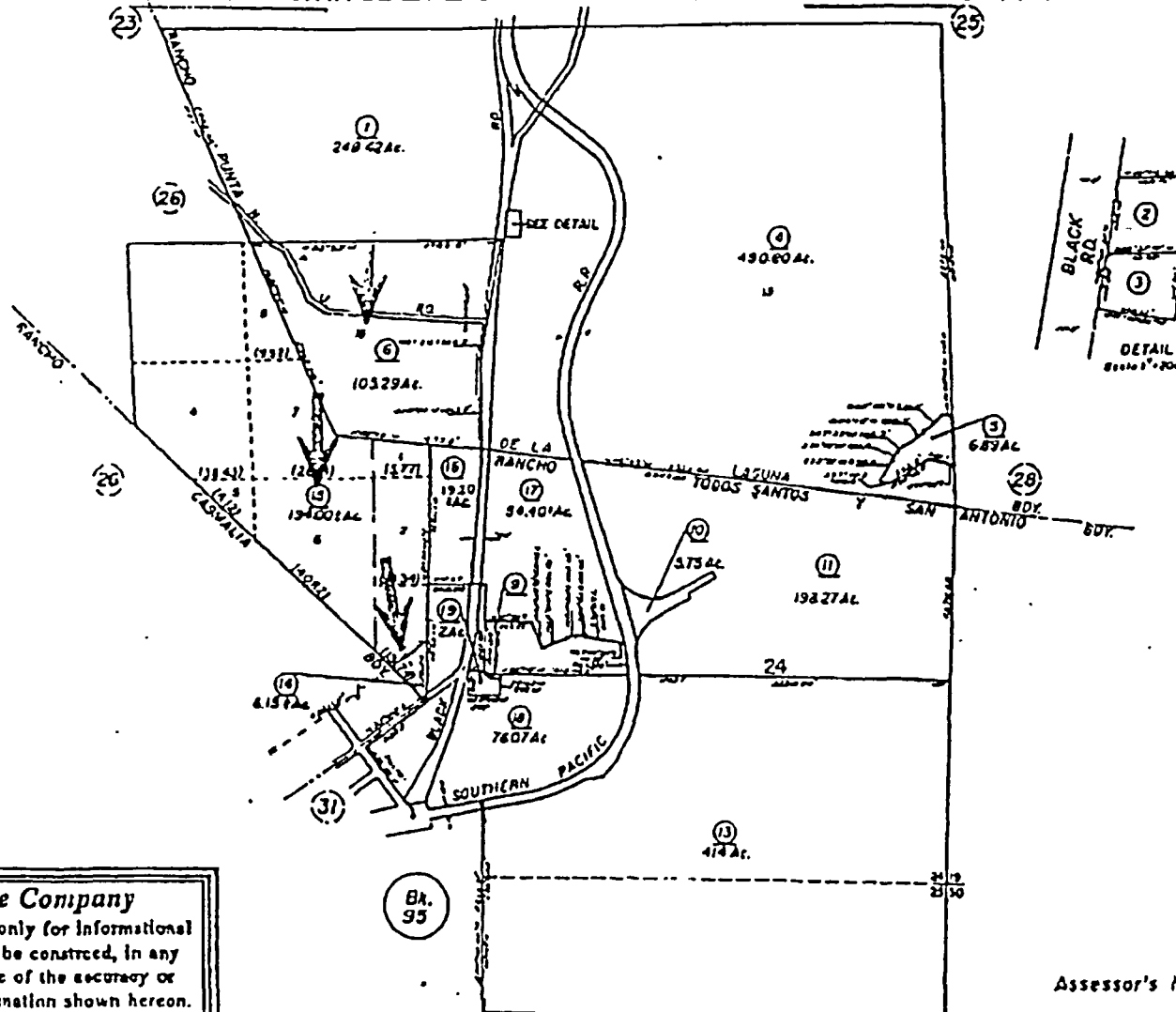
This map is to be used only for informational purposes and shall not be construed, in any manner, as a guarantee of the accuracy or sufficiency of the information shown hereon.

9/70

NOTE - Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

T. 9 N., R. 35 W., S.B.B & M.
POR RANCHO PUNTA DE LA LAGUNA & POR RANCHO TODOS SANTOS Y SAN ANTONIO

113-27



Lawyers Title Company

This map is to be used only for informational purposes and shall not be construed, in any manner, as a guarantee of the accuracy or sufficiency of the information shown hereon.

Assessor's Map Bk. 113 -Pg.27
County of Santa Barbara, Calif.

NOTE - Assessor's Block Numbers Shown in Ellipse
Assessor's Parcel Numbers Shown in Curlyes.

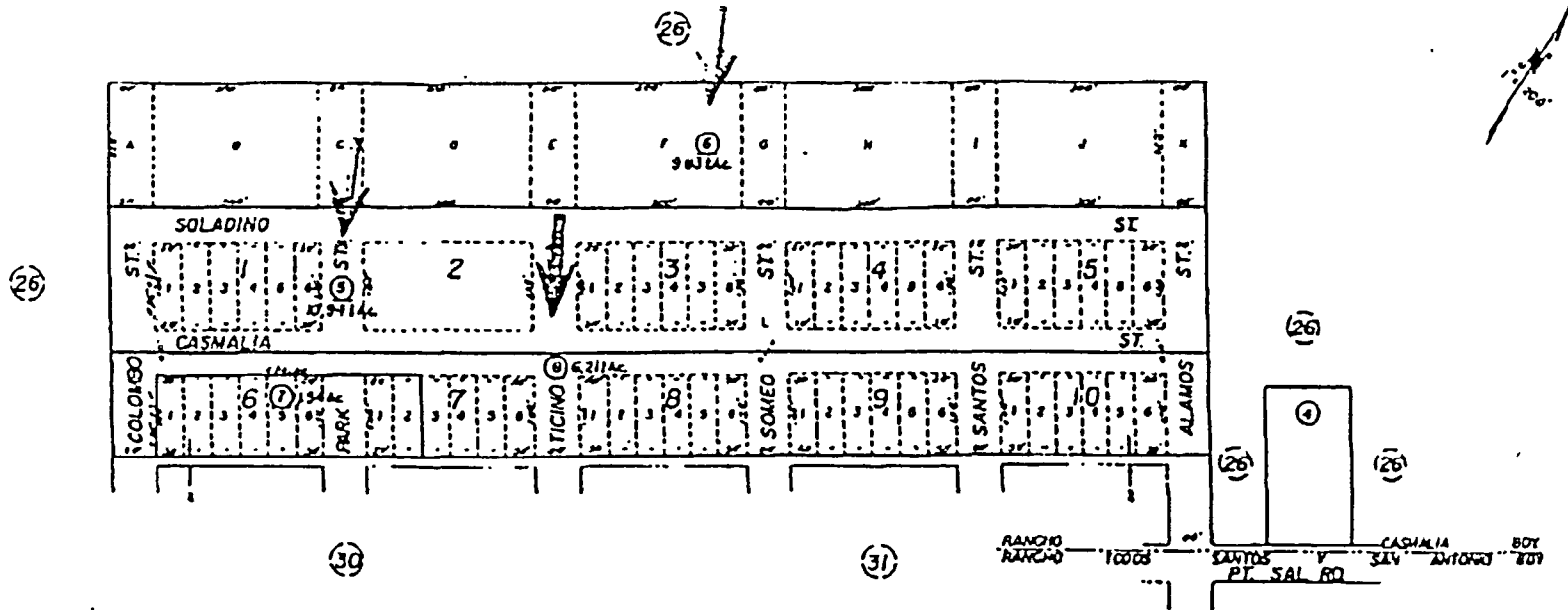
Order: maps Description: 113.27 Page 1 of 1 Comment:

CDM174080

RANCHO CASMALIA

Tax Area Code

113-29



Lawyers Title Company
 This map is to be used only for informational purposes and shall not be construed, in any manner, as a guarantee of the accuracy or sufficiency of the information shown herein.

Town of Casmalia

Assessor's Map Bk.113 - Pg.29
 County of Santa Barbara, Calif.

NOTE - Assessor's Block Numbers Shown in Circles
 Assessor's Parcel Numbers Shown in Circles

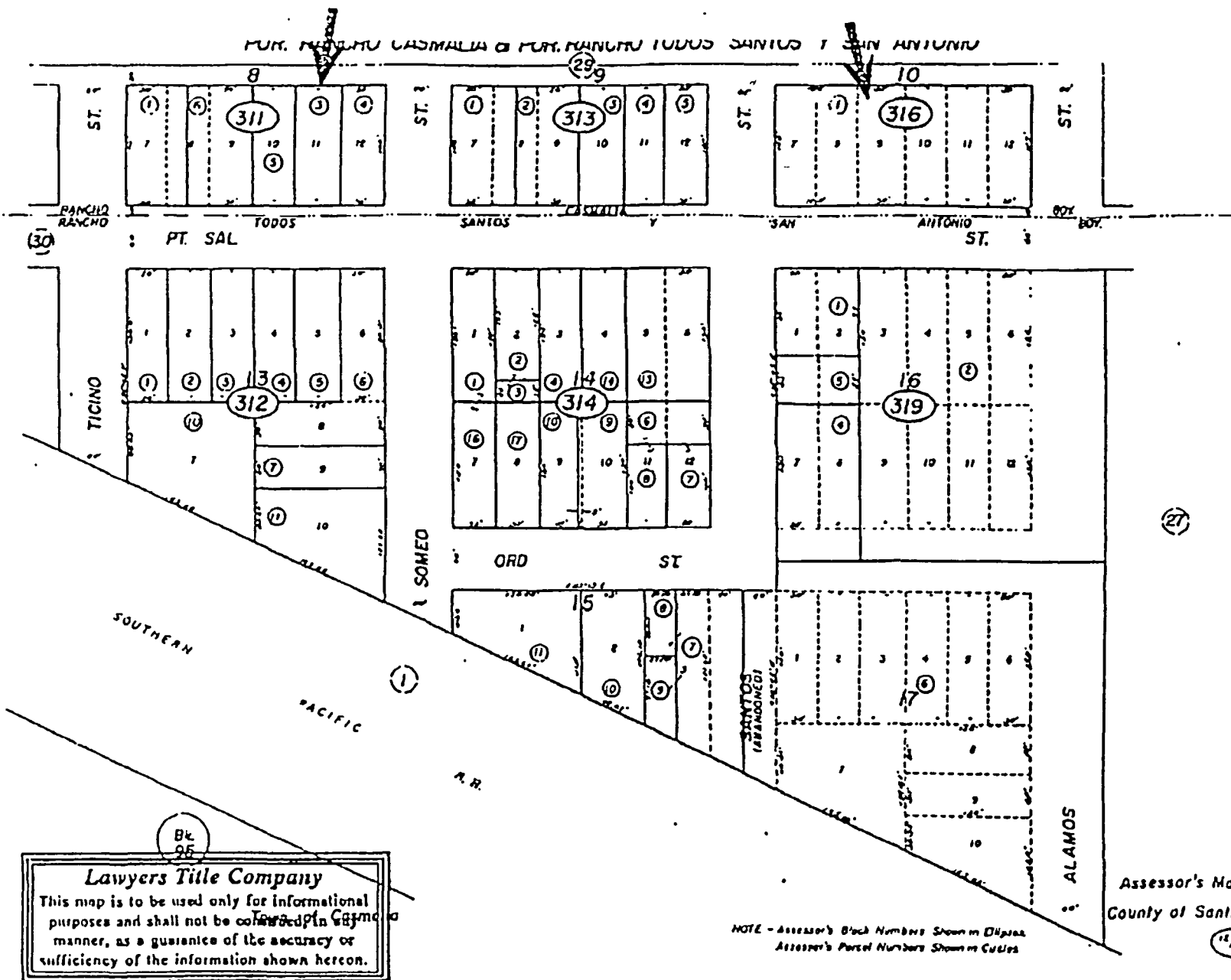
4/68

CDM174081

8059635941

11/02/01

Page 36 36



113-31

CDM174082

APPENDIX E TO CONSENT DECREE

Payment Instructions



APPENDIX E

SETTLEMENT INSTRUCTIONS

Consent Decree with the Successor
Trustee of the Kenneth H. Hunter, Jr.
Living Trust, Beneficiaries of the Kenneth
H. Hunter, Jr. Living Trust, Casmalia Resources
and Hunter Resources

Payment and all documentation must be received by the deadline of _____ at 5:00 p.m.
Pacific Time. Please follow these steps:

- Step 1.** Remit payment in full by wire transfer in accordance with the payment instructions in Paragraph 4.b of the Consent Decree. Payment must be made directly to Bankers Trust, custodian of the Casmalia Consent Decree Escrow Account. EPA can not accept checks made out directly to the Agency.
- Step 2.** Complete the Payment Invoice and send it to Bankers Trust.

Please remit payment as described in Steps 1 and 2 as follows:

Wire funds to:

Bankers Trust Co.
c/o Mr. Paul Dispenza
4 Albany Street, New York, NY 10006
ABA/Locator #: 021-001-033
Acct #: 01-419-647
Ref: Casmalia Resources Site Custodial Agreement.
Payor: Include the name of the Settling Party exactly as it appears at the top of the "Consent and Authorization" page of the AOC.
Please include all of the above information in remitting payment by wire transfer.

- Step 3.** Submit a copy of your company or organization's completed Payment Invoice to EPA.

Please send the documents identified above in Step 3 above to:

Marie Rongone
U.S. EPA Region IX (ORC-3)
75 Hawthorne St.
San Francisco, CA 94105-3901

APPENDIX F TO CONSENT DECREE

Payment Invoice Form

CDM174085



APPENDIX F

PAYMENT INVOICE
CASMALIA DISPOSAL SITE

Consent Decree with the Successor
Trustee of the Kenneth H. Hunter, Jr.
Living Trust, Beneficiaries of the Kenneth
H. Hunter, Jr. Living Trust, Casmalia Resources
and Hunter Resources

Please complete this form and mail the completed form to:

"BTCO. as Custodian for Casmalia Resources Site"
P.O. Box 13248 (Lbox # 13248)
Newark, NJ 07101

This form should be sent without your payment. Payment should be wired to Bankers Trust (see Settlement Instructions).

Please send a copy of this form to:

Marie Rongone
U.S. EPA Region IX
75 Hawthorne St. (ORC-3)
San Francisco, CA 94105-3901

PAYOR	
DATE	
PAYMENT AMOUNT	
REFERENCE	Casmalia Resources Site Custodial Agreement
U.S. EPA REGIONAL SITE SPILL ID NUMBER	09-3H

CDM174086

APPENDIX G

ESCROW AGENCY AGREEMENT

THIS ESCROW AGENCY AGREEMENT ("Escrow Agreement") is made this ___ day of _____, 2001, by and among Casmalia Resources ("Owner"), and Montecito Bank & Trust ("Escrow Agent).

A. Casmalia Resources holds record title to the following real property located in the County of Santa Barbara, State of California: the first property is described in Exhibit 1 attached hereto (the "Facility"); the second property is described in Exhibit 2 attached hereto (the "Facility Fringe Area"); and the third property is described in Exhibit 3 attached hereto (the "Property"). The Facility, the Facility Fringe Area and the Property are collectively referred to as the "Lands."

B. EPA and Casmalia Resources are parties to that certain Consent Decree lodged with the United States District Court for the Central District of California (the "Court") on _____, 2001 (the "Consent Decree").

C. The Consent Decree requires, among other things, that Casmalia Resources, or its successor-in-title, (1) grant to Hunter Resources for the benefit of the United States an option to acquire the Lands or any part thereof, (2) provide for payment of property taxes on the Property during the option period, (3) provide the United States with access rights to the Lands, and (4) provide for document storage at the Facility,

all in accordance with the terms and conditions set forth in the Consent Decree.

D. The parties desire to enter into this Escrow Agreement to establish (i) an escrow to hold certain executed documents and instruments ("Escrow") and (ii) procedures for implementing the Consent Decree requirements for payment of taxes on the Property and payment of fees for performance of certain property maintenance and management duties by a designated individual pursuant to the terms and conditions of a consulting agreement ("Consulting Agreement"), a copy of which will be provided to Escrow Agent following the execution of this Agreement.

E. Concurrent herewith, Owner entered into that certain Covenant, Irrevocable Option Agreement, Environmental Restrictions and Joint Escrow Instructions (the "Option Agreement") pursuant to which an option to purchase the Property or a portion thereof is granted to Hunter Resources for the benefit of the United States.

NOW, THEREFORE, for good and valuable consideration, the delivery and receipt of which is hereby acknowledged, Owner and Escrow Agent hereby agree as follows:

1. Deposits in Escrow. Within 10 days after execution of this Agreement, the fully executed Option Agreement, along with a Grant Deed executed by Owner conveying title to the Property (or portion thereof) to the EPA's designee, shall be deposited in Escrow to be held by Escrow Agent in accordance with the terms of this Agreement. In addition, cash in the amount of \$190,000.00 ("Escrow Funds") shall be deposited in Escrow and

used by Escrow Agent for payment of the property taxes assessed on the Property, payment of liens against the Property for past personal property taxes, payment of fees pursuant to the Consulting Agreement, and payment of the Escrow Agent's fees, as described in Section 2 of this Agreement.

2. Disbursement of Escrow Funds. Escrow Agent shall administer and disburse the Escrow Funds on behalf of Owner in accordance with the terms and provisions of this Escrow Agreement.

a. Disbursement of Escrow Funds. Escrow Funds shall be disbursed by Escrow Agent for the following purposes:

(i) During the option period under the Option Agreement (the "Option Period"), Escrow Agent shall utilize the Escrow Funds to pay property taxes assessed on the Property on or prior to the due date for payment of such taxes. In the event of a decrease in the amount of tax assessed on the Property, Owner shall provide Escrow Agent with a copy of the revised assessment, and shall provide written notice to EPA of such revised assessment. Within 30 days after receipt of the revised assessment, Escrow Agent shall disburse funds to Owner from the Escrow Funds to the extent of the aggregate decrease in the amount of the taxes over the remainder of the Option Period, calculated to net present value.

(ii) Escrow Agent shall, on or before December 31, 2002, disburse Escrow Funds to pay any personal property tax liens

against the Property which have not been removed by the Santa Barbara County taxing authority prior to that date.

(iii) Escrow Agent shall disburse Escrow Funds on a semi-annual basis to pay the fees billed pursuant to the Consulting Agreement.

(iv) Escrow Agent shall disburse Escrow Funds for payment of the Escrow Fees in accordance with Section 10 of this Agreement.

3. Investment of Escrow Funds. Escrow Agent shall from time to time invest the Escrow Funds in money market accounts at Montecito Bank & Trust. Interest generated on such investment shall constitute part of the Escrow Funds.

4. Other Escrow Management Activities.

a. Escrow Agent shall hold in Escrow the fully executed Option Agreement, and in the event of the exercise by an EPA designee of its option to purchase some or all of the Property pursuant to the Option Agreement, Escrow Agent shall act as escrow agent for the transaction in accordance with the terms and conditions of the Option Agreement.

b. The duties of Escrow Agent hereunder shall be limited to those specifically set forth and Escrow Agent shall have no responsibility for general management or maintenance of the Property or for enforcing the terms of any leases or contracts concerning the Property, ensuring the

safety of any persons or equipment on the Property, or ensuring compliance by third parties with any applicable law.

5. Termination. This Escrow Agreement shall terminate upon the earlier to occur of (a) the Close of Escrow under the Option Agreement (but only as to the portion of the Property for which the Option is exercised), or (b) expiration of the Option Period; provided, however, that in the event the Consent Decree has not been approved and entered by the Federal District Court on or before March 31, 2003, this Agreement shall automatically terminate and be of no further force and effect.

6. Distribution of Funds Upon Termination. Upon termination of this Escrow Agreement, Escrow Agent shall disburse any remaining Escrow Funds to Owner, after payment of any amounts due under this Agreement.

7. Annual Statement. Escrow Agent shall provide to Owner, with a copy to EPA, annual statements showing the Escrow Funds balance at the beginning of the year, all interest income earned on the Escrow Funds during the year, all expenses and other payments (including payment to Escrow Agent for fees) paid during the year, and the Escrow Funds balance at the end of the year.

8. Notices. All notices, demands and requests given or required to be given hereunder shall be in writing, and shall be made by first-class mail, by facsimile or by overnight courier, and shall be given as follows:

To Owner:

Casmalia Resources
559 San Ysidro Road
Santa Barbara, CA 93108
Fax: (805) 969-3652

with a copy to:

Nossaman, Guthner, Knox & Elliott LLP
445 S. Figueroa Street, 31st Floor
Los Angeles, CA 90071
Attn: Howard D. Coleman, Esq.
Fax: (213) 612-7801

To EPA:

Marie Rongone
Senior Counsel
Office of Regional Counsel, ORC-3
75 Hawthorne Street
San Francisco, CA 94105
Fax: (415) 947-3570

To Escrow Agent:

Montecito Bank & Trust
1106 Coast Village Road
Santa Barbara, CA 93108
Attn: Mark Fingerlin, Senior Vice President
Fax: (805) 969-9754

or to such other place or attention of such other individual as a party may from time to time designate by written notice to all other parties given as herein required. Escrow Agent shall be entitled to rely upon any notice, signature or writing which it shall in good faith believe to be genuine and to be signed or presented by a proper party or parties. Any notice required or permitted by this Agreement shall be deemed sufficient on the date of

delivery by first-class mail, overnight courier or facsimile. In the case of notice by first-class mail, notice shall be deemed given five (5) days after the date of deposit, postage prepaid, in the mail.

9. Responsibility of Escrow Agent. Owner agrees to indemnify, protect and hold Escrow Agent harmless from any and all loss, liability and expense for anything which is done or omitted by it in good faith and not contrary to the express provisions of this Escrow Agreement, and agrees to reimburse Escrow Agent for all its losses and expenses, including reasonable counsel fees, incurred by it in the performance of its duties and responsibilities hereunder except those which may be occasioned by Escrow Agent's own negligent or willful acts or omissions. Escrow Agent shall have no responsibility whatsoever with respect to the undertakings of any other party hereto or to any notices or undertakings of anyone not a party hereto.

10. Escrow Compensation. Escrow Agent shall be entitled to compensation payable from Escrow Funds to the extent not paid by Owner for the Escrow Agent's services in accordance with the fee schedule attached hereto as Exhibit 3, which may be amended from time to time with the consent of Owner. To the extent that extraordinary fees are incurred as a result of (1) the Escrow Agent's performance of services not described in this Agreement or (2) extraordinary effort by the Escrow Agent in the performance of its duties hereunder, such extraordinary fees shall be in addition to the standard fees reflected in the schedule. Nonpayment of compensation to Escrow Agent shall not be grounds for termination of this Agreement by Escrow Agent.

11. Jurisdiction. Any dispute arising under this Escrow Agreement shall be determined in the United States District Court for the Central District of California.

12. Resignation, Removal, Successor.

a. Resignation. Escrow Agent may resign from this Escrow Agreement, and thereby become discharged from the obligations hereby created, by notice in writing given to Owner and to EPA no less than thirty (30) days before such resignation is to take effect; provided, however, Escrow Agent has found a successor, subject to reasonable approval of EPA, who is willing and able to fulfill the provisions of this Agreement.

b. Removal. Escrow Agent may be removed at any time by an instrument in writing delivered to Escrow Agent and subject to approval by EPA.

c. Successor. If at any time hereafter Escrow Agent shall be removed, be dissolved or otherwise become incapable of acting, or the position of Escrow Agent shall become vacant for any of the foregoing reasons, Owner shall promptly appoint as Escrow Agent a state or nationally chartered bank or trust company with net assets of at least \$25,000,000.00 as successor to Escrow Agent. Upon such appointment such successor shall execute, acknowledge and deliver to its predecessor, and also to Owner and EPA, an instrument in writing accepting such appointment hereunder, and thereupon such successor without any further act, shall become fully vested with all the rights, immunities, and powers, and shall be subject to all of the duties and obligations of its predecessor;

and every predecessor Escrow Agent shall promptly deliver all property and moneys held by it hereunder to such successor. No successor Escrow Agent shall be accountable or liable for any acts or omissions of a predecessor Escrow Agent.

13. Headings. The headings in this Escrow Agreement are merely for convenience and shall not be used in interpreting any of the provisions.

14. Binding Effect; Successors and Assigns. This Escrow Agreement shall be binding upon, and inure to the benefit of, the respective parties hereto and their successors and assigns.

15. Counterparts. This Escrow Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

16. Modification. This Escrow Agreement may not be amended, altered or modified except by written instrument duly executed by the Escrow Agent, subject to EPA approval.

17. Assignment. No party shall assign its rights or obligations under this Agreement without the prior written consent of the other parties. Owner shall have no right to encumber any portion of the Escrow Funds or subject the Escrow Funds to the claims of any third party creditor.

18. Third Parties. EPA shall be a third party beneficiary of this Escrow Agreement. Except as expressly provided in this Escrow Agreement, nothing contained in this Escrow Agreement shall be construed

to create any rights in any person or entity not a party to this Escrow Agreement.

19. Severalty of Provisions. If any provision of this Escrow Agreement or its application to any person or entity or in any circumstance shall be invalid or unenforceable, the application of such provision to persons or entities and in circumstances other than those as to which it is invalid or unenforceable, and the other provisions of this Escrow Agreement, shall not be affected by such invalidity or unenforceability.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed as of the day and year first written above.

CASMALIA RESOURCES

By: Hunter Resources

By: _____

MONTECITO BANK & TRUST

By: _____

List of Exhibits

- Exhibit 1 Map of Facility
- Exhibit 2 Legal Description and Map of Facility Fringe Area
- Exhibit 3 Legal Description of Property
- Exhibit 4 Escrow Agent Fee Schedule

EXHIBIT 1

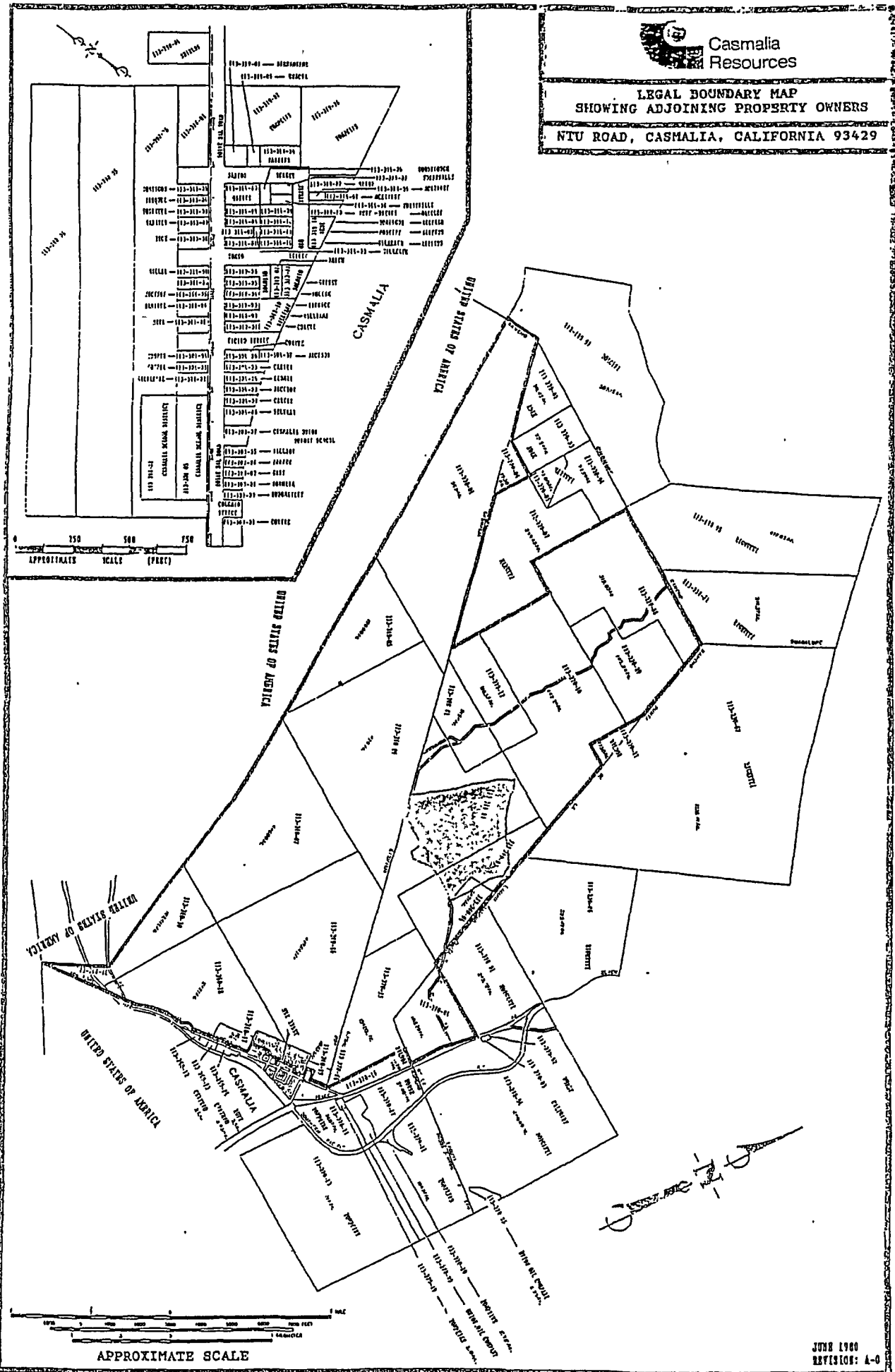
Map of Facility



Casmalia
Resources

LEGAL BOUNDARY MAP
SHOWING ADJOINING PROPERTY OWNERS

NTU ROAD, CASMALIA, CALIFORNIA 93429



CDM174099

JUNE 1980
REVISION: A-0

SECTION 9, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.B. & M.

Parcel is the area contained within the following surveyed lines, bearings, and distances:

LINE	BEARING	DISTANCE
1	N 2° 18' 52" W	872.06
2	N 2° 18' 52" W	280.00
3	N 23° 00' 29" E	672.26
4	N 32° 26' 44" W	458.53
5	N 65° 21' 26" W	907.16
6	N 77° 11' 05" W	485.82
7	N 52° 15' 17" W	767.15
8	N 66° 41' 32" W	308.00
9	N 38° 41' 25" W	662.89
10	S 30° 00' 42" W	635.00
11	S 9° 25' 06" W	388.34
12	S 32° 44' 46" W	396.12
13	S 17° 07' 43" W	401.48
14	S 13° 07' 13" W	715.27
15	S 23° 45' 40" W	274.23
16	S 23° 45' 40" W	158.67
17	S 32° 36' 47" W	548.69
18	S 44° 36' 11" E	925.83
19	N 74° 54' 04" E	246.69
20	N 82° 06' 16" E	216.42
21	S 83° 53' 50" E	207.16
22	S 65° 50' 06" E	369.27
23	S 15° 24' 38" E	133.36
24	S 11° 38' 43" E	218.40
25	S 80° 14' 49" E	148.64
26	N 57° 16' 38" E	248.97
27	N 43° 31' 42" E	172.40
28	N 64° 42' 03" E	234.62
29	N 84° 40' 54" E	523.19
30	S 89° 04' 48" E	198.73
31	S 85° 37' 05" E	504.71
32	N 7° 38' 59" E	277.89
33	N 19° 56' 14" W	831.13
34	N 70° 03' 46" E	264.02
35	S 8° 42' 44" W	287.09
36	S 1° 41' 12" W	557.97
37	N 77° 41' 58" W	425.20
38	S 31° 28' 43" W	564.67
39	S 5° 38' 46" W	428.19
40	S 19° 22' 47" W	739.39
41	N 57° 33' 28" W	741.87
42	S 83° 18' 57" E	578.52
43	N 58° 07' 42" E	219.44
44	S 5° 47' 29" W	584.61

SAID PROPERTY CONTAINS APPROXIMATELY 253.46 ACRES

CDM174100

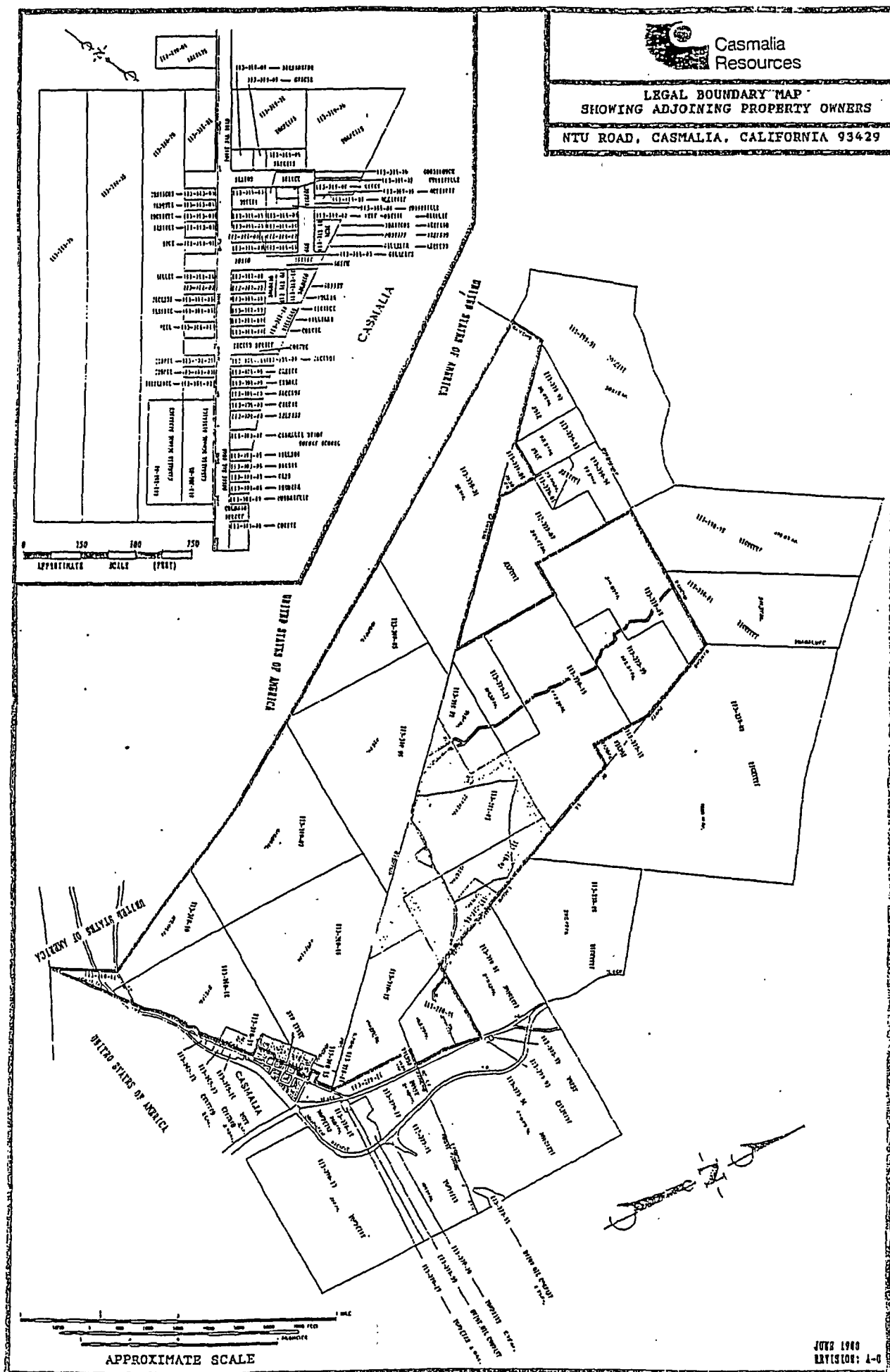
EXHIBIT 2

Legal Description and Map of Facility Fringe Area



LEGAL BOUNDARY MAP
SHOWING ADJOINING PROPERTY OWNERS

NTU ROAD, CASMALIA, CALIFORNIA 93429



CDM174102

JUNE 1960
REVISION: 4-0

Parcel 1:

THE WEST HALF OF THE NORTHWEST QUARTER, THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AND LOT 5 OF SECTION 14; THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, SOUTHEAST QUARTER OF THE NORTHEAST QUARTER AND LOTS 3, 4, 5, 6 AND 7 OF SECTION 15; AND LOTS 1, 2 AND 3 OF SECTION 23, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THE FULL, FREE, EXCLUSIVE AND PERPETUAL RIGHT TO, AND THE OWNERSHIP OF ALL GAS, OIL AND OTHER HYDROCARBON SUBSTANCES AND ALL MINERALS IN, UPON OR UNDERLYING SAID LAND, WHICH HYDROCARBON SUBSTANCES AND MINERALS ARE NOW OR IN THE FUTURE WILL BE OWNED BY J. F. GOODWIN COMPANY, A CALIFORNIA CORPORATION, OR ITS ASSIGNEES, TOGETHER WITH THE PERPETUAL RIGHT, PRIVILEGE AND EASEMENT TO ENTER IN AND UPON SAID LANDS TO PROSPECT, EXPLORE, DRILL, OPERATE, DEVELOP AND DISPOSE OF ALL SUCH MINERALS, AND ALL SUCH OIL, GAS OR OTHER HYDROCARBONS.

Parcel 2:

LOTS 1, 2, 3 AND 4 AND THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO 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 SEPTEMBER 11, 1884.

EXCEPTING THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A 1-INCH PIPE IN THE WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO, BEARING NORTH 22°20' WEST 447.3 FEET FROM THE INTERSECTION OF THE SOUTH LINE OF SECTION 14, TOWN-9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, AND SAID WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO; THENCE NORTH 55°01' WEST 409 FEET TO A 1-INCH PIPE NO. 2; THENCE NORTH 50°29' WEST 589 FEET TO A 1-INCH PIPE NO. 3; THENCE NORTH 57°46' WEST 519.2 FEET TO A 1-INCH PIPE NO. 4; THENCE NORTH 81°45' WEST 214.1 FEET TO A 1-INCH PIPE NO. 5; THENCE NORTH 22°20' WEST 1179.00 FEET TO A 1-INCH PIPE NO. 6; THENCE NORTH 67°40' EAST 983.9 FEET TO A 1-INCH PIPE NO. 7, AND IN THE WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO; THENCE SOUTH 22° 20' EAST 2574.3 FEET TO THE POINT OF BEGINNING.

Parcel 3:

THAT PORTION OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.M., IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A ONE-INCH PIPE IN THE WEST LINE OF THE PUNTA DE LAGUNA RANCHO, BEARING NORTH 22°20' WEST 447.3 FEET FROM THE INTERSECTION OF THE SOUTH LINE OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.M., AND SAID WEST LINE OF THE PUNTA DE LAGUNA RANCHO; RUNNING THENCE 1ST, NORTH 55°01' WEST 409 FEET TO ONE-INCH PIPE NO. 2; THENCE 2ND, NORTH 50°29' WEST 589 FEET TO A ONE-INCH PIPE NO. 3; THENCE 3RD, NORTH 57°46' WEST 519.2 FEET TO ONE-INCH PIPE NO. 4; THENCE 4TH, NORTH 81°45' WEST 214.1 FEET TO ONE-INCH PIPE NO. 5; THENCE 5TH, NORTH 22°20' WEST 1179 FEET TO ONE-INCH PIPE NO. 6; THENCE 6TH, NORTH 67°40' EAST 983.9 FEET TO ONE-INCH PIPE NO. 7; AND IN THE WEST LINE OF THE PUNTA DE LAGUNA RANCHO; THENCE 7TH, SOUTH 22°20' EAST 2574 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM AN UNDIVIDED 75% OF ALL OIL, GAS, GASOLINE AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS IN, UNDER OR PRODUCED FROM THE PORTION OF THE SUB-SURFACE OF THE ABOVE-DESCRIBED LAND LYING BELOW A PLANE PARALLEL TO AND 500 FEET VERTICALLY BELOW THE SURFACE OF SAID LAND WITHOUT, HOWEVER, THE RIGHT TO ENTER ON THE SURFACE THEREOF.

EXCLUDING:

(SEE FOLLOWING PAGE)

SECTION 9, TOWNSHIP 9 NORTH, RANGE 35 WEST, S B B & M.

Parcel is the area contained within the following surveyed lines, bearings, and distances:

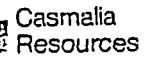
LINE	BEARING	DISTANCE
1	N 2° 18' 52" W	872.06
2	N 2° 18' 52" W	280.00
3	N 23° 00' 29" E	672.26
4	N 32° 26' 44" W	458.53
5	N 65° 21' 26" W	907.16
6	N 77° 11' 05" W	485.82
7	N 52° 15' 17" W	767.15
8	N 66° 41' 32" W	308.00
9	N 38° 41' 25" W	662.89
10	S 30° 00' 42" W	635.00
11	S 9° 25' 06" W	388.34
12	S 32° 44' 46" W	396.12
13	S 17° 07' 43" W	401.48
14	S 13° 07' 13" W	715.27
15	S 23° 45' 40" W	274.23
16	S 23° 45' 40" W	158.67
17	S 32° 36' 47" W	548.69
18	S 44° 36' 11" E	925.83
19	N 74° 54' 04" E	246.69
20	N 82° 06' 16" E	216.42
21	S 83° 53' 50" E	207.16
22	S 65° 50' 06" E	369.27
23	S 15° 24' 38" E	123.36
24	S 11° 38' 43" E	218.40
25	S 80° 14' 49" E	148.64
26	N 57° 16' 38" E	248.97
27	N 43° 31' 42" E	172.40
28	N 64° 42' 03" E	234.62
29	N 84° 40' 54" E	523.19
30	S 89° 04' 48" E	198.73
31	S 85° 37' 05" E	504.71
32	N 7° 38' 59" E	277.89
33	N 19° 56' 14" W	831.13
34	N 70° 03' 46" E	264.02
35	S 8° 42' 44" W	287.09
36	S 1° 41' 12" W	557.97
37	N 77° 41' 58" W	425.20
38	S 31° 28' 43" W	564.67
39	S 5° 38' 46" W	428.19
40	S 19° 22' 47" W	739.39
41	N 57° 33' 28" W	741.87
42	S 83° 18' 57" E	578.52
43	N 58° 07' 42" E	219.44
44	S 5° 47' 29" W	584.61

SAID PROPERTY CONTAINS APPROXIMATELY 253.46 ACRES

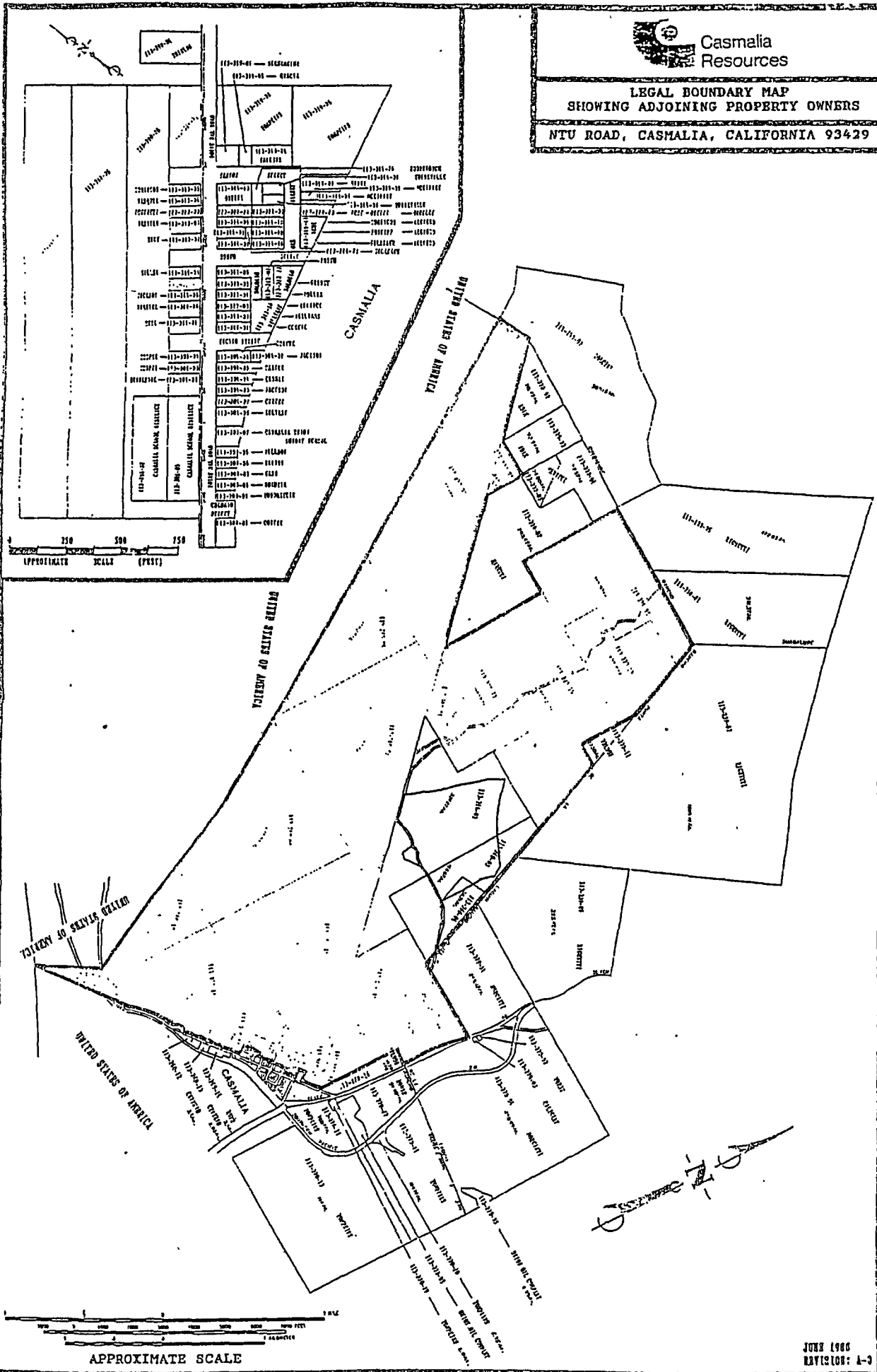
CDM174105

EXHIBIT 3

Legal Description and Map of Property



NTU ROAD, CASMALIA, CALIFORNIA 93429



CDM174107

JUNE 1980
REVISION: A-3

TRACT ONE
(consisting of 18 parcels)

PARCEL 1

THAT CERTAIN PARCEL OF LAND SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, BEING PORTIONS OF THE RANCHO CASMALIA, SECTION 24, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.B.&M., AND THE TOWN OF SOMEO, ACCORDING TO THE MAP OF SAID TOWN OF SOMEO, RECORDED AUGUST 5, 1987, IN BOOK 1, PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF BLOCK 10 OF SAID TOWN, BEING A POINT IN THE NORTHWESTERLY LINE OF PT. SAL STREET (70 FEET WIDE) AS SHOWN ON SAID MAP; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID NORTHWESTERLY LINE NORTH 53°25'55" EAST 983.5 FEET TO THE EASTERLY LINE OF LOT 3 OF SAID SECTION 24, BEING ALSO STATION 15 OF RANCHO TODOS Y ANTONIO (AND POST C. 3 & T. S. 5 MENTIONED ON SAID MAP); THENCE NORTH 0°30'44" EAST ALONG SAID LINE OF SAID LOT 3, 739.54 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LOTS "A" TO "K", INCLUSIVE OF SAID TOWN, THENCE ALONG SAID SOUTHEASTERLY LINE AND THE PROLONGATION THEREON, SOUTH 53°25'55" WEST 4,523.11 FEET; THENCE SOUTH 36°34'05" EAST 590.00 FEET TO THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF PT. SAL STREET; THENCE ALONG SAID LAST MENTIONED PROLONGATION AND SAID NORTHWESTERLY LINE 3,093.72 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID TOWN LYING SOUTHEASTERLY OF THE NORTHWESTERLY LINE OF THE ALLEY RUNNING THROUGH BLOCKS 6 TO 10, INCLUSIVE, OF SAID TOWN.

ALSO EXCEPTING THEREFROM THE PARCEL OF LAND DESCRIBED IN THE DEED FROM ANTON TOGNAZZINI TO CASMALIA SCHOOL DISTRICT, DATED OCTOBER 24, 1902, RECORDED IN BOOK 87, PAGE 18 AND FOLLOWING OF DEEDS, RECORDS OF SANTA BARBARA COUNTY, CALIFORNIA, AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHERLY LINE OF THE GUADALUPE AND LOMPOC COUNTY ROAD (WHICH SAID ROAD IS NAMED PT. SAL STREET ON THE MAP OF THE TOWN OF SOMEO, COUNTY OF SANTA BARBARA, SURVEYED GEORGE STORY, 1897 AND ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SANTA BARBARA COUNTY, CALIFORNIA) DISTANT THEREON 100 FEET EASTERLY FROM THE EASTERLY LINE OF ALAMOS STREET, AS LAID DOWN ON THE SAID MAP OF THE TOWN OF SOMEO, AND RUNNING THENCE EASTERLY ALONG THE NORTH LINE OF SAID COUNTY ROAD 150 FEET; THENCE AT RIGHT ANGLES NORTHERLY 282 FEET; THENCE AT RIGHT ANGLES WESTERLY 150 FEET; THENCE AT RIGHT ANGLES SOUTHERLY 282 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THE PARCEL OF LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF COCONO STREET, WITH THE NORTHWESTERLY LINE OF THE ALLEYWAY RUNNING THROUGH BLOCKS 6 AND 7 OF SAID TOWN OF CASMALIA, AS SHOWN ON SAID

MAP; THENCE 1ST, NORTH 36°45' WEST, ALONG SAID NORTHEASTERLY LINE OF COLOMBO STREET, 140.00 FEET TO ITS INTERSECTION WITH THE SOUTH-EASTERLY LINE OF CASMALIA STREET, AS SHOWN ON SAID MAP; THENCE 2ND, NORTH 53°15' EAST, ALONG SAID SOUTHEASTERLY LINE OF CASMALIA STREET, 480.00 FEET TO ITS INTERSECTION WITH THE NORTHEASTERLY LINE OF LOT 2, IN BLOCK 7, OF SAID TOWN OF CASMALIA, AS SHOWN ON SAID MAP; THENCE 3RD, SOUTH 36°45' EAST, ALONG THE NORTHEASTERLY LINE OF SAID LOT 2, 140.00 FEET TO SAID NORTHWESTERLY LINE OF SAID ALLEYWAY ABOVE REFERRED TO; THENCE 4TH, SOUTH 53°15' WEST, ALONG SAID NORTHWESTERLY LINE OF SAID ALLEYWAY, 480.00 FEET TO THE POINT OF BEGINNING.

PARCEL TWO:

A PORTION OF THE RANCHO CASMALIA IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, PATENTED TO ANTONIO LIVERA BY THE UNITED STATES OF AMERICA, BY PATENT DATED JULY 30, 1863, AND RECORDED IN BOOK "A" OF PATENTS, AT PAGE 388, ET SEQ., IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE MOST EASTERLY CORNER OF THE RANCH CASMALIA AS PER MAP OR PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND RUNNING THENCE SOUTH 53° WEST 10250 FEET TO A POINT; THENCE NORTH 35°32' EAST 2186 FEET TO A POINT; THENCE NORTH 26°15' WEST 7623 FEET TO A POINT; THENCE NORTH 32°34' WEST 18093 FEET TO A POINT; THENCE NORTH 64° EAST 1188 FEET TO A POINT; THENCE SOUTH 46° EAST 27356 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THOSE CERTAIN STRIPS AND PARCELS OF LAND CONVEYED TO THE SOUTHERN PACIFIC RAILROAD COMPANY BY DEED RECORDED JUNE 22, 1891 IN BOOK 30 OF DEEDS, AT PAGE 453 ET SEQ., AND BY DEED RECORDED AUGUST 19, 1895 IN BOOK 48 OF DEEDS AT PAGE 184 ET SEQ., RECORDS OF SAID SANTA BARBARA COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF BLOCK 10 OF SAID TOWN, BEING A POINT IN THE NORTHWESTERLY LINE OF PT. SAL STREET (70 FEET WIDE) AS SHOWN ON SAID MAP; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID NORTHWESTERLY LINE NORTH 53°25'55" EAST 983.5 FEET TO THE EASTERLY LINE OF LOT 3 OF SECTION 24, BEING ALSO STATION 15 OF RANCHO TODOS AND SAN ANTONIO (AND POST C. 3 & T. S. 5 MENTIONED ON SAID MAP); THENCE NORTH 0°30'44" EAST ALONG SAID EASTERLY LINE OF SAID LOT 3, 739.54 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LOTS A TO K, INCLUSIVE OF SAID TOWN; THENCE ALONG SAID SOUTHEASTERLY LINE AND THE PROLONGATION THEREOF, SOUTH 53°25'55" WEST 4523.11 FEET; THENCE SOUTH 36°34'05" EAST 590.00 FEET TO THE SOUTH-WESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF PT. SAL STREET; THENCE ALONG SAID LAST MENTIONED PROLONGATION AND SAID NORTHWESTERLY LINE 4044 FEET MORE OR LESS TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN BLOCK "A TO K" INCLUSIVE OF THE TOWN OF SOMEO, (TOWN OF CASMALIA) AS SHOWN BY THE MAP ON FILE IN BOOK 1, PAGE 63 OF MAPS AND SURVEYS, RECORDS OF SANTA BARBARA COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND

PARCEL THREE:

THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L. 4" AND RUNNING FROM THIS POINT OF BEGINNING NORTH 22° WEST 35.35 CHAINS ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R. R. HARRIS, UNITED STATES DEPUTY SURVEYOR TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTIONS 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M.; THENCE EAST 42.31 CHAINS TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD WITH THE FOLLOWING COURSES AND DISTANCES: SOUTH 11°30' WEST 20.70 CHAINS; THENCE SOUTH 0°30' WEST 15.15 CHAINS TO THE POINT WHERE THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA INTERSECTS ABOVE-NAMED ROAD; THENCE LEAVING ROAD NORTH 83°45' WEST 25.00 CHAINS ALONG THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA TO A STAKE MARKED "P.L.4" WHICH MARKS THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AND THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT LAND LYING WITHIN THE COUNTY RIGHT OF WAY OF THAT CERTAIN COUNTY ROAD KNOWN AS TO "N.T.U." ROAD.

ALSO EXCEPTING THAT CERTAIN PROPERTY SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THE EXISTING COUNTY ROAD, WHICH POINT IS PERPENDICULAR TO AND 50 FEET DISTANT FROM HIGHWAY ENGINEERS STATION 79 +00.73 OF THE CASMALIA-SANTA MARIA HIGHWAY SURVEY; THENCE ALONG THE ARC OF A 5050 FOOT RADIUS CURVE RIGHT, CENTRAL ANGLE 2°10', 190.97 FEET, THENCE NORTH 9°06' EAST 571.80 FEET; THENCE SOUTH 89°32'30" EAST 37.98 FEET TO AN IRON PIPE WHICH MARKS THE NORTHEAST BOUNDARY OF THE LAND OF CLELIA MUSCIO HANSEN ET AL., AND THE WESTERLY COUNTY RIGHT-OF-WAY LINE; THENCE ALONG SAID RIGHT-OF-WAY LINE SOUTH 11°37'50" WEST 769.18 FEET TO THE POINT OF BEGINNING, CONTAINING 0.32 ACRES MORE OR LESS, AS CONVEYED TO THE COUNTY OF SANTA BARBARA BY DEED RECORDED JANUARY 21, 1944 IN BOOK 997, PAGE 77 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND.

PARCEL FOUR:

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER (N.W. 1/4 OF THE N.E. 1/4) AND LOTS 4, 5, 6, 7 AND 8 OF SECTION 23, TOWNSHIP 9 NORTH, RANGE 35 WEST S. B. B. & M., IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND.

PARCEL FIVE:

LOTS 1, 2 AND 3 OF SECTION 24, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M. IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF. EXCEPTING FROM SAID LOT 3 ALL OF THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE SOUTHERLY CORNER OF SAID LOT: THENCE NORTH 0°30'44" EAST ALONG THE EAST LINE OF SAID LOT 739.54 FEET THENCE SOUTH 53°25'55" WEST TO AN INTERSECTION WITH THE NORTHEASTERLY LINE OF THE RANCHO CASMALIA; THENCE SOUTHEASTERLY ALONG SAID RANCH LINE TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND.

PARCEL SIX:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

A PORTION OF THE RANCHO CASMALIA IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, PATENTED TO ANTONIO LIVERA BY THE UNITED STATES OF AMERICA, BY PATENT DATED JULY 30, 1863, AND RECORDED IN BOOK "A" OF PATENTS, AT PAGE 388, ET SEQ., IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE MOST EASTERLY CORNER OF THE RANCHO CASMALIA, AS PER MAP OR PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND RUNNING THENCE SOUTH 53° WEST 10250 FEET TO A POINT; THENCE NORTH 35°32' EAST 2186 FEET TO A POINT; THENCE NORTH 26°15' WEST 7623 FEET TO A POINT; THENCE NORTH 32°34' WEST 18093 FEET TO A POINT; THENCE NORTH 64° EAST 1188 FEET TO A POINT; THENCE SOUTH 46° EAST 26356 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THOSE CERTAIN STRIPS AND PARCELS OF LAND CONVEYED TO THE SOUTHERN PACIFIC RAILROAD COMPANY BY DEED RECORDED JUNE 22, 1891 IN BOOK 30 OF DEEDS, AT PAGE 453 ET SEQ., AND BY DEED RECORDED AUGUST 19, 1895 IN BOOK 48 OF DEEDS AT PAGE 184 ET SEQ., RECORDS OF SAID SANTA BARBARA COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF BLOCK 10 OF SAID TOWN, BEING A POINT IN THE NORTHWESTERLY LINE OF PT. SAL STREET (70 FEET WIDE) AS

SHOWN ON SAID MAP; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID NORTHWESTERLY LINE NORTH 53°25'55" EAST 983.5 FEET TO THE EASTERLY LINE OF LOT 3 OF SECTION 24, BEING ALSO STATION 15 OF RANCHO TODOS AND SAN ANTONIO (AND POST C. 3 & T. S. 5 MENTIONED ON SAID MAP); THENCE NORTH 0°30'44" EAST ALONG SAID EASTERLY LINE OF SAID LOT 3, 739.54 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LOTS A TO K, INCLUSIVE OF SAID TOWN; THENCE ALONG SAID SOUTHEASTERLY LINE AND THE PROLONGATION THEREOF, SOUTH 53°25'55" WEST 4523.11 FEET; THENCE SOUTH 36°34'05" EAST 590.00 FEET TO THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF PT. SAL STREET; THENCE ALONG SAID LAST MENTIONED PROLONGATION AND SAID NORTHWESTERLY LINE 4044 FEET MORE OR LESS TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN BLOCKS "A" TO "K" INCLUSIVE, OF THE TOWN OF SOMEO (TOWN OF CASMALIA) AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 63 OF MAPS AND SURVEYS, RECORDS OF SANTA BARBARA COUNTY. CALIFORNIA.

PARCEL SEVEN:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L. 4" AND RUNNING FROM THIS POINT OF BEGINNING NORTH 22° WEST 35.35 CHAINS ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R.R. HARRIS, UNITED STATES DEPUTY SURVEYOR TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTIONS 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M.; THENCE EAST 42.31 CHAINS TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD WITH THE FOLLOWING COURSES AND DISTANCES: SOUTH 11°30' WEST 20.70 CHAINS; THENCE SOUTH 0°30' WEST 15.15 CHAINS TO THE POINT WHERE THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA INTERSECTS ABOVE-NAMED ROAD; THENCE LEAVING ROAD NORTH 83°45' WEST 25.00 CHAINS ALONG THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA TO A STAKE MARKED "P.L. 4", WHICH MARKS THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AND THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT LAND LYING WITHIN THE COUNTY RIGHT OF WAY OF THE CERTAIN COUNTY ROAD KNOWN AS THE "N.T.U." ROAD.

ALSO EXCEPTING THAT CERTAIN PROPERTY SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THE EXISTING COUNTY ROAD, WHICH POINT IS PERPENDICULAR TO AND 50 FEET DISTANT FROM HIGHWAY ENGINEERS STATION 79 + 00.73 OF THE CASMALIA-SANTA MARIA HIGHWAY SURVEY; THENCE ALONG THE ARC OF A 5050 FOOT RADIUS CURVE RIGHT, CENTRAL ANGLE 2°10', 190.97 FEET, THENCE NORTH 9°06' EAST 571.80 FEET; THENCE SOUTH 89°32'30" EAST 37.98 FEET TO AN IRON PIPE WHICH MARKS THE NORTHEAST BOUNDARY OF THE LAND OF CLELIA MUSCIO HANSEN ET AL., AND THE WESTERLY COUNTY RIGHT-OF-WAY LINE; THENCE ALONG SAID RIGHT-OF-WAY LINE SOUTH 11°37'50" WEST 769.18 FEET TO THE POINT OF BEGINNING, CONTAINING 0.32 ACRES MORE OR LESS, AS CONVEYED TO THE COUNTY OF SANTA BARBARA BY DEED RECORDED JANUARY 21, 1944 IN BOOK 997, PAGE 77 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM THAT PORTION LYING NORTHERLY AND NORTHEASTERLY OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD."

ALSO EXCEPTING THEREFROM THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L.4"; THENCE, N. 22° WEST 2333.1 FEET ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R. R. HARRIS, UNITED STATES DEPUTY SURVEYOR, TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTION 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, SBB&M' THENCE EAST 2792.46 FEET TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE, SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD SOUTH 11°30' WEST 905.0 FEET TO THE TRUE POINT OF BEGINNING; THENCE, CONTINUING SOUTH 11°30' WEST ALONG SAID CENTERLINE 461.2 FEET; THENCE, SOUTH 0°30' WEST 461.32 FEET; THENCE, WESTERLY 1416.55 FEET TO A POINT WHICH IS DISTANT 922.52 FEET SOUTH OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD"; THENCE NORTH 0°30' EAST 461.32 FEET; THENCE, NORTH 11°30' EAST 461.2 FEET; THENCE EASTERLY TO THE CENTERLINE OF THE OLD SANTA MARIA-CASMALIA ROAD 1416.55 FEET, AND THE POINT OF BEGINNING.

PARCEL EIGHT:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER (N.W. 1/4 OF THE N.E. 1/4) AND LOTS 4, 5, 6, 7 AND 8 OF SECTION 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M. IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PARCEL NINE:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

LOTS 1, 2 AND 3 OF SECTION 24, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M. IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF. EXCEPTING FROM SAID LOT 3 ALL OF THE FOLLOWING DESCRIBED PARCEL: COMMENCING AT THE SOUTHERLY CORNER OF SAID LOT; THENCE NORTH 0°30'44" EAST ALONG THE EAST LINE OF SAID LOT 739.54 FEET THENCE SOUTH 53°25'55" WEST TO AN INTERSECTION WITH THE NORTHEASTERLY LINE OF THE RANCHO CASMALIA; THENCE SOUTHEASTERLY ALONG SAID RANCHO LINE TO THE POINT OF BEGINNING.

PARCEL TEN:

AN UNDIVIDED 1/2 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THAT PROPERTY IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF SUBDIVISION 16 OF THE RANCHO PUNTA DE LA LA GUNA, HEREINAFTER DESCRIBED, LYING NORTHERLY AND NORTHEASTERLY OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD", TO WIT:

BEGINNING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L. 4" AND RUNNING FROM THIS POINT OF BEGINNING NORTH 22° WEST 35.35 CHAINS ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R.R. HARRIS, UNITED STATES DEPUTY SURVEYOR TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTIONS 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M.; THENCE EAST 42.31 CHAINS TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD WITH THE FOLLOWING COURSES AND DISTANCES: SOUTH 11°30' WEST 20.70 CHAINS; THENCE SOUTH 0°30' WEST 15.15 CHAINS TO THE POINT WHERE THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA INTERSECTS ABOVE-NAMED ROAD; THENCE LEAVING ROAD NORTH 83°45' WEST 25.00 CHAINS ALONG THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA TO A STAKE MARKED "P.L. 4", WHICH MARKS THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AND THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT LAND LYING WITHIN THE COUNTY RIGHT OF WAY OF THE CERTAIN COUNTY ROAD KNOWN AS THE "N.T.U." ROAD.

ALSO EXCEPTING THAT CERTAIN PROPERTY SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THE EXISTING COUNTY ROAD, WHICH POINT IS PERPENDICULAR TO AND 50 FEET DISTANT FROM HIGHWAY ENGINEERS STATION 79 + 00.73 OF THE CASMALIA-SANTA MARIA HIGHWAY SURVEY; THENCE ALONG THE ARC OF A 5050 FOOT RADIUS CURVE RIGHT, CENTRAL ANGLE 2°10', 190.97 FEET, THENCE NORTH 9°06' EAST 571.80 FEET; THENCE SOUTH 89°32'30" EAST 37.98 FEET TO AN IRON PIPE WHICH MARKS THE NORTHEAST BOUNDARY OF THE LAND OF CLELIA MUSCIO HANSEN ET AL., AND THE WESTERLY COUNTY RIGHT-OF-WAY LINE; THENCE ALONG SAID RIGHT-OF-WAY LINE SOUTH 11°37'50" WEST 769.18 FEET TO THE POINT OF BEGINNING, CONTAINING 0.32 ACRES MORE OR LESS, AS CONVEYED TO THE COUNTY OF SANTA BARBARA BY DEED RECORDED JANUARY 21, 1944 IN BOOK 997, PAGE 77 OF OFFICIAL RECORDS.

PARCEL ELEVEN:

AN UNDIVIDED 1/2 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L.4"; THENCE, N. 22° WEST 2333.1 FEET ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R. R. HARRIS, UNITED STATES DEPUTY SURVEYOR, TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTION 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, SBB&M' THENCE EAST 2792.46 FEET TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE, SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD SOUTH 11°30' WEST 905.0 FEET TO THE TRUE POINT OF BEGINNING; THENCE, CONTINUING SOUTH 11°30' WEST ALONG SAID CENTERLINE 461.2 FEET; THENCE, SOUTH 0°30' WEST 461.32 FEET; THENCE, WESTERLY 1416.55 FEET TO A POINT WHICH IS DISTANT 922.52 FEET SOUTH OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD"; THENCE NORTH 0°30' EAST 461.32 FEET; THENCE, NORTH 11°30' EAST 461.2 FEET; THENCE EASTERLY TO THE CENTERLINE OF THE OLD SANTA MARIA-CASMALIA ROAD 1416.55 FEET, AND THE POINT OF BEGINNING.

PARCEL TWELVE

ALL THAT CERTAIN LAND SITUATED IN THE STATE OF CALIFORNIA IN THE UNINCORPORATED AREA OF THE COUNTY OF SANTA BARBARA, DESCRIBED AS FOLLOWS:

ALL OF BLOCKS A, B, C, D, E, F, G, H, I, J, AND K, IN THE TOWN OF SOME0, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED AUGUST 5, 1897, IN BOOK I, AT PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL THIRTEEN

LOTS 7 THROUGH 12, INCLUSIVE IN BLOCY 10, IN THE TOWN OF SOME0, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED ON AUGUST 5, 1897, IN BOOK I, AT PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL FOURTEEN

LOT 11, IN BLOCK 8, IN THE TOWN OF SOME0, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED AUGUST 5, 1897, IN BOOK I, AT PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL FIFTEEN

THE NORTH HALF OF THE SOUTHWEST QUARTER, THE NORTH HALF OF THE SOUTHEAST QUARTER, THE SOUTH HALF OF THE NORTHWEST QUARTER, THE SOUTH HALF OF THE NORTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 10, AND THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER AND LOTS 3 AND 4 OF SECTION 11, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THE FULL, FREE, EXCLUSIVE AND PERPETUAL RIGHT TO, AND THE OWNERSHIP OF ALL GAS, OIL AND OTHER HYDROCARBON SUBSTANCES AND ALL MINERALS IN, UPON OR UNDERLYING SAID LAND, WHICH HYDROCARBON SUBSTANCES AND MINERALS ARE NOW OR IN THE FUTURE WILL BE OWNED BY J. F. GOODWIN COMPANY, A CALIFORNIA CORPORATION, OR ITS ASSIGNEES, TOGETHER WITH THE PERPETUAL RIGHT, PRIVILEGE AND EASEMENT TO ENTER IN AND UPON SAID LANDS TO PROSPECT, EXPLORE, DRILL, OPERATE, DEVELOP AND DISPOSE OF ALL SUCH MINERALS, AND ALL SUCH OIL, GAS OR OTHER HYDROCARBONS.

PARCEL SIXTEEN

THE SOUTH HALF OF THE SOUTHWEST QUARTER AND LOTS 3, 4, 6 AND 7 IN SECTION 3, LOT 5 AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4; THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 9; THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 10; ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON OFFICIAL PLAT OF THE SURVEY OF SAID LANDS FILED IN THE DISTRICT LAND OFFICE.

PARCEL SEVENTEEN

LOT 5 AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 3, LOT ONE AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 10, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON OFFICIAL PLAT OF SAID LAND, FILED IN THE DISTRICT LAND OFFICE.

PARCEL EIGHTEEN

GOVERNMENT LOT 1 OF SECTION 9, TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

Parcel 19:

LOT 2 AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 10 AND LOTS 1 AND 2 AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 15, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FIELD IN THE DISTRICT LAND OFFICE ON SEPTEMBER 11, 1884.

EXCEPT AN UNDIVIDED 75% OF ALL OIL, GAS, MINERALS, PETROLEUM, AND OTHER HYDROCARBON SUBSTANCES, IN, UNDER OR RECOVERABLE FROM THE PORTION OF SUBSURFACE OF THE ABOVE DESCRIBED LAND LYING BELOW A PLANE PARALLEL TO AND 500 FEET VERTICALLY BELOW THE SURFACE OF SAID LAND, WITHOUT HOWEVER, THE RIGHT TO ENTER ON THE SURFACE THEREOF.

PARCEL 20

That portion of Subdivision No. 16 of the Rancho Punta De La Laguna, County of Santa Barbara, State of California, described as follows:

Beginning at the Southwesterly corner of the Rancho Punta De La Laguna at a stake marked "P.L. 4" and running from this point of beginning North 22° West 35.35 chains along the Easterly line of government land as surveyed by R. R. Harris, United States Deputy Surveyor to a point where this line intersects the line between Sections 14 and 23, Township 9 North, Range 35 West, S. B. B. & M.; thence East 42.31 chains to the center of the old Santa Maria-Casmalia Road; thence Southerly along the centerline of the aforementioned road with the following courses and distances: South 11°30' West 20.70 chains; thence South 0°30' West 15.15 chains to the point where the Southerly line of the Rancho Punta De La Laguna intersects above-named road; thence leaving road North 83°45' West 25.00 chains along the Southerly line of the Rancho Punta De La Laguna to a stake marked "P.L. 4" which marks the Southwesterly corner of the Rancho Punta De La Laguna and the point of beginning.

EXCEPTING therefrom that land lying within the County Right of Way of that certain County Road known as the "N.T.U." Road.

ALSO EXCEPTING therefrom that certain property situated in the County of Santa Barbara, State of California, and more particularly described as follows:

Beginning at a point on the Westerly right of way line of the existing County road, which point is perpendicular to and 50 feet distant from Highway Engineers Station 79 +00.73 of the Casmalia-Santa Maria Highway Survey; thence along the arc of a 5,050 foot radius curve right, central angle 2°10', 190.97 feet, thence North 9°06' East 571.80 feet; thence South 89°32'30" East 37.98 feet to an iron pipe which marks the Northeast boundary of the land of Clelia Muscio Hansen et al., and the Westerly County right of way line; thence along said right of way line South 11°37'50" West 769.18 feet to the point of beginning, containing 0.32 acres more or less, as conveyed to the County of Santa Barbaraby Deed recorded January 21, 1944 in Book 997, Page 77 of Official Records.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-270-06)

PARCEL 21

The Northwest quarter of the Northeast quarter (N.W. 1/4 of the N.E. 1/4) and Lots 4, 5, 6, 7 and 8 of Section 23, Township 9 North, Range 35 West S. B. B. & M., in the County of Santa Barbara, State of California, according to the official plat thereof.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-260-16)

PARCEL 22

Lots 1, 2 and 3 of Section 24, Township 9 North, Range 35 West, S.B.B. & M. in the County of Santa Barbara, State of California, according to the official plat thereof. Excepting from said Lot 3 all of the following described parcel:

Commencing at the Southerly corner of said Lot: thence North $0^{\circ}30'44''$ East along the East line of said Lot 739.54 feet thence South $53^{\circ}25'55''$ West to an intersection with the Northeasterly line of the Rancho Casmalia; thence Southeasterly along said Ranch line to the point of beginning.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-260-18)

EXHIBIT 4

**Casmalia Resources
Escrow Agent
Basic Fees and Charges**

Annual Fees: \$1500.00

Transaction Fees: Waived

APPENDIX H

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Hunter Resources
559 San Ysidro Road
Santa Barbara, CA 91308

SPACE ABOVE THIS LINE FOR RECORDER'S USE

COVENANT, IRREVOCABLE OPTION AGREEMENT, ENVIRONMENTAL RESTRICTIONS AND JOINT ESCROW INSTRUCTIONS

Pursuant to California Civil Code section 1471(c), this Covenant, Irrevocable Option Agreement, Environmental Restrictions and Joint Escrow Instructions ("Covenant") is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence on portions of the Lands, as defined below, of hazardous materials, as defined in section 25260 of the California Health and Safety Code. Casmalia Resources, a California limited partnership ("Optionor"), and Hunter Resources, a California corporation ("Optionee"), hereby agree pursuant to Civil Code section 1471(c) that the transfer of the Lands, as defined below, be restricted as set forth in this Covenant, for the benefit of Optionee. Optionor and Optionee further intend that the provisions of this Covenant also be for the benefit of the U.S. Environmental Protection Agency ("U.S. EPA") as a third party beneficiary.

This Covenant is made as of this ____ day of _____, 2001, by and between Optionor and Optionee, with reference to the following facts.

A. Optionor holds record title to the following real property located in the County of Santa Barbara, State of California: the first property is described in Exhibit 1 attached hereto (the "Facility"); the second property is described in Exhibit 2 attached hereto (the "Facility Fringe Area"); and the third property is described in Exhibit 3 attached hereto (the "Property"). The Facility, the Facility Fringe Area and the Property are collectively referred to as the "Lands."

B. The Facility together with the areal extent of contamination that is presently located in the vicinity of the Facility and all suitable areas in very close proximity to the contamination necessary for the implementation of the response action and any areas to which such contamination migrates have been designated by the United States Environmental Protection Agency ("EPA") as the Casmalia Resources Superfund Site ("Site"), and are the subject of investigation and remediation of environmental contamination. Portions of the Lands may be the subject of institutional controls or other remedial actions selected by EPA for the Site or otherwise necessary to the cleanup of the Site. Optionor, Optionee and EPA are parties to that certain Consent Decree to be lodged with the United States District Court for the Central District of California (the "Court") regarding the case entitled United States v. Kenneth H. Hunter, Jr., et al., Case No. CV97-9449 CAS (RCx) (the "Consent Decree") related to the Site, pursuant to which Optionor has agreed to restrict transfer of the Lands by granting to Optionee an exclusive option to purchase all the Lands or portions thereof for the purpose of transfer of all or a portion of the Lands to a United States designee to be selected by the EPA.

C. Pursuant to the Consent Decree, EPA is to be a third party beneficiary to each of the rights which Optionee has under this Covenant, including the option to purchase all or some of the Lands.

D. Optionee expressly acknowledges and agrees that it is accepting the rights under this Covenant additionally for the benefit of EPA, subject to the terms set forth herein. Optionee shall not take any action or exercise any rights in connection with this Covenant without the written authorization of EPA.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Optionee and Optionor hereby agree as follows.

I. OPTION WITH JOINT ESCROW INSTRUCTIONS

1. Grant of Option and Option Consideration.

1.1 Grant of Option. Effective upon the recordation of this Covenant in the Official Records of Santa Barbara County (the "Effective Date"), Optionor hereby grants to Optionee an irrevocable and exclusive option (the "Option") to require the Optionor to transfer all or a portion of the Lands to an EPA-selected designee at no charge to EPA during the period described in Section 2.1 herein, subject to the terms and conditions set forth herein. The Option may be exercised from time to time and an exercise of the Option over a portion of the Lands shall not extinguish the Option rights over the remaining Lands.

1.2 Option Consideration. The Option is granted in consideration of the various parties entering into the Consent Decree.

1.3 Optionee's Policy of Title Insurance. Optionee has examined that certain pro forma commitment to issue title insurance in the amount of \$1,000,000, in CLTA form, in the event EPA causes Optionee to exercise the Option within a ten-year term ("Title Commitment"), issued by Lawyer's Title Insurance Company ("Title Company"), which is attached hereto as Exhibit 4, and hereby acknowledges all matters set forth as exceptions therein. As used herein, the term "Permitted Title Exceptions" includes: (i) those title exceptions shown on the Title Commitment; (ii) other matters approved in writing by Optionee and EPA; and (iii) non-delinquent real property taxes.

2. Exercise of Option.

2.1 Term. The Option may be exercised at any time, and from time to time, during the period (the "Option Period") commencing on the Effective Date of the Consent Decree and terminating at 11:59 p.m. (Pacific Time) on the tenth anniversary of the Effective Date of the Consent Decree, or at the time the Option has been exercised for all of the Lands.

2.2 Exercise of Option. Subject to EPA approval, Optionee may, at any time and from time to time during the Option Period, exercise the Option granted herein by delivering to Montecito Bank & Trust, acting as "Escrow Agent," at 1106 Coast Village Road, Santa Barbara, CA 93108, written notice stating that Optionee has elected to exercise the Option, designating which portion of the Lands will be subject to such exercise, and designating the grantee of the Lands or portion of the Lands ("Grantee"). The date the Option shall be deemed to be exercised shall be the date written notice is received by Escrow Agent or three business days after the

postmark date of such written notice, whichever is the first to occur (the "Option Date").

3. Termination of Option.

If Optionee fails to exercise this Option in accordance with its terms within the Option Period, then the rights of Optionee hereunder with respect to the Option shall automatically terminate. Optionee shall, within 30 days after the expiration of the Option Period, execute a quitclaim deed for the Option and cause the same to be recorded in the Official Records of the County of Santa Barbara. A form of quitclaim deed is attached to this Covenant as Exhibit 5. Optionee may elect, subject to the approval of EPA, at any time prior to expiration of the Option Period, to terminate the Option as to all or any portion of the Lands by execution and recordation of a quitclaim deed reflecting such termination for that portion of the Lands so quitclaimed.

4. Joint Escrow Instructions.

4.1 Montecito Bank & Trust has been designated by Optionor to perform certain escrow management functions in connection with the Lands, including acting as "Escrow Agent" for purposes of this Covenant. This Covenant shall also constitute joint escrow instructions to Escrow Agent. Escrow Agent has received from Optionor and shall hold in escrow during the Option Period a grant deed in substantially the same form as attached hereto as Exhibit 6 (the "Grant Deed") fully executed by Optionor and acknowledged for recordation at Close of Escrow conveying title to the Lands to the Grantee.

4.2 The Escrow shall close on a date to be designated by Optionee upon 10 days notice to Escrow Agent. As used in this Covenant, the terms "close" and "closing" shall mean the date and time that Optionor's Grant Deed is recorded in the Official Records of Santa Barbara County, California (the "Close of Escrow").

4.3 Upon Optionee's exercise of the Option and at EPA's request, Grantee's title to the Lands shall be insured by a CLTA standard coverage owner's policy of title insurance (the "Title Policy") showing title vested in Grantee subject only to the usual printed Title Company exceptions and the Permitted Title Exceptions. Escrow Agent shall deliver the original Title Policy to Grantee promptly following the Close of Escrow.

4.4 The costs of exercising the Option, if any, shall be borne by Optionee.

4.5 When Escrow Agent has received the notice of Optionee's election to exercise the Option, and EPA's approval, and Title Company is in a position and stands ready to issue the Title Policy (if requested), and Optionee has paid into Escrow the costs described in Section 4.4 above, then Escrow Agent shall record the Grant Deed in the Official Records of Santa Barbara County.

4.6 Real property taxes and assessments ("Taxes") for the Lands shall be prorated as of the Close of Escrow on the basis of the most recent available tax information, based on a 30-day month and 360-day year. Optionor shall be responsible for payment of prorated Taxes for the period prior to and including the Close of Escrow and EPA's designee shall be responsible thereafter. In the event that Optionee exercises its Option

to purchase less than the entire Lands, the Taxes shall be prorated for the portion of the Lands purchased, and Optionor shall continue to pay the Taxes on the remaining Lands during the Option Period.

5. Representations, Warranties and Agreements of Optionor.

Optionor and Optionee hereby represent, warrant and covenant as follows:

5.1 Optionor and Optionee shall not, from the date hereof until the Close of Escrow: (i) subject any right, title or interest in or to the Lands to any mortgage, deed of trust, pledge, lien, easement or other hypothecation or encumbrance, unless the same shall expressly be subject to Optionee's and EPA's rights under this Covenant or unless the same can be removed as a title exception before the Close of Escrow; or (ii) transfer, convey, lease (except for existing grazing leases as may be permitted under the Consent Decree), or assign any right, title or interest in or to the Lands, unless the same shall expressly be subject to Optionee's and EPA's rights under this Covenant and the following conditions are met: (a) the transferee shall have assumed in writing all obligations of Optionor hereunder and the terms and conditions of the Escrow Agency Agreement, (b) such written assumption has been delivered to the Optionee and (c) the transferee shall have delivered to Escrow Agent a signed and acknowledged assignment in favor of the Optionee to be used in the event the Optionee exercises its Option. Any attempted transfer in violation of these representations, warranties and covenants shall be void and of absolutely no effect.

5.2 Neither Optionor nor Optionee shall interfere in any way with the rights granted to Optionee under this Covenant. Optionor and Optionee shall not interfere in any way with any rights which EPA has with respect to Section I.

5.3 Optionor is a limited partnership duly organized, validly existing and in good standing under the laws of the State of California with full power to enter into this Covenant, and is qualified to do business in California. The execution and delivery of this Covenant has been duly authorized and approved by all requisite action and the consummation of the transactions contemplated hereby are duly authorized and approved by all requisite action of Optionor, and no other authorizations or approvals, whether of governmental bodies or otherwise will be necessary in order to enable Optionor to enter into or to comply with the terms of this Covenant, except as otherwise set forth herein. Neither the execution of this Covenant nor the consummation by Optionor of the transactions contemplated hereby will (i) constitute a violation of any applicable code, resolution, law, statute, regulation, ordinance, judgment, rule decree or order of which Optionor is aware, or (ii) result in the creation of any lien, charge or encumbrance upon the Lands or any part thereof, except as otherwise set forth herein. This Covenant and the other documents to be executed by Optionor hereunder, upon execution and delivery thereof by Optionor will have been duly entered into by Optionor and will constitute legal, valid and binding obligations of Optionor. To Optionor's knowledge, neither this Covenant nor anything provided to be done under this Covenant violates or shall violate any contract, document, understanding,

agreement or instrument to which Optionor is a party or by which it or the Lands are bound.

5.4 During the Option Period, Optionor, through Escrow Agent, shall arrange for payment of all taxes and assessments on the Lands in a timely manner, as provided in the Escrow Agency Agreement. Escrow Agent shall be instructed to provide Optionee with annual statements reflecting the payment of the taxes and assessments.

6. Restriction and Limitation on Optionee.

Optionee shall not take any action or exercise any rights with regard to Section I without the written authorization of the EPA.

II. THIRD PARTY BENEFICIARY

7. Third Party Beneficiary.

7.1 All of the rights and promises for the benefit of the Optionee under Sections I and II of this Covenant are additionally for the express benefit of the EPA and in consideration of the Consent Decree. This Covenant is intended to provide to the EPA all available rights as a third party beneficiary under the law to enforce the terms of this Covenant.

7.2 In the event Optionee ceases to exist, is unable to continue in its capacity under this Covenant, or for any other reason determined by EPA in the EPA's sole discretion, Optionor and Optionee agree that the EPA shall have the express authority to name a successor optionee under this Covenant to act in the same capacity as Optionee. In doing so, the EPA may execute and record, or direct Optionor to execute and record, an

appointment of optionee in the Official Records of Santa Barbara County. Any such appointment shall become effective immediately upon execution and recordation of the same by Optionor. The form of appointment of optionee shall include a clause that specifically states that all the other terms of this Covenant shall remain in full force and effect.

III. MAINTENANCE AND TRANSFER

8. Maintenance.

Optionor shall designate a contact person generally knowledgeable about the Property to perform certain limited maintenance activities in accordance with the terms of the Consent Decree. Optionor shall have no maintenance obligations with respect to the Site or the Facility Fringe Area.

9. Transfer.

If Optionor transfers the Property to a third party, the third party shall assume the obligations of Optionor hereunder only insofar as they involve the Property. Optionor shall provide written notice to EPA no later than thirty (30) days before such transfer of the proposed transferee. Prior to any such transfer taking place, Optionor shall provide to EPA the transferee's written acknowledgment of and acceptance of this Covenant.

IV. GENERAL PROVISIONS

10. General Provisions.

10.1 Each of the parties agrees to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be appropriate or necessary to effectuate the

agreements of the parties, whether the same occurs before or after the Close of Escrow.

10.2 Except the Consent Decree, this Covenant, together with all Exhibits hereto and documents referred to herein, constitutes the entire understanding among the parties hereto, and supercedes any and all prior agreements, arrangements and understandings among the parties hereto. This Covenant shall be amended only by a writing signed by both Optionor (or Escrow Agent on behalf of Optionor), Optionee, and if substantively affected thereby, Escrow Agent, and any such amendment shall be subject to EPA approval. All Exhibits attached hereto are hereby incorporated by reference and made a part hereof.

10.3 The provisions and covenants contained herein shall inure to and be binding upon the heirs, successors and assigns of the parties hereto.

10.4 The headings of the sections in this Covenant are inserted solely for convenience of reference and are not intended to govern, limit, or aid in the construction of any term or provision hereof.

10.5 Optionor and Optionee hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof and that the failure to timely perform any of the obligations or undertakings assumed or agreed to be performed by either party constitutes a breach of and a default under this Covenant by the parties so failing to perform.

10.6 This Covenant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.7 Restrictions to Run with the Land. This Covenant establishes the Option and associated matters as protective provisions, covenants, restrictions, and conditions (collectively referred to as "Restrictions"), subject to which the Lands and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. Successive owners of the Lands or any portion of the Lands, except an EPA designee who takes title pursuant to the exercise of the Option, are expressly bound thereby for the benefit of the Optionee. Each and every Restriction: (a) runs with the land pursuant to Civil Code section 1471; (b) inures to the benefit of and passes with each and every portion of the Lands, (c) is for the benefit of the Optionee, (d) is for the benefit of U.S. EPA as a third party beneficiary, and (e) is imposed upon the entire Lands unless expressly stated as applicable only to a specific portion thereof.

10.8 Binding upon Owners/Occupants. Pursuant to Civil Code section 1471, this covenant binds all owners of the Property, their heirs, successors, and assignees, and the agents, employees, and lessees of the owners, heirs, successors, and assignees. Pursuant to Civil Code section 1471(b), all successive owners of the Property are expressly bound hereby for the benefit of the Optionee and U.S. EPA.

10.9 Incorporation into Deeds and Leases. The Restrictions set forth herein shall be incorporated by reference in each and all deeds,

leases, assignments, or other transfers of all or any portion of the Lands which are hereafter executed or renewed during the Option Period. Further, each owner or occupant shall include in any instrument conveying any interest in all or any portion of the Lands, including but not limited to deeds, leases, and mortgages, a notice which is in substantially the following form:

NOTICE: THE INTEREST CONVEYED HEREBY IS SUBJECT TO AN ENVIRONMENTAL RESTRICTION, RECORDED IN THE PUBLIC LAND RECORDS ON __ [DATE]__, IN BOOK __, PAGE __, IN FAVOR OF AND ENFORCEABLE BY Hunter Resources, AND FOR THE BENEFIT OF THE U.S. ENVIRONMENTAL PROTECTION AGENCY.

10.10. Conveyance of Property. The Owner shall provide notice to Optionee and to U.S. EPA not later than thirty (30) days prior to any proposed conveyance of any ownership interest in the Property (excluding mortgages, liens, and other non-possessory encumbrances). The Optionee and U.S. EPA shall not, by reason of this Covenant, have authority to approve, disapprove, or otherwise affect proposed conveyance, except as otherwise provided by law, by administrative order, or by a specific provision of this Covenant.

V. ASSUMPTION OF RISK

11. Assumption of Risk. OPTIONEE AND EPA HEREBY ACKNOWLEDGE THAT ANY ENTRY ONTO THE FACILITY AND THE LANDS AND THE ENTRY OF ANY OF THE ENTITIES OR PERSONS ENTERING ONTO OR UTILIZING THE LANDS UNDER THIS COVENANT SHALL BE AT THEIR OWN RISK, THAT OPTIONOR WILL NOT

PROVIDE INSURANCE AND THAT, EXCEPT AS PROVIDED IN THE CONSENT DECREE AND SECTION 8, ABOVE, OPTIONOR SHALL NOT HAVE ANY PERSONNEL AVAILABLE TO BE USED TO MAINTAIN OR REPAIR THE LANDS OR THE FACILITY AND THAT OPTIONOR HAS DISCLAIMED ANY DUTY OR RESPONSIBILITY TO MAINTAIN, REPAIR OR OTHERWISE CARRY OUT ANY ACTIVITY REGARDING THE LANDS.

VI. AUTOMATIC TERMINATION

12. Automatic Termination.

If the Consent Decree has not been approved and entered by the Federal District Court on or before June 30, 2003, this Covenant and all of its provisions shall automatically terminate and be of no force or effect.

VII. ENFORCEABILITY

13. Enforceability.

The provisions of Section I of this Covenant shall not become effective until the Consent Decree has been approved and entered by the Court, and is no longer subject to appeal. The provisions of this Covenant shall be enforceable by the Court.

IN WITNESS WHEREOF, the undersigned have executed this
Covenant as of the date first above written.

"OPTIONOR"

CASMALIA RESOURCES, a California
limited partnership

By: HUNTER RESOURCES, its sole
general partner

By: _____

"OPTIONEE"

HUNTER RESOURCES, a California
corporation

By: _____

The Escrow provided for in this Covenant is hereby accepted.

Montecito Bank & Trust

By: _____

Its: _____

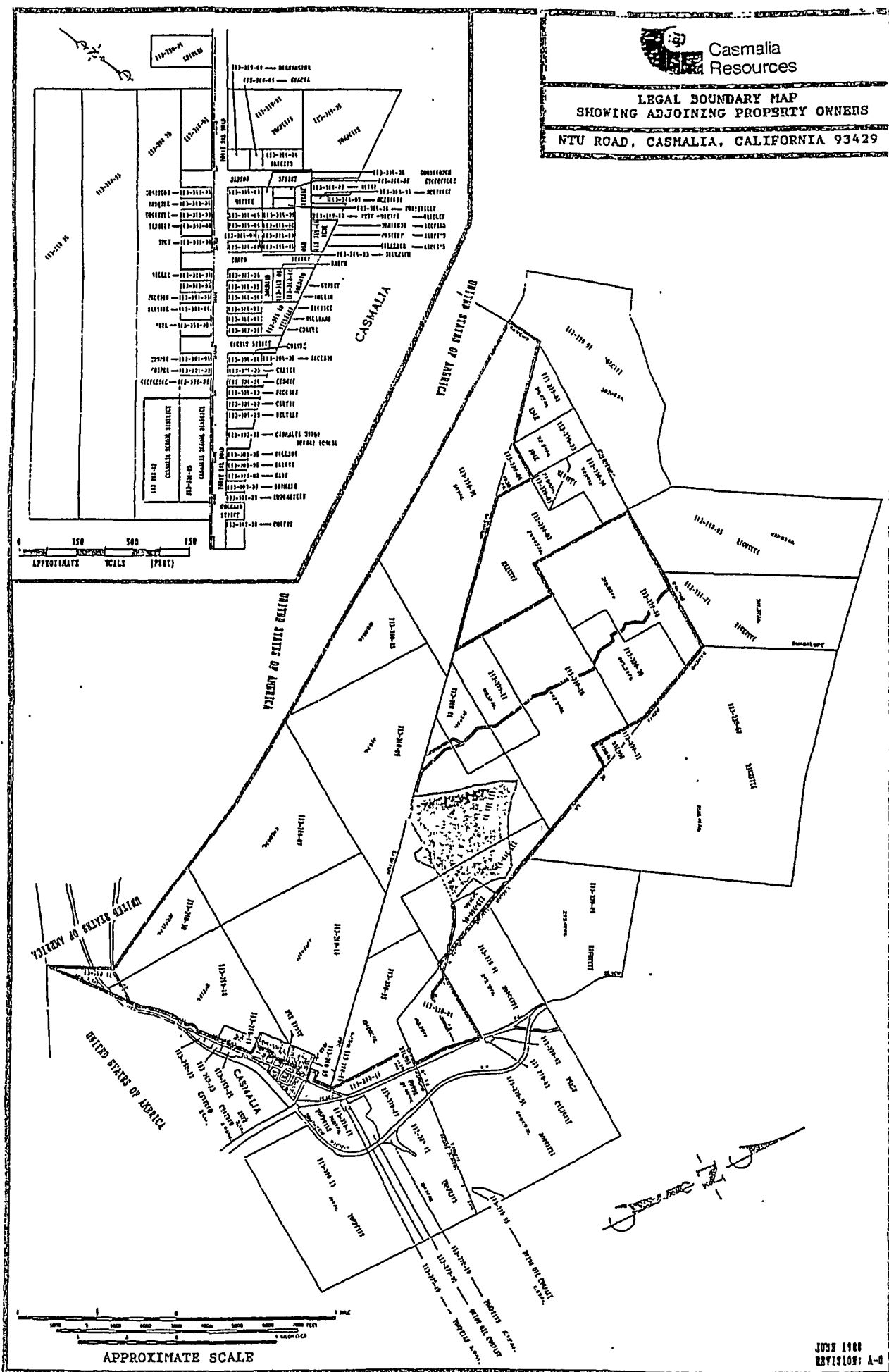
LIST OF EXHIBITS

- Exhibit 1 Map of Facility
- Exhibit 2 Legal Description and Map of Facility Fringe Area
- Exhibit 3 Legal Description and Map of Property
- Exhibit 4 Title Commitment
- Exhibit 5 Form of Quitclaim Deed
- Exhibit 6 Form of Grant Deed

EXHIBIT 1
Map of Facility



NTU ROAD, CASMALIA, CALIFORNIA 93429



CDM174140

JUNE 1988
REVISION: A-0

SECTION 9, TOWNSHIP 9 NORTH, RANGE 35 WEST, S B B & M

Parcel is the area contained within the following surveyed lines, bearings, and distances:

LINE	BEARING	DISTANCE
1	N 2° 18' 52" W	872.06
2	N 2° 18' 52" W	280.00
3	N 23° 00' 29" E	672.26
4	N 32° 26' 44" W	458.53
5	N 65° 21' 26" W	907.16
6	N 77° 11' 05" W	485.82
7	N 52° 15' 17" W	767.15
8	N 66° 41' 32" W	308.00
9	N 38° 41' 25" W	662.89
10	S 30° 00' 42" W	635.00
11	S 9° 25' 06" W	388.34
12	S 32° 44' 46" W	396.12
13	S 17° 07' 43" W	401.48
14	S 13° 07' 13" W	715.27
15	S 23° 45' 40" W	274.23
16	S 23° 45' 40" W	158.67
17	S 32° 36' 47" W	548.69
18	S 44° 36' 11" E	925.83
19	N 74° 54' 04" E	246.69
20	N 82° 06' 16" E	216.42
21	S 83° 53' 50" E	207.16
22	S 65° 50' 06" E	369.27
23	S 15° 24' 38" E	133.36
24	S 11° 38' 43" E	218.40
25	S 80° 14' 49" E	148.64
26	N 57° 16' 38" E	248.97
27	N 43° 31' 42" E	172.40
28	N 64° 42' 03" E	234.62
29	N 84° 40' 54" E	523.19
30	S 89° 04' 48" E	198.73
31	S 85° 37' 05" E	504.71
32	N 7° 38' 59" E	277.89
33	N 19° 56' 14" W	831.13
34	N 70° 03' 46" E	264.02
35	S 8° 42' 44" W	287.09
36	S 1° 41' 12" W	557.97
37	N 77° 41' 58" W	425.20
38	S 31° 28' 43" W	564.67
39	S 5° 38' 46" W	428.19
40	S 19° 22' 47" W	739.39
41	N 57° 33' 28" W	741.87
42	S 83° 18' 57" E	578.52
43	N 58° 07' 42" E	219.44
44	S 5° 47' 29" W	584.61

SAID PROPERTY CONTAINS APPROXIMATELY 253.46 ACRES

CDM174141

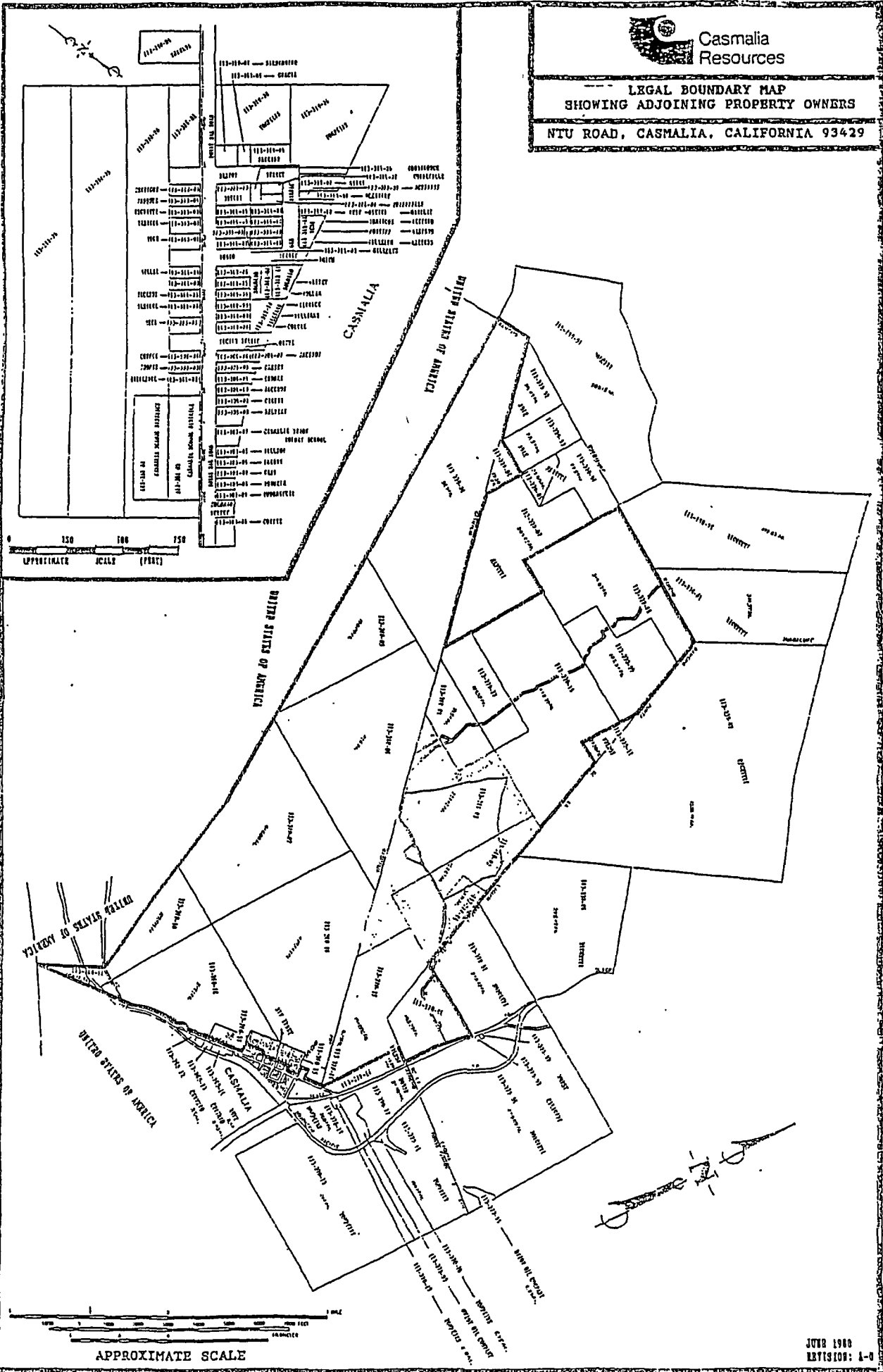
EXHIBIT 2
Legal Description and Map of Facility Fringe Area



Casmalia
Resources

LEGAL BOUNDARY MAP
SHOWING ADJOINING PROPERTY OWNERS

NTU ROAD, CASMALIA, CALIFORNIA 93429



CDM174143

Parcel 1:

THE WEST HALF OF THE NORTHWEST QUARTER, THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AND LOT 5 OF SECTION 14; THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, SOUTHEAST QUARTER OF THE NORTHEAST QUARTER AND LOTS 3, 4, 5, 6 AND 7 OF SECTION 15; AND LOTS 1, 2 AND 3 OF SECTION 23, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THE FULL, FREE, EXCLUSIVE AND PERPETUAL RIGHT TO, AND THE OWNERSHIP OF ALL GAS, OIL AND OTHER HYDROCARBON SUBSTANCES AND ALL MINERALS IN, UPON OR UNDERLYING SAID LAND, WHICH HYDROCARBON SUBSTANCES AND MINERALS ARE NOW OR IN THE FUTURE WILL BE OWNED BY J. F. GOODWIN COMPANY, A CALIFORNIA CORPORATION, OR ITS ASSIGNEES, TOGETHER WITH THE PERPETUAL RIGHT, PRIVILEGE AND EASEMENT TO ENTER IN AND UPON SAID LANDS TO PROSPECT, EXPLORE, DRILL, OPERATE, DEVELOP AND DISPOSE OF ALL SUCH MINERALS, AND ALL SUCH OIL, GAS OR OTHER HYDROCARBONS.

Parcel 2:

LOTS 1, 2, 3 AND 4 AND THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO 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 SEPTEMBER 11, 1884.

EXCEPTING THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A 1-INCH PIPE IN THE WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO, BEARING NORTH 22°20' WEST 447.3 FEET FROM THE INTERSECTION OF THE SOUTH LINE OF SECTION 14, TOWN-9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, AND SAID WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO; THENCE NORTH 55°01' WEST 409 FEET TO A 1-INCH PIPE NO. 2; THENCE NORTH 50°29' WEST 589 FEET TO A 1-INCH PIPE NO. 3; THENCE NORTH 57°46' WEST 519.2 FEET TO A 1-INCH PIPE NO. 4; THENCE NORTH 81°45' WEST 214.1 FEET TO A 1-INCH PIPE NO. 5; THENCE NORTH 22°20' WEST 1179.00 FEET TO A 1-INCH PIPE NO. 6; THENCE NORTH 67°40' EAST 983.9 FEET TO A 1-INCH PIPE NO. 7, AND IN THE WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO; THENCE SOUTH 22° 20' EAST 2574.3 FEET TO THE POINT OF BEGINNING.

Parcel 3:

THAT PORTION OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.M., IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A ONE-INCH PIPE IN THE WEST LINE OF THE PUNTA DE LAGUNA RANCHO, BEARING NORTH 22°20' WEST 447.3 FEET FROM THE INTERSECTION OF THE SOUTH LINE OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.M., AND SAID WEST LINE OF THE PUNTA DE LAGUNA RANCHO; RUNNING THENCE 1ST, NORTH 55°01' WEST 409 FEET TO ONE-INCH PIPE NO. 2; THENCE 2ND, NORTH 50°29' WEST 589 FEET TO A ONE-INCH PIPE NO. 3; THENCE 3RD, NORTH 57°46' WEST 519.2 FEET TO ONE-INCH PIPE NO. 4; THENCE 4TH, NORTH 81°45' WEST 214.1 FEET TO ONE-INCH PIPE NO. 5; THENCE 5TH, NORTH 22°20' WEST 1179 FEET TO ONE-INCH PIPE NO. 6; THENCE 6TH, NORTH 67°40' EAST 983.9 FEET TO ONE-INCH PIPE NO. 7; AND IN THE WEST LINE OF THE PUNTA DE LAGUNA RANCHO; THENCE 7TH, SOUTH 22°20' EAST 2574 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM AN UNDIVIDED 75% OF ALL OIL, GAS, GASOLINE AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS IN, UNDER OR PRODUCED FROM THE PORTION OF THE SUB-SURFACE OF THE ABOVE-DESCRIBED LAND LYING BELOW A PLANE PARALLEL TO AND 500 FEET VERTICALLY BELOW THE SURFACE OF SAID LAND WITHOUT, HOWEVER, THE RIGHT TO ENTER ON THE SURFACE THEREOF.

EXCLUDING:

(SEE FOLLOWING PAGE)

SECTION 9, TOWNSHIP 9 NORTH, RANGE 35 WEST S B B & M

Parcel is the area contained within the following surveyed lines, bearings, and distances:

LINE	BEARING	DISTANCE
1	N 2° 18' 52" W	872.06
2	N 2° 18' 52" W	280.00
3	N 23° 00' 29" E	672.26
4	N 32° 26' 44" W	458.53
5	N 65° 21' 26" W	907.16
6	N 77° 11' 05" W	485.82
7	N 52° 15' 17" W	767.15
8	N 66° 41' 32" W	308.00
9	N 38° 41' 25" W	662.89
10	S 30° 00' 42" W	635.00
11	S 9° 25' 06" W	388.34
12	S 32° 44' 46" W	396.12
13	S 17° 07' 43" W	401.48
14	S 13° 07' 13" W	715.27
15	S 23° 45' 40" W	274.23
16	S 23° 45' 40" W	158.67
17	S 32° 36' 47" W	548.69
18	S 44° 36' 11" E	925.83
19	N 74° 54' 04" E	246.69
20	N 82° 06' 16" E	216.42
21	S 83° 53' 50" E	207.16
22	S 65° 50' 06" E	369.27
23	S 15° 24' 38" E	133.36
24	S 11° 38' 43" E	218.40
25	S 80° 14' 49" E	148.64
26	N 57° 16' 38" E	248.97
27	N 43° 31' 42" E	172.40
28	N 64° 42' 03" E	234.62
29	N 84° 40' 54" E	523.19
30	S 89° 04' 48" E	198.73
31	S 85° 37' 05" E	504.71
32	N 7° 38' 59" E	277.89
33	N 19° 56' 14" W	831.13
34	N 70° 03' 46" E	264.02
35	S 8° 42' 44" W	287.09
36	S 1° 41' 12" W	557.97
37	N 77° 41' 58" W	425.20
38	S 31° 28' 43" W	564.67
39	S 5° 38' 46" W	428.19
40	S 19° 22' 47" W	739.39
41	N 57° 33' 28" W	741.87
42	S 83° 18' 57" E	578.52
43	N 58° 07' 42" E	219.44
44	S 5° 47' 29" W	584.61

SAID PROPERTY CONTAINS APPROXIMATELY 253.46 ACRES

CDM174146

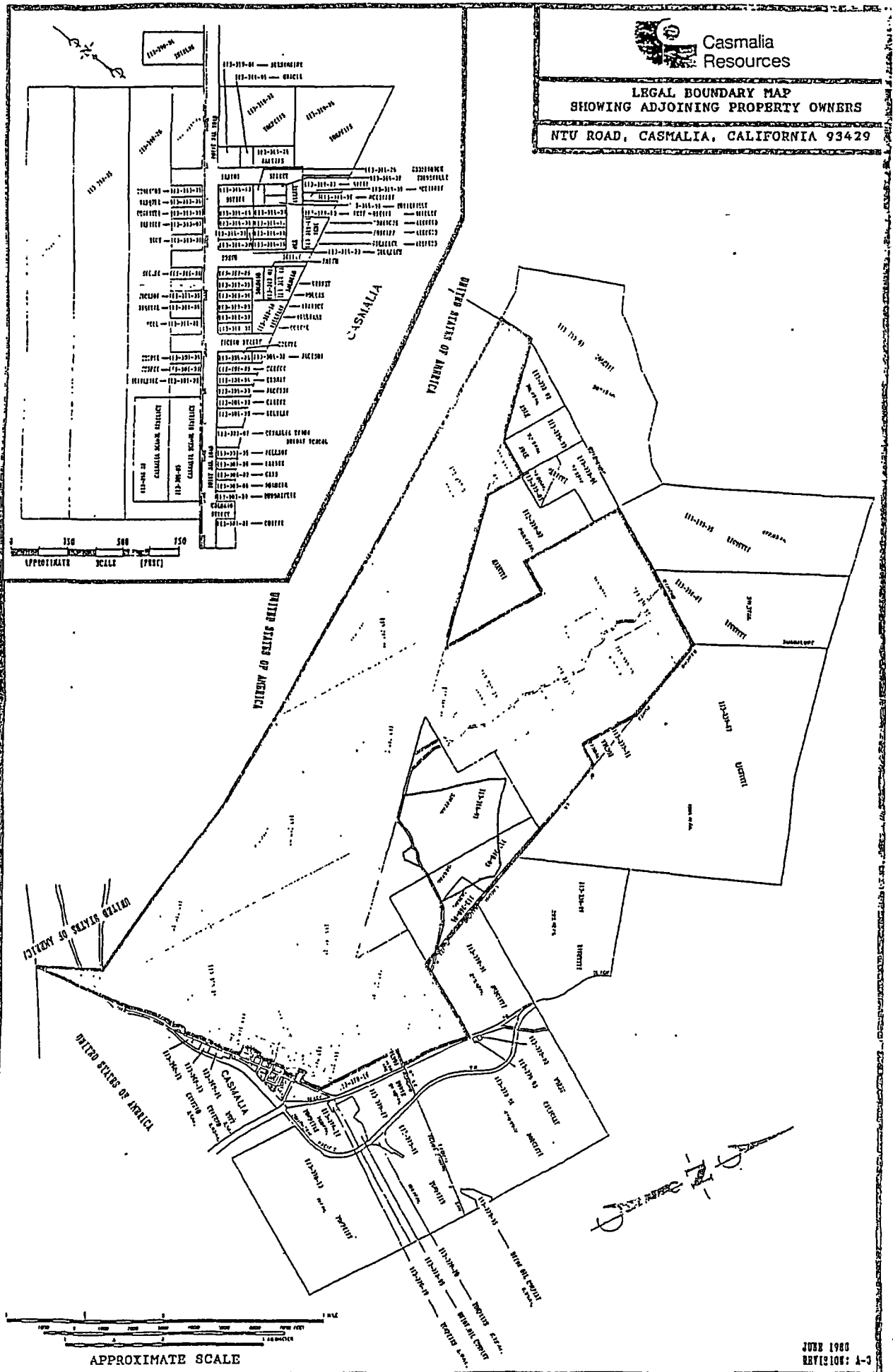
EXHIBIT 3
Legal Description and Map of Property



Casmalia
Resources

LEGAL BOUNDARY MAP
SHOWING ADJOINING PROPERTY OWNERS

NTV ROAD, CASMALIA, CALIFORNIA 93429



CDM174148

TRACT ONE
(consisting of 18 parcels)

PARCEL 1

THAT CERTAIN PARCEL OF LAND SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, BEING PORTIONS OF THE RANCHO CASMALIA, SECTION 24, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.B.&M., AND THE TOWN OF SOMEO, ACCORDING TO THE MAP OF SAID TOWN OF SOMEO, RECORDED AUGUST 5, 1987, IN BOOK 1, PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF BLOCK 10 OF SAID TOWN, BEING A POINT IN THE NORTHWESTERLY LINE OF PT. SAL STREET (70 FEET WIDE) AS SHOWN ON SAID MAP; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID NORTHWESTERLY LINE NORTH $53^{\circ}25'55''$ EAST 983.5 FEET TO THE EASTERLY LINE OF LOT 3 OF SAID SECTION 24, BEING ALSO STATION 15 OF RANCHO TODOS Y ANTONIO (AND POST C. 3 & T. S. 5 MENTIONED ON SAID MAP); THENCE NORTH $0^{\circ}30'44''$ EAST ALONG SAID LINE OF SAID LOT 3, 739.54 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LOTS "A" TO "K", INCLUSIVE OF SAID TOWN, THENCE ALONG SAID SOUTHEASTERLY LINE AND THE PROLONGATION THEREON, SOUTH $53^{\circ}25'55''$ WEST 4,523.11 FEET; THENCE SOUTH $36^{\circ}34'05''$ EAST 590.00 FEET TO THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF PT. SAL STREET; THENCE ALONG SAID LAST MENTIONED PROLONGATION AND SAID NORTHWESTERLY LINE 3,093.72 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID TOWN LYING SOUTHEASTERLY OF THE NORTHWESTERLY LINE OF THE ALLEY RUNNING THROUGH BLOCKS 6 TO 10, INCLUSIVE, OF SAID TOWN.

ALSO EXCEPTING THEREFROM THE PARCEL OF LAND DESCRIBED IN THE DEED FROM ANTON TOGNAZZINI TO CASMALIA SCHOOL DISTRICT, DATED OCTOBER 24, 1902, RECORDED IN BOOK 87, PAGE 18 AND FOLLOWING OF DEEDS, RECORDS OF SANTA BARBARA COUNTY, CALIFORNIA, AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHERLY LINE OF THE GUADALUPE AND LOMPOC COUNTY ROAD (WHICH SAID ROAD IS NAMED PT. SAL STREET ON THE MAP OF THE TOWN OF SOMEO, COUNTY OF SANTA BARBARA, SURVEYED GEORGE STORY, 1897 AND ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SANTA BARBARA COUNTY, CALIFORNIA) DISTANT THEREON 100 FEET EASTERLY FROM THE EASTERLY LINE OF ALAMOS STREET, AS LAID DOWN ON THE SAID MAP OF THE TOWN OF SOMEO, AND RUNNING THENCE EASTERLY ALONG THE NORTH LINE OF SAID COUNTY ROAD 150 FEET; THENCE AT RIGHT ANGLES NORTHERLY 282 FEET; THENCE AT RIGHT ANGLES WESTERLY 150 FEET; THENCE AT RIGHT ANGLES SOUTHERLY 282 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THE PARCEL OF LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF COONBO STREET, WITH THE NORTHWESTERLY LINE OF THE ALLEYWAY RUNNING THROUGH BLOCKS 6 AND 7 OF SAID TOWN OF CASMALIA, AS SHOWN ON SAID

MAP; THENCE 1ST, NORTH 36°45' WEST, ALONG SAID NORTHEASTERLY LINE OF COLOMBO STREET, 140.00 FEET TO ITS INTERSECTION WITH THE SOUTH-EASTERLY LINE OF CASMALIA STREET, AS SHOWN ON SAID MAP; THENCE 2ND, NORTH 53°15' EAST, ALONG SAID SOUTHEASTERLY LINE OF CASMALIA STREET, 480.00 FEET TO ITS INTERSECTION WITH THE NORTHEASTERLY LINE OF LOT 2, IN BLOCK 7, OF SAID TOWN OF CASMALIA, AS SHOWN ON SAID MAP; THENCE 3RD, SOUTH 36°45' EAST, ALONG THE NORTHEASTERLY LINE OF SAID LOT 2, 140.00 FEET TO SAID NORTHWESTERLY LINE OF SAID ALLEYWAY ABOVE REFERRED TO; THENCE 4TH, SOUTH 53°15' WEST, ALONG SAID NORTHWESTERLY LINE OF SAID ALLEYWAY, 480.00 FEET TO THE POINT OF BEGINNING.

PARCEL TWO:

A PORTION OF THE RANCHO CASMALIA IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, PATENTED TO ANTONIO LIVERA BY THE UNITED STATES OF AMERICA, BY PATENT DATED JULY 30, 1863, AND RECORDED IN BOOK "A" OF PATENTS, AT PAGE 388, ET SEQ., IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE MOST EASTERLY CORNER OF THE RANCH CASMALIA AS PER MAP OR PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND RUNNING THENCE SOUTH 53° WEST 10250 FEET TO A POINT; THENCE NORTH 35°32' EAST 2186 FEET TO A POINT; THENCE NORTH 26°15' WEST 7623 FEET TO A POINT; THENCE NORTH 32°34' WEST 18093 FEET TO A POINT; THENCE NORTH 64° EAST 1188 FEET TO A POINT; THENCE SOUTH 46° EAST 27356 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THOSE CERTAIN STRIPS AND PARCELS OF LAND CONVEYED TO THE SOUTHERN PACIFIC RAILROAD COMPANY BY DEED RECORDED JUNE 22, 1891 IN BOOK 30 OF DEEDS, AT PAGE 453 ET SEQ., AND BY DEED RECORDED AUGUST 19, 1895 IN BOOK 48 OF DEEDS AT PAGE 184 ET SEQ., RECORDS OF SAID SANTA BARBARA COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF BLOCK 10 OF SAID TOWN, BEING A POINT IN THE NORTHWESTERLY LINE OF PT. SAL STREET (70 FEET WIDE) AS SHOWN ON SAID MAP; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID NORTHWESTERLY LINE NORTH 53°25'55" EAST 983.5 FEET TO THE EASTERLY LINE OF LOT 3 OF SECTION 24, BEING ALSO STATION 15 OF RANCHO TODOS AND SAN ANTONIO (AND POST C. 3 & T. S. 5 MENTIONED ON SAID MAP); THENCE NORTH 0°30'44" EAST ALONG SAID EASTERLY LINE OF SAID LOT 3, 739.54 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LOTS A TO K, INCLUSIVE OF SAID TOWN; THENCE ALONG SAID SOUTHEASTERLY LINE AND THE PROLONGATION THEREOF, SOUTH 53°25'55" WEST 4523.11 FEET; THENCE SOUTH 36°34'05" EAST 590.00 FEET TO THE SOUTH-WESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF PT. SAL STREET; THENCE ALONG SAID LAST MENTIONED PROLONGATION AND SAID NORTHWESTERLY LINE 4044 FEET MORE OR LESS TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN BLOCK "A" TO "K" INCLUSIVE OF THE TOWN OF SOMEO, (TOWN OF CASMALIA) AS SHOWN BY THE MAP ON FILE IN BOOK 1, PAGE 63 OF MAPS AND SURVEYS, RECORDS OF SANTA BARBARA COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND

PARCEL THREE:

THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L. 4" AND RUNNING FROM THIS POINT OF BEGINNING NORTH 22° WEST 35.35 CHAINS ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R. R. HARRIS, UNITED STATES DEPUTY SURVEYOR TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTIONS 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M.; THENCE EAST 42.31 CHAINS TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD WITH THE FOLLOWING COURSES AND DISTANCES: SOUTH 11°30' WEST 20.70 CHAINS; THENCE SOUTH 0°30' WEST 15.15 CHAINS TO THE POINT WHERE THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA INTERSECTS ABOVE-NAMED ROAD; THENCE LEAVING ROAD NORTH 83°45' WEST 25.00 CHAINS ALONG THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA TO A STAKE MARKED "P.L.4" WHICH MARKS THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AND THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT LAND LYING WITHIN THE COUNTY, RIGHT OF WAY OF THAT CERTAIN COUNTY ROAD KNOWN AS TO "N.T.U." ROAD.

ALSO EXCEPTING THAT CERTAIN PROPERTY SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THE EXISTING COUNTY ROAD, WHICH POINT IS PERPENDICULAR TO AND 50 FEET DISTANT FROM HIGHWAY ENGINEERS STATION 79 +00.73 OF THE CASMALIA-SANTA MARIA HIGHWAY SURVEY; THENCE ALONG THE ARC OF A 5050 FOOT RADIUS CURVE RIGHT, CENTRAL ANGLE 2°10', 190.97 FEET, THENCE NORTH 9°06' EAST 571.80 FEET; THENCE SOUTH 89°32'30" EAST 37.98 FEET TO AN IRON PIPE WHICH MARKS THE NORTHEAST BOUNDARY OF THE LAND OF CLELIA MUSCIO HANSEN ET AL., AND THE WESTERLY COUNTY RIGHT-OF-WAY LINE; THENCE ALONG SAID RIGHT-OF-WAY LINE SOUTH 11°37'50" WEST 769.18 FEET TO THE POINT OF BEGINNING, CONTAINING 0.32 ACRES MORE OR LESS, AS CONVEYED TO THE COUNTY OF SANTA BARBARA BY DEED RECORDED JANUARY 21, 1944 IN BOOK 997, PAGE 77 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND.

PARCEL FOUR:

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER (N.W. 1/4 OF THE N.E. 1/4) AND LOTS 4, 5, 6, 7 AND 8 OF SECTION 23, TOWNSHIP 9 NORTH, RANGE 35 WEST S. B. B. & M., IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND.

PARCEL FIVE:

LOTS 1, 2 AND 3 OF SECTION 24, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M. IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF. EXCEPTING FROM SAID LOT 3 ALL OF THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE SOUTHERLY CORNER OF SAID LOT: THENCE NORTH 0°30'44" EAST ALONG THE EAST LINE OF SAID LOT 739.54 FEET THENCE SOUTH 53°25'55" WEST TO AN INTERSECTION WITH THE NORTHEASTERLY LINE OF THE RANCHO CASMALIA; THENCE SOUTHEASTERLY ALONG SAID RANCH LINE TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND.

PARCEL SIX:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

A PORTION OF THE RANCHO CASMALIA IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, PATENTED TO ANTONIO LIVERA BY THE UNITED STATES OF AMERICA, BY PATENT DATED JULY 30, 1863, AND RECORDED IN BOOK "A" OF PATENTS, AT PAGE 388, ET SEQ., IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE MOST EASTERLY CORNER OF THE RANCHO CASMALIA, AS PER MAP OR PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND RUNNING THENCE SOUTH 53° WEST 10250 FEET TO A POINT; THENCE NORTH 35°32' EAST 2186 FEET TO A POINT; THENCE NORTH 26°15' WEST 7623 FEET TO A POINT; THENCE NORTH 32°34' WEST 18093 FEET TO A POINT; THENCE NORTH 64° EAST 1188 FEET TO A POINT; THENCE SOUTH 46° EAST 26356 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THOSE CERTAIN STRIPS AND PARCELS OF LAND CONVEYED TO THE SOUTHERN PACIFIC RAILROAD COMPANY BY DEED RECORDED JUNE 22, 1891 IN BOOK 30 OF DEEDS, AT PAGE 453 ET SEQ., AND BY DEED RECORDED AUGUST 19, 1895 IN BOOK 48 OF DEEDS AT PAGE 184 ET SEQ., RECORDS OF SAID SANTA BARBARA COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF BLOCK 10 OF SAID TOWN, BEING A POINT IN THE NORTHWESTERLY LINE OF PT. SAL STREET (70 FEET WIDE) AS

SHOWN ON SAID MAP; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID NORTHWESTERLY LINE NORTH 53°25'55" EAST 983.5 FEET TO THE EASTERLY LINE OF LOT 3 OF SECTION 24, BEING ALSO STATION 15 OF RANCHO TODOS AND SAN ANTONIO (AND POST C. 3 & T. S. 5 MENTIONED ON SAID MAP); THENCE NORTH 0°30'44" EAST ALONG SAID EASTERLY LINE OF SAID LOT 3, 739.54 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LOTS A TO F, INCLUSIVE OF SAID TOWN; THENCE ALONG SAID SOUTHEASTERLY LINE AND THE PROLONGATION THEREOF, SOUTH 53°25'55" WEST 4523.11 FEET; THENCE SOUTH 36°34'05" EAST 590.00 FEET TO THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF PT. SAL STREET; THENCE ALONG SAID LAST MENTIONED PROLONGATION AND SAID NORTHWESTERLY LINE 4044 FEET MORE OR LESS TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN BLOCKS "A" TO "K" INCLUSIVE, OF THE TOWN OF SOMEO (TOWN OF CASMALIA) AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 63 OF MAPS AND SURVEYS, RECORDS OF SANTA BARBARA COUNTY. CALIFORNIA.

PARCEL SEVEN:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L. 4" AND RUNNING FROM THIS POINT OF BEGINNING NORTH 22° WEST 35.35 CHAINS ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R.R. HARRIS, UNITED STATES DEPUTY SURVEYOR TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTIONS 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M.; THENCE EAST 42.31 CHAINS TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD WITH THE FOLLOWING COURSES AND DISTANCES: SOUTH 11°30' WEST 20.70 CHAINS; THENCE SOUTH 0°30' WEST 15.15 CHAINS TO THE POINT WHERE THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA INTERSECTS ABOVE-NAMED ROAD; THENCE LEAVING ROAD NORTH 83°45' WEST 25.00 CHAINS ALONG THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA TO A STAKE MARKED "P.L. 4", WHICH MARKS THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AND THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT LAND LYING WITHIN THE COUNTY RIGHT OF WAY OF THE CERTAIN COUNTY ROAD KNOWN AS THE "N.T.U." ROAD.

ALSO EXCEPTING THAT CERTAIN PROPERTY SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THE EXISTING COUNTY ROAD, WHICH POINT IS PERPENDICULAR TO AND 50 FEET DISTANT FROM HIGHWAY ENGINEERS STATION 79 + 00.73 OF THE CASMALIA-SANTA MARIA HIGHWAY SURVEY; THENCE ALONG THE ARC OF A 5050 FOOT RADIUS CURVE RIGHT, CENTRAL ANGLE 2°10', 190.97 FEET, THENCE NORTH 9°06' EAST 571.80 FEET; THENCE SOUTH 89°32'30" EAST 37.98 FEET TO AN IRON PIPE WHICH MARKS THE NORTHEAST BOUNDARY OF THE LAND OF CLELIA MUSCIO HANSEN ET AL., AND THE WESTERLY COUNTY RIGHT-OF-WAY LINE; THENCE ALONG SAID RIGHT-OF-WAY LINE SOUTH 11°37'50" WEST 769.18 FEET TO THE POINT OF BEGINNING, CONTAINING 0.32 ACRES MORE OR LESS, AS CONVEYED TO THE COUNTY OF SANTA BARBARA BY DEED RECORDED JANUARY 21, 1944 IN BOOK 997, PAGE 77 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM THAT PORTION LYING NORTHERLY AND NORTHEASTERLY OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD."

ALSO EXCEPTING THEREFROM THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L.4"; THENCE, N. 22° WEST 2333.1 FEET ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R. R. HARRIS, UNITED STATES DEPUTY SURVEYOR, TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTION 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, SBB&M' THENCE EAST 2792.46 FEET TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE, SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD SOUTH 11°30' WEST 905.0 FEET TO THE TRUE POINT OF BEGINNING; THENCE, CONTINUING SOUTH 11°30' WEST ALONG SAID CENTERLINE 461.2 FEET; THENCE, SOUTH 0°30' WEST 461.32 FEET; THENCE, WESTERLY 1416.55 FEET TO A POINT WHICH IS DISTANT 922.52 FEET SOUTH OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD"; THENCE NORTH 0°30' EAST 461.32 FEET; THENCE, NORTH 11°30' EAST 461.2 FEET; THENCE EASTERLY TO THE CENTERLINE OF THE OLD SANTA MARIA-CASMALIA ROAD 1416.55 FEET, AND THE POINT OF BEGINNING.

PARCEL EIGHT:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER (N.W. 1/4 OF THE N.E. 1/4) AND LOTS 4, 5, 6, 7 AND 8 OF SECTION 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M. IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PARCEL NINE:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

LOTS 1, 2 AND 3 OF SECTION 24, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M. IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF. EXCEPTING FROM SAID LOT 3 ALL OF THE FOLLOWING DESCRIBED PARCEL: COMMENCING AT THE SOUTHERLY CORNER OF SAID LOT; THENCE NORTH 0°30'44" EAST ALONG THE EAST LINE OF SAID LOT 739.54 FEET THENCE SOUTH 53°25'55" WEST TO AN INTERSECTION WITH THE NORTHEASTERLY LINE OF THE RANCHO CASMALIA; THENCE SOUTHEASTERLY ALONG SAID RANCHO LINE TO THE POINT OF BEGINNING.

PARCEL TEN:

AN UNDIVIDED 1/2 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THAT PROPERTY IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF SUBDIVISION 16 OF THE RANCHO PUNTA DE LA LAGUNA, HEREINAFTER DESCRIBED, LYING NORTHERLY AND NORTHEASTERLY OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD", TO WIT:

BEGINNING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L. 4" AND RUNNING FROM THIS POINT OF BEGINNING NORTH 22° WEST 35.35 CHAINS ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R.R. HARRIS, UNITED STATES DEPUTY SURVEYOR TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTIONS 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M.; THENCE EAST 42.31 CHAINS TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD WITH THE FOLLOWING COURSES AND DISTANCES: SOUTH 11°30' WEST 20.70 CHAINS; THENCE SOUTH 0°30' WEST 15.15 CHAINS TO THE POINT WHERE THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA INTERSECTS ABOVE-NAMED ROAD; THENCE LEAVING ROAD NORTH 83°45' WEST 25.00 CHAINS ALONG THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA TO A STAKE MARKED "P.L. 4", WHICH MARKS THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AND THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT LAND LYING WITHIN THE COUNTY RIGHT OF WAY OF THE CERTAIN COUNTY ROAD KNOWN AS THE "N.T.U." ROAD.

ALSO EXCEPTING THAT CERTAIN PROPERTY SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THE EXISTING COUNTY ROAD, WHICH POINT IS PERPENDICULAR TO AND 50 FEET DISTANT FROM HIGHWAY ENGINEERS STATION 79 + 00.73 OF THE CASMALIA-SANTA MARIA HIGHWAY SURVEY; THENCE ALONG THE ARC OF A 5050 FOOT RADIUS CURVE RIGHT, CENTRAL ANGLE 2°10', 190.97 FEET, THENCE NORTH 9°06' EAST 571.80 FEET; THENCE SOUTH 89°32'30" EAST 37.98 FEET TO AN IRON PIPE WHICH MARKS THE NORTHEAST BOUNDARY OF THE LAND OF CLELIA MUSCIO HANSEN ET AL., AND THE WESTERLY COUNTY RIGHT-OF-WAY LINE; THENCE ALONG SAID RIGHT-OF-WAY LINE SOUTH 11°37'50" WEST 769.18 FEET TO THE POINT OF BEGINNING, CONTAINING 0.32 ACRES MORE OR LESS, AS CONVEYED TO THE COUNTY OF SANTA BARBARA BY DEED RECORDED JANUARY 21, 1944 IN BOOK 997, PAGE 77 OF OFFICIAL RECORDS.

PARCEL ELEVEN:

AN UNDIVIDED 1/2 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L.4"; THENCE, N. 22° WEST 2333.1 FEET ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R. R. HARRIS, UNITED STATES DEPUTY SURVEYOR, TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTION 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, SBB&M' THENCE EAST 2792.46 FEET TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE, SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD SOUTH 11°30' WEST 905.0 FEET TO THE TRUE POINT OF BEGINNING; THENCE, CONTINUING SOUTH 11°30' WEST ALONG SAID CENTERLINE 461.2 FEET; THENCE, SOUTH 0°30' WEST 461.32 FEET; THENCE, WESTERLY 1416.55 FEET TO A POINT WHICH IS DISTANT 922.52 FEET SOUTH OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD"; THENCE NORTH 0°30' EAST 461.32 FEET; THENCE, NORTH 11°30' EAST 461.2 FEET; THENCE EASTERLY TO THE CENTERLINE OF THE OLD SANTA MARIA-CASMALIA ROAD 1416.55 FEET, AND THE POINT OF BEGINNING.

PARCEL TWELVE

ALL THAT CERTAIN LAND SITUATED IN THE STATE OF CALIFORNIA IN THE UNINCORPORATED AREA OF THE COUNTY OF SANTA BARBARA, DESCRIBED AS FOLLOWS:

ALL OF BLOCKS A, B, C, D, E, F, G, H, I, J, AND K, IN THE TOWN OF SOME0, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED AUGUST 5, 1897, IN BOOK I, AT PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL THIRTEEN

LOTS 7 THROUGH 12, INCLUSIVE IN BLOCY 10, IN THE TOWN OF SOME0, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED ON AUGUST 5, 1897, IN BOOK I, AT PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL FOURTEEN

LOT 11, IN BLOCK 8, IN THE TOWN OF SOME0, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED AUGUST 5, 1897, IN BOOK I, AT PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL FIFTEEN

THE NORTH HALF OF THE SOUTHWEST QUARTER, THE NORTH HALF OF THE SOUTHEAST QUARTER, THE SOUTH HALF OF THE NORTHWEST QUARTER, THE SOUTH HALF OF THE NORTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 10, AND THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER AND LOTS 3 AND 4 OF SECTION 11, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THE FULL, FREE, EXCLUSIVE AND PERPETUAL RIGHT TO, AND THE OWNERSHIP OF ALL GAS, OIL AND OTHER HYDROCARBON SUBSTANCES AND ALL MINERALS IN, UPON OR UNDERLYING SAID LAND, WHICH HYDROCARBON SUBSTANCES AND MINERALS ARE NOW OR IN THE FUTURE WILL BE OWNED BY J. F. GOODWIN COMPANY, A CALIFORNIA CORPORATION, OR ITS ASSIGNEES, TOGETHER WITH THE PERPETUAL RIGHT, PRIVILEGE AND EASEMENT TO ENTER IN AND UPON SAID LANDS TO PROSPECT, EXPLORE, DRILL, OPERATE, DEVELOP AND DISPOSE OF ALL SUCH MINERALS, AND ALL SUCH OIL, GAS OR OTHER HYDROCARBONS.

PARCEL SIXTEEN

THE SOUTH HALF OF THE SOUTHWEST QUARTER AND LOTS 3, 4, 6 AND 7 IN SECTION 3, LOT 5 AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4; THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 9; THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 10; ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON OFFICIAL PLAT OF THE SURVEY OF SAID LANDS FILED IN THE DISTRICT LAND OFFICE.

PARCEL SEVENTEEN

LOT 5 AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 3, LOT ONE AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 10, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON OFFICIAL PLAT OF SAID LAND, FILED IN THE DISTRICT LAND OFFICE.

PARCEL EIGHTEEN

GOVERNMENT LOT 1 OF SECTION 9, TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

Parcel 19:

LOT 2 AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 10 AND LOTS 1 AND 2 AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 15, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FIELD IN THE DISTRICT LAND OFFICE ON SEPTEMBER 11, 1884.

EXCEPT AN UNDIVIDED 75% OF ALL OIL, GAS, MINERALS, PETROLEUM, AND OTHER HYDROCARBON SUBSTANCES, IN, UNDER OR RECOVERABLE FROM THE PORTION OF SUBSURFACE OF THE ABOVE DESCRIBED LAND LYING BELOW A PLANE PARALLEL TO AND 500 FEET VERTICALLY BELOW THE SURFACE OF SAID LAND, WITHOUT HOWEVER, THE RIGHT TO ENTER ON THE SURFACE THEREOF.

PARCEL 20

That portion of Subdivision No. 16 of the Rancho Punta De La Laguna, County of Santa Barbara, State of California, described as follows:

Beginning at the Southwesterly corner of the Rancho Punta De La Laguna at a stake marked "P.L. 4" and running from this point of beginning North 22° West 35.35 chains along the Easterly line of government land as surveyed by R. R. Harris, United States Deputy Surveyor to a point where this line intersects the line between Sections 14 and 23, Township 9 North, Range 35 West, S. B. B. & M.; thence East 42.31 chains to the center of the old Santa Maria-Casmalia Road; thence Southerly along the centerline of the aforementioned road with the following courses and distances: South 11°30' West 20.70 chains; thence South 0°30' West 15.15 chains to the point where the Southerly line of the Rancho Punta De La Laguna intersects above-named road; thence leaving road North 83°45' West 25.00 chains along the Southerly line of the Rancho Punta De La Laguna to a stake marked "P.L. 4" which marks the Southwesterly corner of the Rancho Punta De La Laguna and the point of beginning.

EXCEPTING therefrom that land lying within the County Right of Way of that certain County Road known as the "N.T.U." Road.

ALSO EXCEPTING therefrom that certain property situated in the County of Santa Barbara, State of California, and more particularly described as follows:

Beginning at a point on the Westerly right of way line of the existing County road, which point is perpendicular to and 50 feet distant from Highway Engineers Station 79 +00.73 of the Casmalia-Santa Maria Highway Survey; thence along the arc of a 5,050 foot radius curve right, central angle 2°10', 190.97 feet, thence North 9°06' East 571.80 feet; thence South 89°32'30" East 37.98 feet to an iron pipe which marks the Northeast boundary of the land of Clelia Muscio Hansen et al., and the Westerly County right of way line; thence along said right of way line South 11°37'50" West 769.18 feet to the point of beginning, containing 0.32 acres more or less, as conveyed to the County of Santa Barbaraby Deed recorded January 21, 1944 in Book 997, Page 77 of Official Records.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-270-06)

PARCEL 21

The Northwest quarter of the Northeast quarter (N.W. 1/4 of the N.E. 1/4) and Lots 4, 5, 6, 7 and 8 of Section 23, Township 9 North, Range 35 West S. B. B. & M., in the County of Santa Barbara, State of California, according to the official plat thereof.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-260-16)

PARCEL 22

Lots 1, 2 and 3 of Section 24, Township 9 North, Range 35 West, S.B.B. & M. in the County of Santa Barbara, State of California, according to the official plat thereof. Excepting from said Lot 3 all of the following described parcel:

Commencing at the Southerly corner of said Lot: thence North $0^{\circ}30'44''$ East along the East line of said Lot 739.54 feet thence South $53^{\circ}25'55''$ West to an intersection with the Northeasterly line of the Rancho Casmalia; thence Southeasterly along said Ranch line to the point of beginning.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-260-18)

EXHIBIT 4
Title Commitment

CDM174163

Lawyers Title Insurance Corporation

Home Office — Richmond, Virginia

PRO FORMA

COMMITMENT FOR TITLE INSURANCE

LAWYERS TITLE INSURANCE CORPORATION, a Virginia corporation, herein called the Company, for valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor, all subject to the provisions of Schedules A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement.

The Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate ~~at the time of~~ after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company. This Commitment shall not be valid or binding until countersigned by an authorized officer or agent.

**** ten years**

IN WITNESS WHEREOF, the Company has caused this Commitment to be signed and sealed, to become valid when countersigned by an authorized officer or agent of the Company, all in accordance with the By-Laws. This Commitment is effective as of the date shown in Schedule A as "Effective Date."

Conditions and Stipulations

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.

2. If the proposed Insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed insured shall disclose such knowledge to the Company or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.

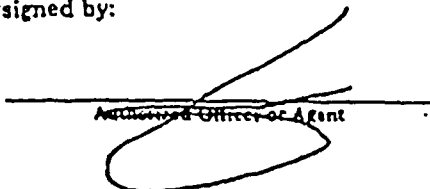
3. Liability of the Company under this commitment shall be

only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the Insuring provisions, the Conditions and Stipulations, and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.

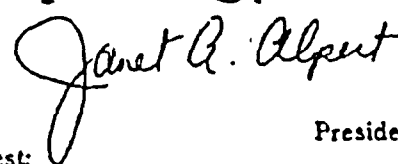
4. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of the Commitment.

Lawyers Title Insurance Corporation

Countersigned by:


Authorized Officer or Agent




Attest: Janet Q. Alpert

President


Secretary

CDM174164

3. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)

EXCLUSIONS

In addition to the Exceptions in Schedule E, you are not insured against loss costs attorneys' fees, and expenses resulting from

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning
 - land use
 - improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 2 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless
 - a notice of exercising the right appears in the public records
 - on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
3. Title Risks
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - that result in no loss to you
 - that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title

5. Lack of a right
 - to any land outside the area specifically described and referred to in Item 3 of Schedule A

or

- in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)

AND

AMERICAN LAND TITLE ASSOCIATION LEASEHOLD LOAN POLICY (10-17-92)

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 which arise by reason of:

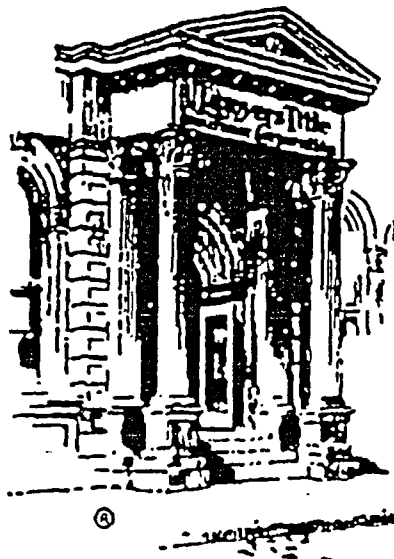
1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy use, or enjoyment of the land, (ii) the character, dimensions or location of any improvement now or hereafter erected on the land, (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge
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 (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (a) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer, or
 - (b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination, or
 - (c) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (i) to timely record the instrument of transfer, or
 - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

CDM174165

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AMERICAN LAND TITLE ASSOCIATION

STANDARD FORM COMMITMENT



**Lawyers Title
Insurance Corporation**

NATIONAL HEADQUARTERS
RICHMOND, VIRGINIA

91-66 COVER

CDM174166

Issued at: LAWYERS TITLE COMPANY
A Wholly Owned Subsidiary of
Lawyers Title Insurance Corporation
1435 ANACAPA STREET
SANTA BARBARA, CALIFORNIA 93101

COMMITMENT FOR TITLE INSURANCE

SCHEDULE A

YOUR NO.: CASMALIA
ORDER NO.: 3012525

MAIL TO: NOSSAMAN, GUTHNER, KNOX & ELLIOTT, LLP
445 S. FIGUEROA STREET, 31ST FLOOR
LOS ANGELES, CALIFORNIA 90071-1602

ATTENTION: DIANA S. PARKS

1. Effective Date: September 26, 2001 at 7:30 a.m.
2. Policy or policies to be issued:

(a) CLTA Standard Coverage 1990 Owners/and or Loan	Amount: \$1,000,000.00
(b) ALTA Loan Policy, 1992, 10-17-92	Amount: \$
(c) ALTA Owner's Extended Coverage (1970-B)	Amount: \$
(d) ALTA Residential Policy 6-1-87	Amount: \$

Proposed Insured:

TO BE DETERMINED

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

A FEE

4. And is at the effective date hereof vested in:

TO BE DETERMINED

Title Officer, CAROLYN FERRICK

(This commitment is invalid unless the Insuring Provisions and Schedules A and B are attached.

CDM174167

Sent by: LAWYERS TITLE-TITLE DEPT.

8059635941;

11-02-01 4:48PM; JellFax #8; Page 7-38

ORDER NO. 3012525

EXHIBIT A

LEGAL DESCRIPTION

CDM174168

ORDER NO.: 3012525

LEGAL DESCRIPTION

(CONTINUED)

PARCEL ONE:

That certain parcel of land situated in the County of Santa Barbara, State of California, being portions of the Rancho Casmalia, Section 24, Township 9 North, Range 35 West, S.B.E. & M., and the Town of Someo, according to the map of said Town of Someo, recorded August 5, 1967 in Book 1, Page 63 of Maps and Surveys, in the office of the County Recorder of said County, described as follows:

Beginning at the most Easterly corner of Block 10 of said Town, being a point in the Northwesterly line of Pt. Sal Street (70 feet wide) as shown on said map; thence along the Northeasterly prolongation of said Northwesterly line North $53^{\circ}25'55''$ East 983.5 feet to the Easterly line of Lot 3 of said Section 24, being also Station 15 of Rancho Todos Y Antonio (And Post C. 3 & T. S. 5 mentioned on said map); thence North $0^{\circ}30'44''$ East along said line of said Lot 3, 739.5 feet to the Northeasterly prolongation of the Southeasterly line of Lots "A" to "K" inclusive of said Town, thence along said Southeasterly line and the prolongation thereon, South $53^{\circ}25'55''$ West 4,523.11 feet; thence South $36^{\circ}34'05''$ East 590.00 feet to the Southwesterly prolongation of said Northwesterly line of Pt. Sal Street; thence along said last mentioned prolongation and said Northwesterly line 3,093.72 feet to the point of beginning.

EXCEPTING therefrom that portion of said Town lying Southeasterly of the Northwesterly line of the alley running through Blocks 6 to 10, inclusive, of said Town.

ALSO EXCEPTING therefrom the parcel of land described in the Deed from Anton Tognazzini to Casmalia School District, dated October 24, 1902, recorded in Book 87, Page 18 and following of Deeds, Records of Santa Barbara County, California, as follows:

Commencing at a point on the Northerly line of the Guadalupe and Lompoc County Road (which said road is named Pt. Sal Street on the Map of the Town of Someo, County of Santa Barbara, surveyed by George Story, 1897 and on file in the office of the County Recorder of Santa Barbara County, California) distant thereon 100 feet Easterly from the Easterly line of Alamos Street, as laid down on the said map of the Town of Someo, and running thence Easterly along the North line of said county road 150 feet; thence at right angles Northerly 282 feet; thence at right angles Westerly 150 feet; thence at right angles Southerly 282 feet to the point of beginning.

ALSO EXCEPTING therefrom the parcel of land described as follows:

Beginning at the point of intersection of the Northeasterly line of Colombo Street with the Northwesterly line of the alleyway running through Blocks 6 and 7 of said Town of Casmalia, as shown on said map; thence 1st, North $36^{\circ}45'$ West, along said Northeasterly line of Colombo Street, 140.00 feet to its intersection with the Southeasterly line of Casmalia Street, as shown on said map; thence 2nd, North $53^{\circ}15'$ East, along said Southeasterly line of Casmalia Street, 480.00 feet to its intersection with the

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ORDER NO.: 3012525

LEGAL DESCRIPTION

(CONTINUED)

Northeasterly line of Lot 2, in Block 7, of said Town of Casmalia, as shown on said map; thence 3rd, South 36°45' East, along the Northeasterly line of said Lot 2, 140.00 feet to said Northwesterly line of said alleyway above referred to; thence 4th, South 53°15' West, along said Northwesterly line of said alleyway, 480.00 feet to the point of beginning.

APN: 113-260-15, 113-260-17, 113-270-14, 113-290-05 AND 113-290-08

PARCEL TWO:

A portion of the Rancho Casmalia in the County of Santa Barbara, State of California, patented to Antonio Livera by the United States of America, by Patent dated July 30, 1863, and recorded in Book "A" of Patents, at Page 388, et seq., in the office of the County Recorder of said County, described as follows:

Beginning at a point on the most Easterly corner of the Rancho Casmalia as per map or plat thereof on file and of record in the office of the County Recorder of Santa Barbara County, State of California, and running thence South 53° West 10,250 feet to a point; thence North 35°32' East 2,186 feet to a point; thence North 26°15' West 7,623 feet to a point; thence North 32°34' West 18,093 feet to a point; thence North 64° East 1,188 feet to a point; thence South 46° East 27,356 feet to the point of beginning.

EXCEPTING therefrom those certain strips and parcels of land conveyed to the Southern Pacific Railroad Company by Deed recorded June 22, 1891 in Book 30 of Deeds, at Page 453 et seq., and by Deed recorded August 19, 1895 in Book 48 of Deeds, at Page 184 et seq., Records of said County.

ALSO EXCEPTING therefrom that portion thereof described as follows:

Beginning at the most Easterly corner of Block 10 of said Town, being a point in the Northwesterly line of Pt. Sal Street (70 feet wide) as shown on said map; thence along the Northeasterly prolongation of said Northwesterly line North 53°25'55" East 983.5 feet to the Easterly line of Lot 3 of Section 24, being also Station 15 of Rancho Todos and San Antonio (and Post C. 3 & T. S. 5 mentioned on said map); thence North 0°30'44" East along said Easterly line of said Lot 3, 739.54 feet to the Northeasterly prolongation of the Southeasterly line of Lots A to K, inclusive, of said Town; thence along said Southeasterly line and the prolongation thereof, South 53°25'55" West 4,523.11 feet; thence South 36°34'05" East 590.00 feet to the Southwesterly prolongation of said Northwesterly line of Pt. Sal Street; thence along said last mentioned prolongation and said Northwesterly line 4,044 feet more or less to the point of beginning.

ALSO EXCEPTING therefrom that portion thereof lying within Block "A" to "K" inclusive of the Town of Someo, (Town of Casmalia) as shown by the Map on file in Book 1, Page 63 of Maps and Surveys, Records of Santa Barbara County, California.

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ORDER NO.: 3012525

LEGAL DESCRIPTION

(CONTINUED)

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land.

APN: 113-220-01

PARCEL THREE:

That portion of Subdivision No. 16 of the Rancho Punta De La Laguna, County of Santa Barbara, State of California, described as follows:

Beginning at the Southwesterly corner of the Rancho Punta De La Laguna at a stake marked "P.L. 4" and running from this point of beginning North 22° West 35.35 chains along the Easterly line of government land as surveyed by R. R. Harris, United States Deputy Surveyor to a point where this line intersects the line between Sections 14 and 23, Township 9 North, Range 35 West, S. B. B. & M.; thence East 42.31 chains to the center of the old Santa Maria-Casmalia Road; thence Southerly along the centerline of the aforementioned road with the following courses and distances: South 11°30' West 20.70 chains; thence South 0°30' West 15.15 chains to the point where the Southerly line of the Rancho Punta De La Laguna intersects above-named road; thence leaving road North 83°45' West 25.00 chains along the Southerly line of the Rancho Punta De La Laguna to a stake marked "P.L. 4" which marks the Southwesterly corner of the Rancho Punta De La Laguna and the point of beginning.

EXCEPTING therefrom that land lying within the County Right of Way of that certain County Road known as the "N.T.U." Road.

ALSO EXCEPTING therefrom that certain property situated in the County of Santa Barbara, State of California, and more particularly described as follows:

Beginning at a point on the Westerly right of way line of the existing County road, which point is perpendicular to and 50 feet distant from Highway Engineers Station 79 +00.73 of the Casmalia-Santa Maria Highway Survey; thence along the arc of a 5,050 foot radius curve right, central angle 2°10', 190.97 feet, thence North 9°06' East 571.80 feet; thence South 89°32'30" East 37.98 feet to an iron pipe which marks the Northeast boundary of the land of Clelia Muscio Hansen et al., and the Westerly County right of way line; thence along said right of way line South 11°37'50" West 769.18 feet to the point of beginning, containing 0.32 acres more or less, as conveyed to the County of Santa Barbaraby Deed recorded January 21, 1944 in Book 997, Page 77 of Official Records.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land.

APN: 113-260-05

CDM174171

ORDER NO.: 3012525

LEGAL DESCRIPTION

(CONTINUED)

PARCEL FOUR:

The Northwest quarter of the Northeast quarter (N.W. 1/4 of the N.E. 1/4) and Lots 4, 5, 6, 7 and 8 of Section 23, Township 9 North, Range 35 West S. B. B. & M., in the County of Santa Barbara, State of California, according to the official plat thereof.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land.

APN: 113-260-06

PARCEL FIVE:

Lots 1, 2 and 3 of Section 24, Township 9 North, Range 35 West, S.B.B. & M. in the County of Santa Barbara, State of California, according to the official plat thereof. Excepting from said Lot 3 all of the following described parcel:

Commencing at the Southerly corner of said Lot: thence North $0^{\circ}30'44''$ East along the East line of said Lot 739.54 feet thence South $53^{\circ}25'55''$ West to an intersection with the Northeasterly line of the Rancho Casmalia; thence Southeasterly along said Ranch line to the point of beginning.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land.

APN: 113-260-07

PARCEL SIX:

All of Blocks A, B, C, D, E, F, G, H, I, J, and K, in the Town of Someo, in the County of Santa Barbara, State of California, according to the map thereof recorded August 5, 1897, in Book 1, Page 63 of Maps and Surveys, in the office of the County Recorder of said County.

APN 113-290-06

PARCEL SEVEN:

Lots 7 through 12, inclusive in Block 10, in the Town of Someo, in the County of Santa Barbara, State of California, according to the map thereof recorded on August 5, 1897, in

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ORDER NO.: 3012525

LEGAL DESCRIPTION

(CONTINUED)

Book 1, Page 63 of Maps and Surveys, in the office of the County Recorder of said County.

APN 113-316-01

PARCEL EIGHT:

Lot 11, in Block 8, in the Town of Someo, in the County of Santa Barbara, State of California, according to the map thereof recorded August 5, 1897, in Book 1, Page 63 of Maps and Surveys, in the office of the County Recorder of said County.

APN: 113-311-03

PARCEL NINE

That portion of Section 14, Township 9 North, Range 35 West, S.B.M., in the County of Santa Barbara, State of California, as follows:

Beginning at a point marked by a one-inch pipe in the West line of the Punta De Laguna Rancho, bearing North 22°20' West 447.3 feet from the intersection of the South line of Section 14, Township 9 North, Range 35 West, S.B.M., and said West line of the Punta De Laguna Rancho; running thence 1st, North 55°01' West 409 feet to a one-inch pipe No. 2; thence 2nd, North 50°29' West 589 feet to a one-inch pipe No. 4; thence 3rd North 57°45' West 519.2 feet to one-inch pipe No. 4; thence 4th, North 81°45" West 214.1 feet to one-inch pipe No. 5; thence 5th, North 22°20' West 1179 feet to one-inch pipe No. 6; thence 6th North 67°40" East 983.9 feet to one-inch pipe No. 7; and in the West line of the Punta De Laguna Rancho; thence 7th, South 22°20' East 2574 feet to the point of beginning.

EXCEPTING therefrom an undivided 75% of all oil, gas, gasoline and other hydrocarbon substances and other minerals in, under or produced from the portion of the sub-surface of the above described land lying below a plane parallel to and 500 feet vertically below the surface of said land without, however, the right to enter on the surface thereof

Parcel No. 113-260-04.

PARCEL TEN:

The South half of the Southwest quarter of Lots 3, 4, 6 and 7 in Section 3, Lot 5 and the Southeast quarter of the Southeast quarter of Section 4; the Northeast quarter of the Northeast quarter of Section 9; the Northwest quarter of the Northwest quarter of Section 10; all in Township 9 North, Range 35 West, San Bernardino Meridian, in the County of Santa Barbara, State of California, as shown on official plat of the survey of said lands filed in the District Land Office.

CDM174173

ORDER NO. 3012525

LEGAL DESCRIPTION

(CONTINUED)

APN: 113-220-03

PARCEL ELEVEN:

Lot 5 of the Southwest quarter of the Southeast quarter of Section 3, Lot 1 and the Northwest quarter of the Northeast quarter and the Northeast quarter of the Northwest quarter of Section 10, all in Township 9 North, Range 35 West, San Bernardino Meridian, in the County of Santa Barbara, State of California, as shown on official plat of said land, filed in the District Land Office.

APN: 113-220-09

PARCEL TWELVE:

All that real property in the State of California, County of Santa Barbara, described as follows:

Government Lot 1 of Section 9, Township 9 North, Range 35 West, San Bernardino Base and Meridian, according to the official plat thereof. Parcel # 113-220-06

PARCEL THIRTEEN:

Lots 1, 2, 3 and 4 and the East half of the Southwest quarter of Section 14, Township 9 North, Range 35 West, San Bernardino 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 September 11, 1884.

EXCEPTING that portion thereof described as follows:

Beginning at a point marked by a 1-inch pipe in the West line of the Punta De La Laguna Rancho, bearing North 22°20' West 447.3 feet from the intersection of the South line of Section 14, Township 9 North, Range 35 West, San Bernardino Meridian, and said West line of the Punta De La Laguna Rancho; thence North 55°01' West 409 feet to a 1-inch pipe No. 2; thence North 50°29' West 589 feet to a 1-inch Pipe No. 3; thence North 57°46' West 519.2 feet to a 1-inch Pipe No. 4; thence North 81°45' West 214.1 feet to a 1-inch Pipe No. 5; thence North 67°40' East 983.9 feet to a 1-inch Pipe No. 7; and in the West line of the Punta De la Laguna Rancho; thence South 22°20' East 2574.3 feet to the point of beginning.

EXCEPTING all oil, gas and other minerals and hydrocarbons contained within the property hereinabove described, whether now known to exist or hereafter discovered, and all oil, gas and other mineral and hydrocarbon rights belonging or appertaining to said property, the exclusive right to prospect for, drill for, produce, mine extract and remove oil, gas and other minerals and hydrocarbons upon and from said property, the exclusive right to drill

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ORDER NO.: 3012525

LEGAL DESCRIPTION

(CONTINUED)

upon, to drill through and otherwise to use said property to produce, mine, extract and remove oil, gas and other minerals and hydrocarbon substances thereof, whether produced from said property or elsewhere together with the right to drill and operate whatever wells, and to construct install, operate, maintain and remove whatever other facilities and to do whatever else may be reasonably necessary upon or under said property for the full enjoyment and exercise of the rights so excepted as reserved by Berry Holding company, a corporation organized under the laws of the State of California, and Fred Newburg, a widower, in Deed recorded 6-28-74 as Instrument No. 24116 of Official Records.

Parcel No. 113-260-03

PARCEL FOURTEEN:

The North half of the Southwest quarter, the North half of the Southeast quarter, the South half of the Northwest quarter, the South half of the Northeast quarter and the Southeast quarter of the Southeast quarter of Section 10; the Southwest quarter of the Southwest quarter and Lots 3 and 4 of Section 11; the West half of the Northwest quarter, the Northwest quarter of the Southwest quarter and Lot 5 of Section 14; the Northeast quarter of the Northeast quarter, Southeast quarter of the Northeast quarter and Lots 3, 4, 5, 6 and 7 of Section 15; and Lots 1, 2 and 3 of Section 23, all in Township 9 North, Range 35 West, San Bernardino Base and Meridian, in the County of Santa Barbara, State of California, according to the government survey thereof.

EXCEPTING therefrom the full, free, exclusive and perpetual right to, and the ownership of all gas, oil and other hydrocarbon substances and all minerals in, upon or underlying said land, which hydrocarbon substances and minerals are now or in the future will be owned by J. F. Goodwin Company, a California Corporation or its assignees, together with the perpetual right, privilege and easement to enter in and upon said lands to prospect, explore, drill, operate, develop and dispose of all such minerals, and all such oil, gas or other hydrocarbons.

Parcel No. 113-220-10 AND 113-260-02

CDM174175

ORDER NO.: 3012525

LEGAL DESCRIPTION

(CONTINUED)

PARCEL FIFTEEN:

Lot 2 and the Southwest quarter of the Southeast quarter and the Southeast quarter of the Southwest quarter of Section 10 and Lots 1 and 2 and the Northwest quarter of the Northeast quarter of Section 15, all in Township 5 North, Range 35 West, San Bernardino 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 September 11, 1884.

EXCEPT an undivided 75% of all oil, gas minerals, petroleum, and other hydrocarbon substances, in, under or recoverable from the portion of subsurface of the above described land lying below a plane parallel to and 500 feet vertically below the surface of said land, without however, the right to enter on the surface thereof.

Parcel No.'s 113-220-12 and 113-260-01

CDM174176

Order No.: 3012525

SCHEDULE B (continued)

PARCEL SIXTEEN::

That portion of Subdivision No. 16 of the Rancho Punta De La Laguna, County of Santa Barbara, State of California, described as follows:

Beginning at the Southwesterly corner of the Rancho Punta De La Laguna at a stake marked "P.L. 4" and running from this point of beginning North 22° West 35.35 chains along the Easterly line of government land as surveyed by R. R. Harris, United States Deputy Surveyor to a point where this line intersects the line between Sections 14 and 23, Township 9 North, Range 35 West, S. B. B. & M.; thence East 42.31 chains to the center of the old Santa Maria-Casmalia Road; thence Southerly along the centerline of the aforementioned road with the following courses and distances: South 11°30' West 20.70 chains; thence South 0°30' West 15.15 chains to the point where the Southerly line of the Rancho Punta De La Laguna intersects above-named road; thence leaving road North 83°45' West 25.00 chains along the Southerly line of the Rancho Punta De La Laguna to a stake marked "P.L. 4" which marks the Southwesterly corner of the Rancho Punta De La Laguna and the point of beginning.

EXCEPTING therefrom that land lying within the County Right of Way of that certain County Road known as the "N.T.U." Road.

ALSO EXCEPTING therefrom that certain property situated in the County of Santa Barbara, State of California, and more particularly described as follows:

Beginning at a point on the Westerly right of way line of the existing County road, which point is perpendicular to and 50 feet distant from Highway Engineers Station 79 +00.73 of the Casmalia-Santa Maria Highway Survey; thence along the arc of a 5,050 foot radius curve right, central angle 2°10', 190.97 feet, thence North 9°06' East 571.80 feet; thence South 89°32'30" East 37.98 feet to an iron pipe which marks the Northeast boundary of the land of Clelia Muscio Hansen et al., and the Westerly County right of way line; thence along said right of way line South 11°37'50" West 769.18 feet to the point of beginning, containing 0.32 acres more or less, as conveyed to the County of Santa Barbaraby Deed recorded January 21, 1944 in Book 997, Page 77 of Official Records.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-270-06)

PARCEL SEVENTEEN:

The Northwest quarter of the Northeast quarter (N.W. 1/4 of the N.E. 1/4) and Lots 4, 5, 6, 7 and 8 of Section 23, Township 9 North, Range 35 West S. B. B. & M., in the County of Santa Barbara, State of California, according to the official plat thereof.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-260-16)

CDM174177

Order No.: 3012525

SCHEDULE B (continued)

PARCEL EIGHTEEN:

Lots 1, 2 and 3 of Section 24, Township 9 North, Range 35 West, S.B.B. & M. in the County of Santa Barbara, State of California, according to the official plat thereof. Excepting from said Lot 3 all of the following described parcel:

Commencing at the Southerly corner of said Lot: thence North $0^{\circ}30'44''$ East along the East line of said Lot 739.54 feet thence South $53^{\circ}25'55''$ West to an intersection with the Northeasterly line of the Rancho Casmalia; thence Southeasterly along said Ranch line to the point of beginning.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-260-18)

PARCEL NINETEEN::

An undivided $1/4$ interest in and to all gas, oil, minerals or hydrocarbon substances found in, on or under the following described real property:

that portion of Subdivision No. 16 of the Rancho Punta De La Laguna, County of Santa Barbara, State of California, described as follows:

Beginning at the Southwesterly corner of the Rancho Punta De La Laguna at a stake maked "P.L. 4" and running from this point of beginning North 22° West 35.35 chains along the Easterly line of government land as surveyed by R. R. Harris, United States Deputy Surveyor to a point where this line intersects the line between Sections 14 and 23, Township 9 North, Range 35 West, S.B.B. & M.; thence East 42.31 chains to the center of the old Santa Maria-Casmalia Road; thence Southerly along the centerline of the aforementioned road with the following courses and distances: South $11^{\circ}30'$ West 20.70 chains; thence South $0^{\circ}30'$ East 15.15 chains to the point where the Southerly line of the Rancho Punta De La Laguna intersects above-named road; thence leaving road North $83^{\circ}45'$ West 25.00 chains along the Southerly line of the Rancho Punta De La Laguna to a stake marked "P.L. 4", which marks the Southwesterly corner of the Rancho Punta De La Laguna and the point of beginning.

EXCEPTING therefrom that land lying within the County right of way of the certain County road known as the "N.T.U." road.

ELSO EXCEPTING therefrom that certain property situated in the County of Santa Barbara, State of California, and more particularly described as follows:

Beginning at a point on the Westerly right of way line of the existing County road, which point is perpendicular to and 50 feet distant from Highway Engineers Station 79 +00.73 of the Casmalia-Santa Maria Highway Survey; thence along the arc of a 5,050 foot radius curve right, central angle $2^{\circ}20'$, 190.97 feet, thence North $9^{\circ}06'$ East 571.80 feet; thence South $89^{\circ}32'30''$ East 37.98 feet to an iron pipe which marks the Northeast boundary of the land of Clelia Muscio Hansen et al., and the Westerly

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Order No.: 3012525

SCHEDULE B (continued)

County right of way line; thence along said right of way line South 11°37'50" West 769.18 feet to the point of beginning, containing 0.32 acres more or less, as conveyed to the County of Santa Barbara by Deed recorded January 21, 1944 in Book 997, Page 77 of Official Records.

EXCEPTING therefrom that portion lying Northerly and Northeasterly of the centerline of that certain County road known as "N.T.U. Road".

February ALSO EXCEPTING therefrom that portion of Subdivision No. 16 of the Rancho Punta De La Laguna, in the County of Santa Barbara, State of California, described as follows:

Commencing at the Southwesterly corner of the Rancho Punta De La Laguna at a stake marked "P.L. 4"; thence North 22° West 2,333.1 feet along the Easterly line of government land as surveyed by R. R. Harris, United States Deputy Surveyor, to a point where this line intersects the line between Section 14 and 23, Township 9 North, Range 35 West, SBB&M; thence East 2,792.46 feet to the center of the old Santa Maria-Casmalia Road; thence, Southerly along the centerline of the aforementioned road South 11°30' West 905.0 feet to the true point of beginning; thence, continuing South 11°30' West along said centerline 461.2 feet; thence South 0°30' West 461.32 feet; thence, Westerly 1,416.55 feet to a point which is distant 922.52 feet South of the centerline of that certain County road known as "N.T.U. Road"; thence North 0°30' East 461.32 feet; thence North 11°30' East 461.2 feet; thence Easterly to the centerline of the old Santa Maria-Casmalia Road 1,416.55 feet, and the point of beginning. (113-260-11)

PARCEL TWENTY:

An undivided 1/2 interest in and to all gas, oil, minerals or hydrocarbon substances found in, on or under the following described real property:

That portion of Subdivision No. 16 of the Rancho Punta De La Laguna, in the County of Santa Barbara, State of California, described as follows:

Commencing at the Southwesterly corner of the Rancho Punta De La Laguna at a stake marked "P.L. 4"; thence North 22° West 2,333.1 feet along the Easterly line of government land as surveyed by R. R. Harris, United States Deputy Surveyor, to a point where this line intersects the line between Section 14 and 23, Township 9 North, Range 35 West, SBB&M; thence East 2,792.46 feet to the center of the old Santa Maria-Casmalia Road; thence Southerly along the centerline of the aforementioned road South 11°30' West 905.0 feet to the true point of beginning; thence, continuing South 11°30' West along said centerline 461.2 feet; thence, South 0°30' West 461.32 feet; thence, Westerly of the centerline of that certain County road known as "N.T.U. Road"; thence North 0°30' East 461.32 feet; thence, North 11°30' East 461.2 feet; thence Easterly to the centerline of the old Santa Maria-Casmalia Road 1,416.55 feet, and the point of beginning. (113-270-15)

CDM174179

Order No.: 3012525

SCHEDULE B - SECTION 2

EXCEPTIONS

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

1. 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.

A. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, to be levied for the fiscal year 2001 - 2002 which are a lien not yet payable.

B. Supplemental or escaped assessments of property taxes, if any, assessed pursuant to the Revenue and Taxation Code of the State of California.

C. A portion of said property has been declared Tax-Defaulted for non-payment of delinquent taxes for the fiscal year 1990-2000 (parcel no. 113-260-04 (PARCEL NINE)).

Amount to redeem by October 31, 2001 for the above-stated year (and subsequent years, if any) is \$6,554.80

D. A portion of said property has been declared Tax-Defaulted for non-payment of delinquent taxes for the fiscal year 1990-2000. (parcel no. 113-260-03 PARCEL THIRTEEN)

Amount to redeem by October 31, 2001 for the above-stated year (and subsequent years, if any) is \$125,645.69

E. A portion of said property has been declared Tax-Defaulted for non-payment of delinquent taxes for the fiscal year 1990-2000 (parcel no. 113-260-02 PARCEL FOURTEEN).

Amount to redeem by October 31, 2001 for the above-stated year (and subsequent years, if any) is \$144,384.20

1. The right of the public to use for road purposes any portion of said land lying within the lines of any public road or highway.

CDM174180

Order No.: 3012525

EXCEPTIONS (continued)

2. Water rights, claims or title to water, whether or not shown by the public records.
3. Reservations contained in the Patent from the United States of America, as follows:

Subject to any vested and accrued water rights for mining, agriculture, manufacturing or other purposes, and right to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledge by local customs, laws and decisions of courts.

Also subject to the right of a proprietor of any vein or lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises hereby granted as provided by law.

And there is reserved from the land thereby granged a right of way thereon for ditches or canals constructed by the authority of the United States.

4. The sole use and occupancy of the dwelling house occupied by Clielia Hansen, deceased, at the time of her death, together with the family yard surrounding the same, during said devisee's lifetime, and without any obligation to pay rental thereon, which said house is located upon the lands described as Parcel One herein, as devised to Gladys T. Muscia, daughter of deceased, by the will of said deceased duly admitted to probate in Santa Barbara County, Superior Court Case No. 56568.
5. Any adverse claim to any portion of said land affected by that certain Deed dated May 6, 1887, executed by James Taylor and James Conney, the then record owners of portions of said land, in favor of Antonio Tognazzini and recorded May 19, 1887 in Book 15, Page 26 of Deeds; which Deed purports to convey a parcel of land described as follows:

All that certain piece or parcel of land lying South of the following described line: Commencing at a post marked T. No. 1, 14.93 chains South of the Southsoutheast corner of the Northeast quarter of the Northwest quarter of Section 15, Township 9 North, Range 35 West, San Bernardino Meridian; thence South 46° East along fence 36.46 chains to a post marked T. No. 2; thence South 89 3/4° East along fence 18.66 chains; thence South 48° East 30 chains to a post marked T. No. 4.

CDM174181

Order No. 3012525

EXCEPTIONS (continued)

6. Recitals as contained in that certain Patent from the United States of America to James Couney, recorded March 16, 1889, in Book A, Page 716 of Patents, as follows: "Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local customs, laws and decisions of courts and also subject to the right of the proprietor of a view or lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises hereby granted as provided by law." (Affects a portion of the property herein described.)
7. The right of the public to use for road purposes any portion of the premises herein described lying within the lines of any public road or highway, and including that portion of said land which lies within a strip of land 40 feet wide as granted by Mary Tyler to County of Santa Barbara, by Deed dated October 12, 1901, recorded in Book 79, Page 304 of Deeds.
8. An easement for the purpose shown below and rights incidental thereto as set forth in a document
- | | |
|-------------|--|
| Granted to: | County of Santa Barbara |
| Purpose: | A right of way for public highway as conveyed to the County of Santa Barbara, by Deed recorded in Book 79, Page 301 of Deeds |
| Recorded: | November 4, 1901 |
| Affects: | a portion of said land |
9. The right to extend the slopes and embankments and to build and maintain culverts and surface ditches beyond the limits of the right of way and the right to quarry and haul stone for the construction of culverts and bridges, and incidental rights as conveyed to the Southern Pacific Railroad Company by an Instrument recorded June 27, 1891, in Book 30, Page 453 of Deeds.
10. The right to dig, bore for, develop and remove water from and upon portions of Parcel 1, together with easements for ingress and egress and for pipelines in connection therewith, as described in Agreement and Deed dated May 31, 1905, executed by Antonio Tognazzini to Syndicate Oil Company, a corporation, recorded November 6, 1905 in Book 12 Page 228 of Deeds.
11. An easement for the purpose shown below and rights incidental thereto as set forth in a document
- | | |
|-------------|--|
| Granted to: | County of Santa Barbara |
| Purpose: | Road |
| Recorded: | September 12, 1890 in Book 28, page 181 of Deeds |
| Affects: | Portion of said land |

CDM174182

Order No.: 3012525

EXCEPTIONS (continued)

12. A waiver of any claims for damages to said land by reason of the location of a freeway or highway contiguous thereto as contained in a document

In favor of: County of Santa Barbara

Recorded: September 12, 1890 in Book 28, Page 181 of Deeds

13. Covenants and restrictions imposed by a Land Conservation Contract executed pursuant to Section 51200, et seq. California Government Code.

Dated: January 25, 1971

Executed By: Guy L. Goodwin Co.

Recorded: February 10, 1971 as Instrument No. 3767 in Book 2336, Page 386 of Official Records

Affects: Said land

A Notification of Assumption of Land Conservation Contract from Guy L. Goodwin Company (Grantor) to Kenneth H. Hunter Jr., General Partner Casmalia Disposal (Grantee) dated July 9, 1974, as Instrument No. 42755 in Book 2543, Page 773 of Official Records

14. Covenants and restrictions imposed by a Land Conservation Contract executed pursuant to Section 51200, et seq. California Government Code.

Dated: January 1, 1972

Executed By: Guy L. Goodwin Co.

Recorded: May 22, 1972 as Instrument No. 18636 in Book 2402, Page 816 of Official Records

Affects: Said land

15. INTENTIONALLY OMITTED

CDM174183

Order No. 3012525

EXCEPTIONS (continued)

16. An oil and gas lease for the term therein provided with certain covenants, conditions and provisions, together with easements, if any, as set forth therein.

Dated: March 1, 1946
Lessor: Clelia M. Hansen, Ted H. Muscio, Gladys T. Muscio and
Neva Hancock
Lessee: Alphonzo E. Bell Corporation, a California Corporation
Recorded: April 26, 1946 as Instrument No. 6672 in Book 673, Page
324 of Official Records

No assurance is made as to the present ownership of the leasehold created by said lease, nor as to other matters affecting the rights or interest of the lessor or lessee in said lease.

17. Any easements and rights of way remaining a charge and restrictions on drilling, lying within the lines of Lots 4 and 5 and the Northwest quarter of the Northeast quarter of Section 23, Township 9 North, Range 15 West, San Bernardino Meridian, according to the provisions of an Oil and Gas Lease recorded April 26, 1946, in Book 673, Page 324 of Official Records, said Lease having been cancelled as to said land by Deed recorded November 17, 1965, as Instrument No. 40958 in Book 2129, Page 258 of Official Records

18. An oil and gas lease for the term therein provided with certain covenants, conditions and provisions, together with easements, if any, as set forth therein.

Dated: November 23, 1965
Lessor: Lester B. Muscio and Emma O. Muscio
Lessee: M.B. Dreblow and John Pchar, jointly and severally
Recorded: March 3, 1966 as Instrument No. 7346 in Book 2142, Page
494 of Official Records

No assurance is made as to the present ownership of the leasehold created by said lease, nor as to other matters affecting the rights or interest of the lessor or lessee in said lease.

Order No.: 3012525

EXCEPTIONS (continued)

19. An action commenced and pending in United States District Court, Central Division of California, entitled "United States of America, Plaintiff, vs. 2501.41 acres of land, more or less, situated in the County of Santa Barbara, State of California. Theodore H. Muscio, et al., and unknown owners, Defendants", Case No. 67-924-CC Civil, a Notice of Pendency of said Action dated July 19, 1967, being recorded July 27, 1967 as Instrument No. 21201 in Book 2198, Page 1052 of Official Records and a Notice of Pendency of said Action dated January 16, 1968, being recorded February 5, 1968 as Instrument No. 4850 in Book 2221, Page 5 of Official Records.
20. Covenants and restrictions imposed by a Land Conservation Contract executed pursuant to Section 51200, et seq. California Government Code.
- Purpose: Agricultural Preserve
Dated: December 29, 1971
Executed By: Neva E. Hancock, Gladys T. Muscio and Theodore N. Muscio, and the County of Santa Barbara
Recorded: February 21, 1972 as Instrument No. 6238 in Book 2387, Page 1196 of Official Records
21. An Action commenced and pending in United States District Court, Central Division of California, entitled "United State of America, plaintiff vs. 2501.41 acres of land, more or less, situated in the County of Santa Barbara, state of California. Theodore H. Muscio, et al, and unknown owners, Defendants", Case No. 72-1503F a Notice of Pendency of said Action dated July 3, 1972 being recorded July 6, 1972 as Instrument No.. 25216, in Book 2409, Page 406 of Official Records and a Notice of Pendency of said Action dated January 16, 1968 being recorded July 6, 1972 as Instrument No.. 25215 in Book 2409, Page 398 of Official Records
22. A lease with certain terms, covenants, conditions and provisions set forth therein.
- Lessor: Milo Morganti, et al
Lessee: United States of America
Recorded: October 27, 1965 as Instrument No. 38196 of Official Records (AFFECTS PARCEL FIFTEEN)
23. Covenants and restrictions imposed by a Land Conservation Contract executed pursuant to Section 51200, et seq. California Government Code.
- Dated: December 29, 1975
Executed By: Casmalia Disposal and the County of Santa Barbara
Recorded: January 12, 1976 as Instrument No. 1211 in Book 2598, Page 2544 of Official Records
Affects: PARCEL FIFTEEN

CDM174185

Order No.: 3022525

SCHEDULE B (continued)

24. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein.

Lessors: Ted H. Muscio, a married man; Gladys T. Muscio, a single woman; and Neve E. Hancock, a married woman, each dealing in his or her sole and separate property

Lessee: Union Oil Company of California, a California Corporation

Disclosed by: Memorandum.

Recorded: February 14, 1972 as Instrument No. 4946 in Book 2386, Page 581 of Official Records

25. The effect of a Declaration of Taking, filed March 31, 1977, in United States District Court, Central District of California Civil No. 77 1181 MML, said land being taken for public uses pursuant to Act of Congress for a term for years beginning April 1, 1977 and ending March 31, 1978, extendable for yearly periods thereafter, at the election of the United States recorded April 20, 1977 as Instrument No. 77-18461 of Official Records, which among other things, provide for the right to require the owners, their families, employees, lessees, and any other person or persons occupying or using said land by permission or knowledge of the owners, to vacate said land for intermittent periods which shall not exceed 12 consecutive hours for each period, provided the United States shall give to said owners and above mentioned occupants and other authorized persons no less than 24 hours, prior notice of the necessity to vacate said land, reference being hereby made to the record thereof for further particulars.

26. A pending court action as disclosed by a recorded notice. .

Plaintiff: The United States of America

Defendant: 2.501.41 acres of land, more or less, situated in Santa Barbara, County, State of California, and Theodore H. Muscio, et al

County: Santa Barbara

Court: United States District

Case No.: CV 77 1181 MML

Nature of Action: To condemn land for public use

Recorded: April 20, 1977 as Instrument No. 77-28462 of Official Records

CDM174186

Order No.: 3012525

SCHEDULE B (continued)

27. An easement for the purpose shown below and rights incidental thereto as set forth in a document,

Granted to: General Telephone Company of California, a Corporation
Purpose: Public utilities
Recorded: June 8, 1977 as Instrument No. 77-28492 of Official Records
Affects: a strip of land 10 feet wide

28. Covenants, conditions and restrictions as set forth in the document,

Recorded: November 1, 1977 as Instrument No. 77-54611 of Official Records

NOTE: This exception omits any covenant, condition or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that the covenant, condition or restriction (a) is not in violation of state or federal law, (b) is exempt under 42 U.S.C. Section 3607 or (c) relates to a handicap but does not discriminate against handicapped people.

29. The effect of an unrecorded Land Use Agreement dated August 13, 1977 by and between Theodore H. Muccio and June H. Muccio and Casmalia Disposal Company, a California Limited Partnership, as disclosed by that certain Grant Deed recorded November 1, 1977 as Instrument No. 77-54611 of official records, a Memorandum of which was recorded July 30, 1985 as Instrument No. 85-039336 of Official Records.

30. Covenants and restrictions imposed by a Land Conservation Contract executed pursuant to Section 51200, et seq. California Government Code.

Dated: February 27, 1978
Executed By: William Ivan Worsham and County of Santa Barbara, a political subdivision of the State of California
Recorded: February 28, 1978 as Instrument No. 78-9253 of Official Records
Affects: Portion of said land

Order No.: 3012525

SCHEDULE B (continued)

31. An oil and gas lease for the term therein provided with certain covenants, conditions and provisions, together with easements, if any, as set forth therein.

Dated: May 1, 1980
Lessor: Gladys T. Muscio, Theodore H. Muscio, Bank of American
NTS&A under the Will of Neva E. Hancock
Lessee: Casmalia Disposal Company, a California Limited
Partnership
Recorded: June 3, 1980 as Instrument No. 80-21906 of Official
Records

No assurance is made as to the present ownership of the leasehold created by said lease, nor as to other matters affecting the rights or interest of the lessor or lessee in said lease.

32. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount: \$3,725,000.00
Dated: May 9, 1990
Trustor: Casmalia Resources, a California Limited Partnership,
which was formerly known as Casmalia Disposal and
acquired title in name of Casmalia Disposal or Casmalia
Disposal Company, and Kenneth H. Hunter, Jr., Trustee
of Trust dated January 23, 1985 (as to Parcels Sixteen
and Seventeen in Exhibit A hereto), collectively
Trustee: Tigor Title Insurance Company of California, a
California Corporation
Beneficiary: Canonic Environmental Services Corp., a Delaware
Corporation
Recorded: May 31, 1990 as Instrument No. 90-036642 of Official
Records
Loan No.: none shown

And re-recorded: March 9, 1992 as Instrument No. 92-015370 of Official
Records

Affects: The herein described land and other land.

CDM174188

Order No.: 3012525

SCHEDULE B (continued)

An agreement to modify the terms and provisions of said deed of trust as therein provided

Executed by: among Canonic Environmental Services Corp., Casmalia Resources, a California Limited Partnership, and Kenneth H. Hunter, Jr. as Trustee of Trust dated January 23, 1985
Recorded: June 24, 1994 as Instrument No. 94-052956 of Official Records

A substitution of trustee under said deed of trust which names as the substituted trustee, the following

Trustee: LAWYERS TITLE COMPANY, a California corporation
Recorded: August 1, 2001 as Instrument No. 2001-0064161

A Notice of Default under the terms of said deed of trust

Executed by: Lawyers Title Company, a California corporation
Recorded: August 1, 2001 as Instrument No. 2001-0064162

33. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount: \$3,725,000.00
Dated: May 9, 1990
Trustor: Casmalia Resources, a California Limited Partnership
Trustee: Ticor Title Insurance Company of California, a California Corporation
Beneficiary: Canonic Environmental Services, Corp. a Delaware Corporation
Recorded: May 31, 1990 as Instrument NO. 90-036643 of Official Records and re-recorded May 9, 1992 as Instrument NO. 92-015371 of Official Records.

Affects: The herein described land and other land.

Order No.: 3012525

SCHEDULE B (continued)

An agreement to modify the terms and provisions of said deed of trust as therein provided

Executed by: among Canonic Environmental Services Corp., Caswalla Resources, a California Limited Partnership, and Kenneth H. Hunter, Jr. as Trustee of Trust dated January 23, 1985
Recorded: June 24, 1994 as Instrument No. 94-052956 of Official Records

34. Covenants, conditions and restrictions as set forth in the document,

Recorded: January 10, 1991 as Instrument No.s 1528 through 1559 inclusive, all of Official Records

NOTE: This exception omits any covenant, condition or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that the covenant, condition or restriction (a) is not in violation of state or federal law, (b) is exempt under 42 U.S.C. Section 3607 or (c) relates to a handicap but does not discriminate against handicapped people.

35. An abstract of judgment for the amount shown below and any other amounts due.

Debtor: Caswalla Resources, a California Limited Partnership
Creditor: AICCO, Inc., a California Corporation
Date entered: August 3, 1993
County: Los Angeles
Court: Superior
Case No.: BC 049820
Amount: \$265,021.30
Recorded: October 18, 1993 as Instrument No. 93-081981 of Official Records

CDM174190

Order No.: 3012525

SCHEDULE B (continued)

36. INTENTIONALLY OMITTED

37. INTENTIONALLY OMITTED

38. INTENTIONALLY OMITTED

CDM174191

Order No.: 3012525

SCHEDULE B (continued)

39. INTENTIONALLY OMITTED

40. An easement for the purpose shown below and rights incidental thereto as set forth in a Final Order of Condemnation rendered out of Case No. SM 93277 of the Superior Court of the State of California for the County of Santa Barbara

Granted to:	The State of California
Purpose:	right of way for water pipelines and appurtenances
Recorded:	March 6, 1996 as Instrument No. 96-014041 of Official Records
Affects:	a 30' wide strip over portions of said land

41. An easement for the purpose shown below and rights incidental thereto as set forth in a document entitled "Final Order of Condemnation rendered out of Case No. SM 93276 of the Superior Court of the State of California for the County of Santa Barbara

Granted to:	The State of California, acting by and through the California Water Commission
Purpose:	right of way for construction of water pipelines, construction access and service roads
Recorded:	March 19, 1996 as Instrument No. 96-16793 of Official Records
Affects:	portions of said land

Order No.: 3012525

SCHEDULE B (continued)

42. INTENTIONALLY OMITTED

43. The matters contained in a Document,

Entitled:	"NOTICE OF POWER TO SELL TAX-DEFAULTED PROPERTY"
Executed by:	Gary L. Feramisco, Treasurer-Tax Collector
Recorded:	March 8, 1999 as Instrument No. 99-018408 of Official Records

Reference is made to said document for full particulars.

44. INTENTIONALLY OMITTED

45. The matters contained in a Document,

Entitled:	NOTICE OF POWER TO SELL TAX-DEFAULTED PROPERTY
Executed by and Between:	COUNTY OF SANTA BARBARA/ TREASURER-TAX COLLECTOR
Recorded:	March 8, 1999 as Instrument No.'s 99-018402 AND 99-018403 of Official Records

Reference is made to said document for full particulars.

CDM174193

Order No : 3012525

SCHEDULE B (continued)

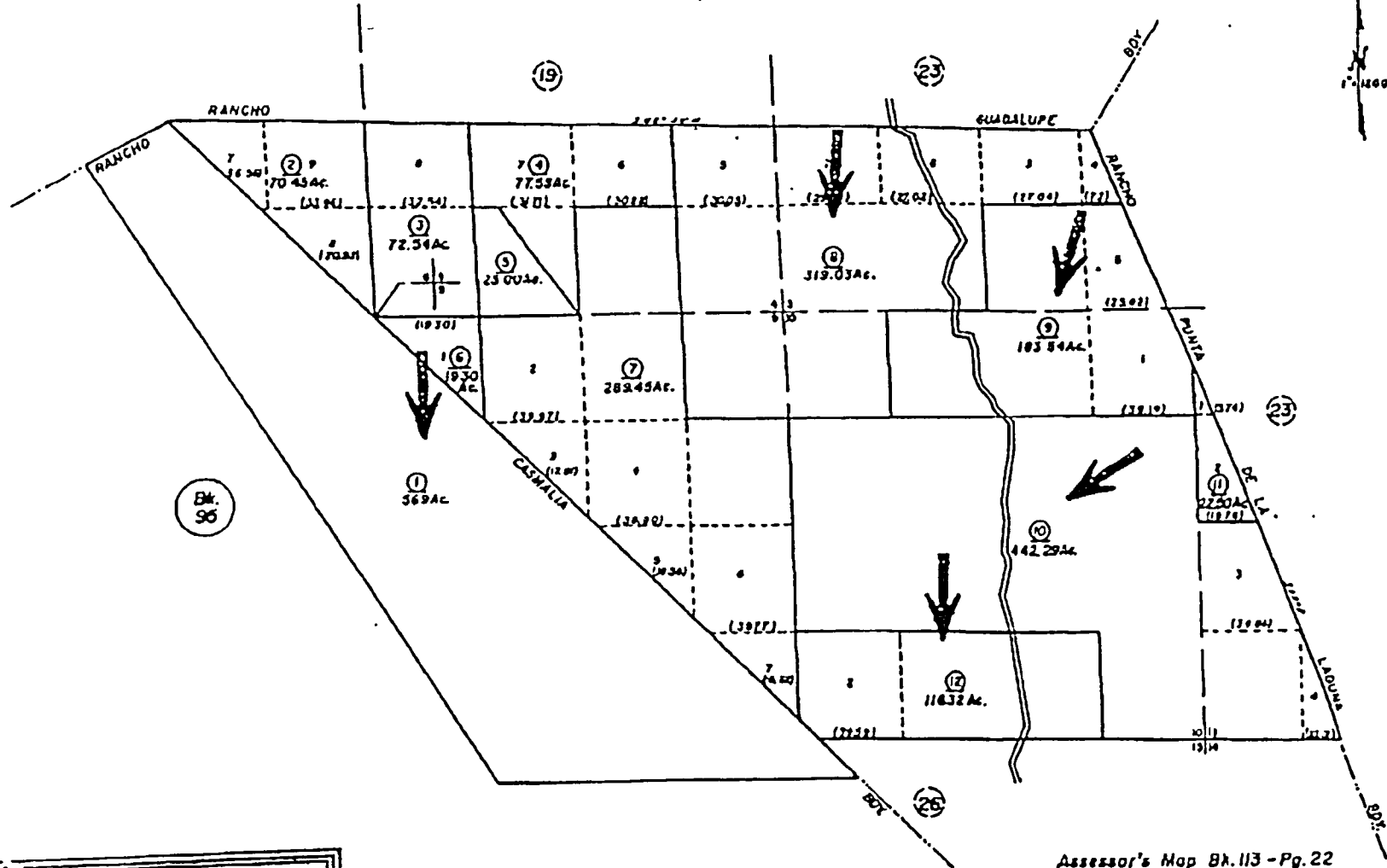
46. Lack of a right of access to and from the land.

CDM174194

POR. T.9N.,R.35W., S.B.B & M. & RANCHO CASMALIA

Tax Area Code

113-22



Lawyers Title Company

This map is to be used only for informational purposes and shall not be construed, in any manner, as a guarantee of the accuracy or reliability of the information shown hereon.

NOTE - Assessor's Book Numbers Shown in Ovals
Assessor's Parcel Numbers Shown in Circles

Assessor's Map Bk. 113 - Pg. 22
County of Santa Barbara, Calif.

CDM174195

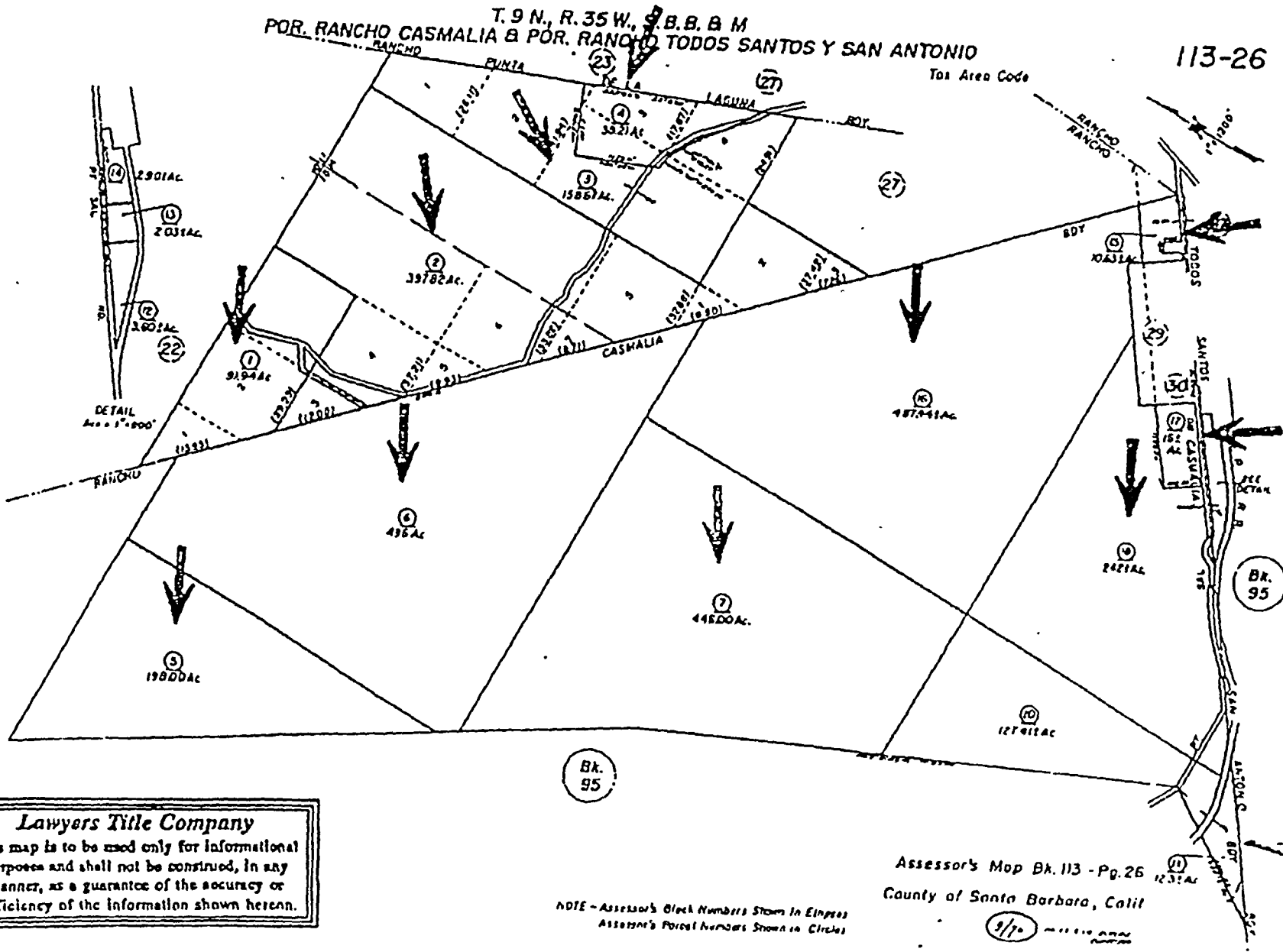
CDM174196

Set by: LAWYERS TITLE DEPT.

8059635941

11:02:01 4:55:41/elfax 48: Page 35.38

113-26



Lawyers Title Company
This map is to be used only for informational purposes and shall not be construed, in any manner, as a guarantee of the accuracy or sufficiency of the information shown hereon.

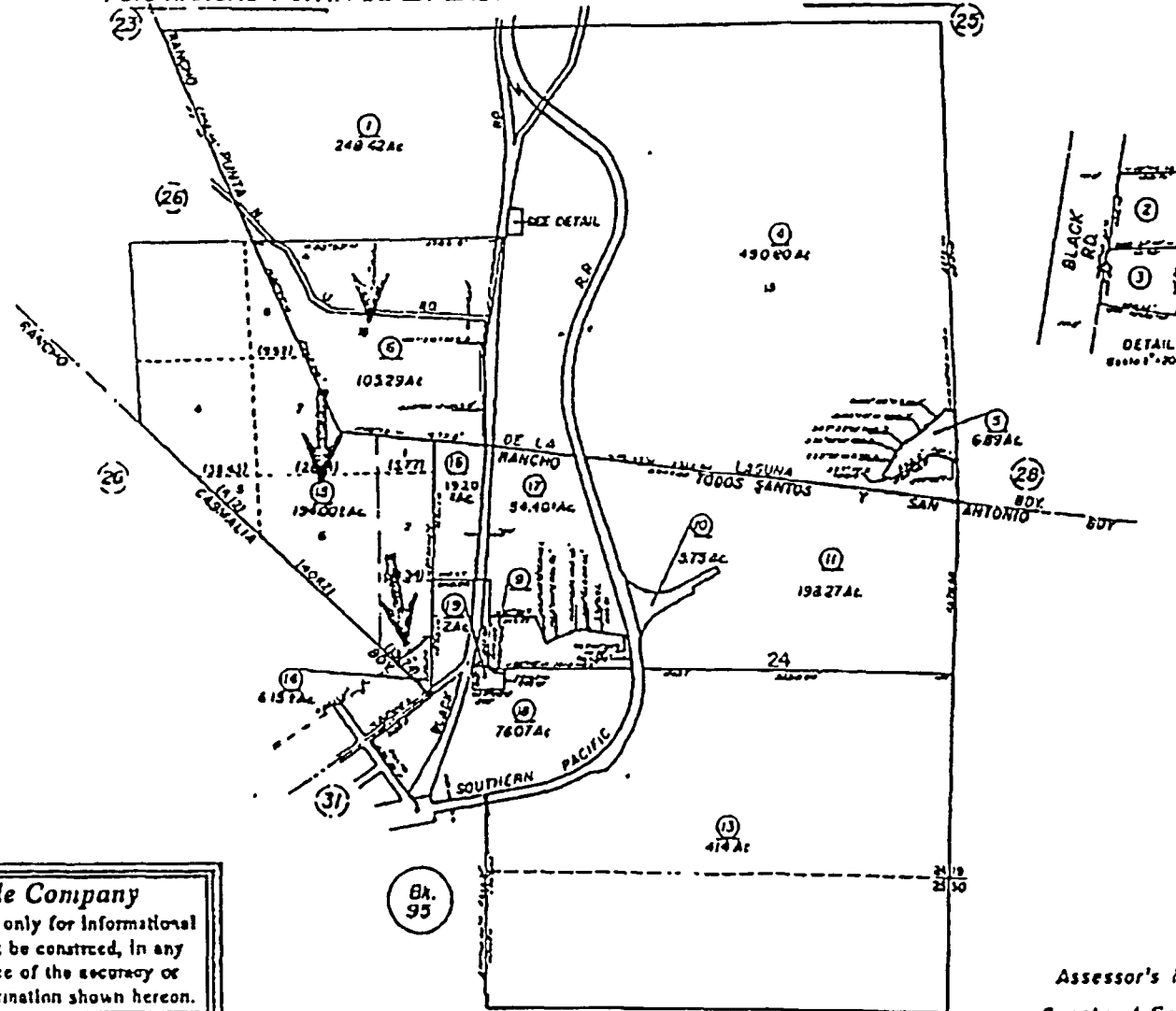
NOTE - Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

Assessor's Map Bk. 113 - Pg. 26
County of Santa Barbara, Calif

3/1/00

Order: 113-26 Page 1 of 1 Comment:

T. 9 N., R. 35 W., S.B. & M.
 POR. RANCHO PUNTA DE LA LAGUNA & POR. RANCHO TODOS SANTOS Y SAN ANTONIO



Lawyers Title Company
 This map is to be used only for informational purposes and shall not be construed, in any manner, as a guarantee of the accuracy or sufficiency of the information shown hereon.

Assessor's Map Bk. 113 - Pg. 27
 County of Santa Barbara, Calif.

Bk. 95

NOTE - Assessor's Block Numbers Shown in Ellipses
 Assessor's Parcel Numbers Shown in Circles

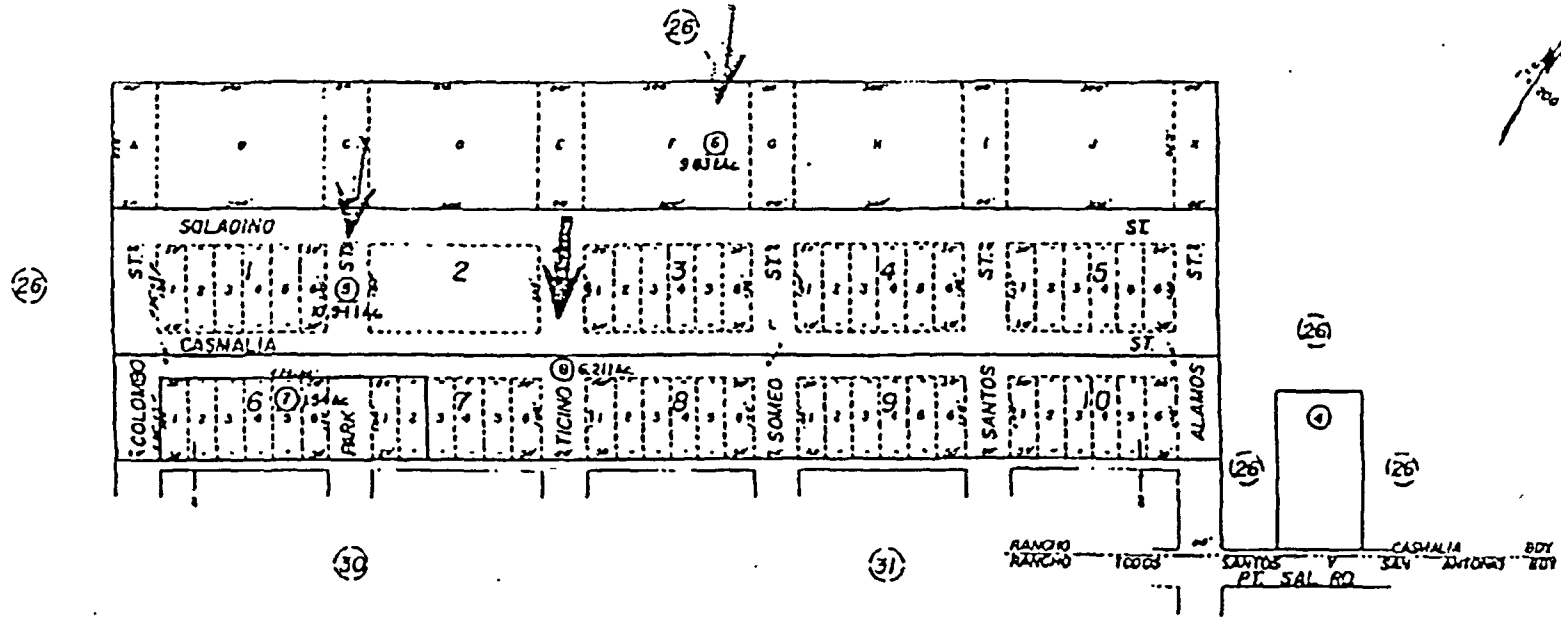
401/771

CDM174198

RANCHO CASMALIA

Tax Area Code

113-29



Lawyers Title Company
This map is to be used only for informational purposes and shall not be construed, in any manner, as a guarantee of the accuracy or sufficiency of the information shown herein.

Town of Casmalia

Assessor's Map Bk.113 - Pg.29
County of Santa Barbara, Calif.

NOTE - Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

4/68

CDM174199

113-31

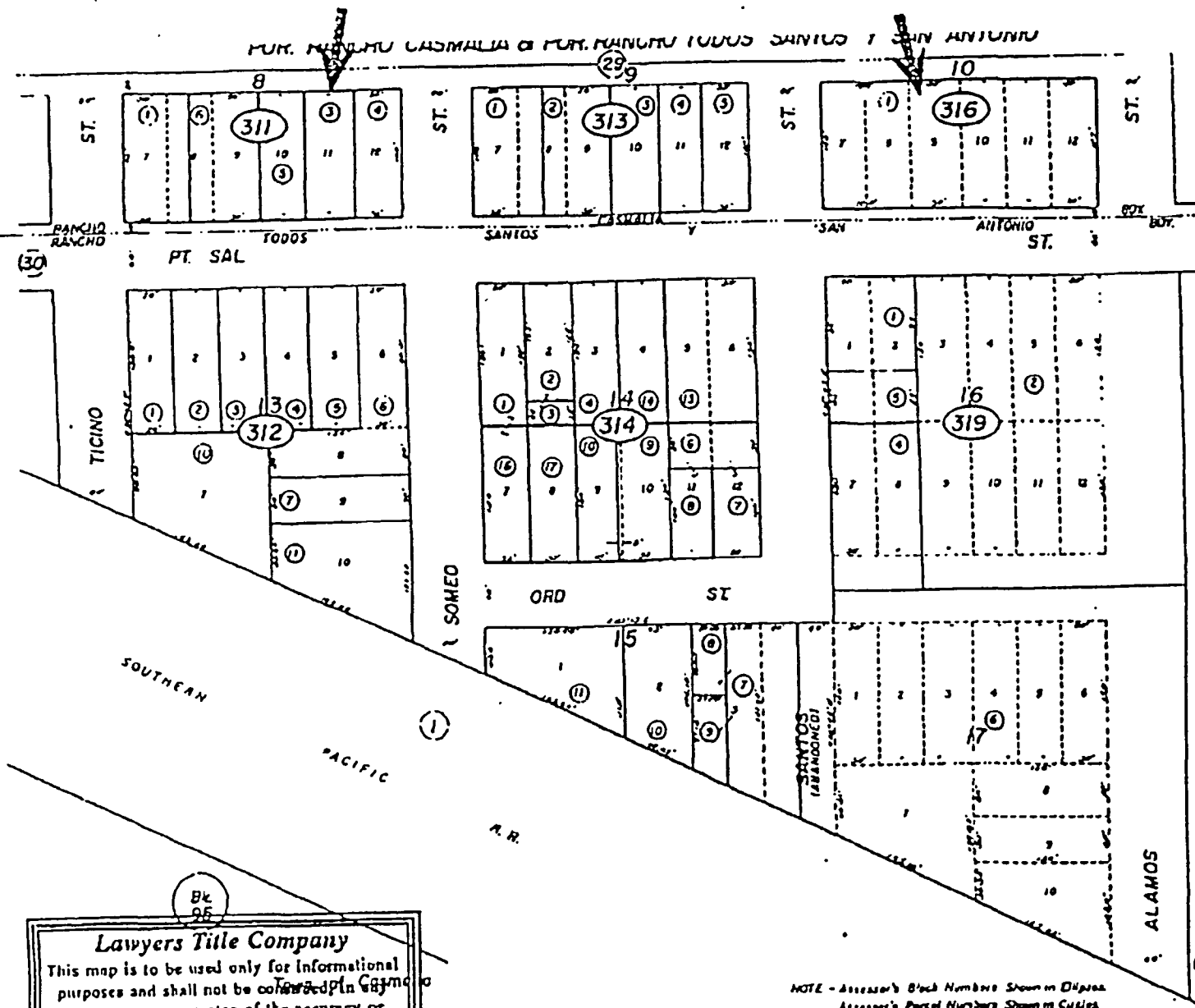


EXHIBIT 5

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

QUITCLAIM DEED

_____ hereby quitclaims to
_____ ("Current Landowner") all of its right, title and
interest in the option to purchase some or all of the certain real property
described in Attachment 1 and Attachment 2 attached hereto, which option
was granted pursuant to that certain Covenant, Irrevocable Option
Agreement and Joint Escrow Instructions recorded as Instrument No.
_____ on _____, 200_, in the Official Records of
Santa Barbara County.

Dated: _____, 200_

By: _____

STATE OF CALIFORNIA)
)ss.
COUNTY OF _____)

On _____, before me, the undersigned, a Notary Public
in and for said County and State, personally appeared

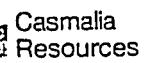
_____,
personally known to me or proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument, and acknowledged to me that he/she/they executed the
same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s)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

WITNESS my hand and official seal.

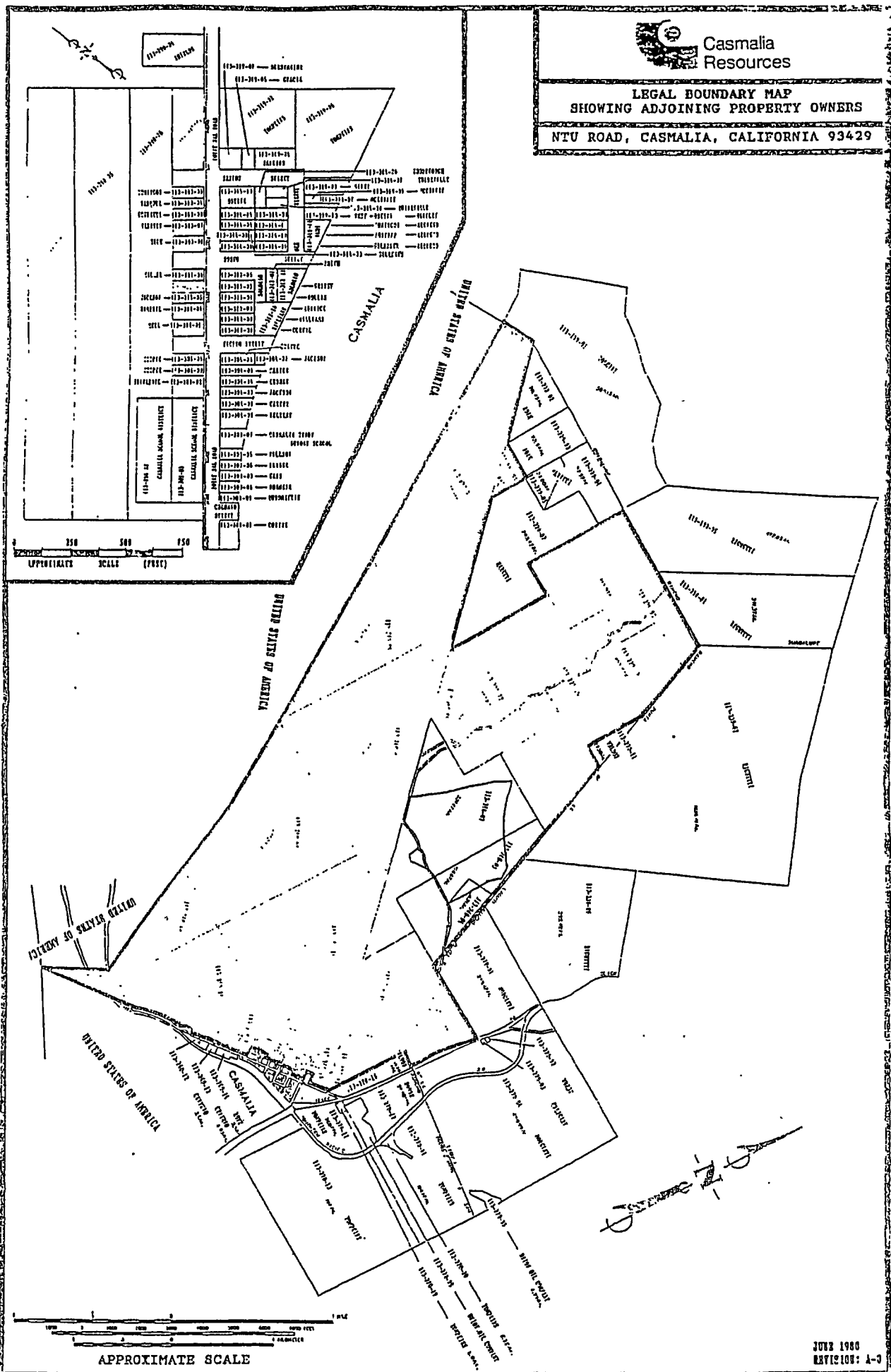
(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC

ATTACHMENT 1
MAP AND LEGAL DESCRIPTION OF THE PROPERTY



NTU ROAD, CASMALIA, CALIFORNIA 93429



CDM174203

TRACT ONE
(consisting of 18 parcels)

PARCEL 1

THAT CERTAIN PARCEL OF LAND SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, BEING PORTIONS OF THE RANCHO CASMALIA, SECTION 24, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.B.&M., AND THE TOWN OF SOME0, ACCORDING TO THE MAP OF SAID TOWN OF SOME0, RECORDED AUGUST 5, 1987, IN BOOK 1, PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF BLOCK 10 OF SAID TOWN, BEING A POINT IN THE NORTHWESTERLY LINE OF PT. SAL STREET (70 FEET WIDE) AS SHOWN ON SAID MAP; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID NORTHWESTERLY LINE NORTH $53^{\circ}25'55''$ EAST 983.5 FEET TO THE EASTERLY LINE OF LOT 3 OF SAID SECTION 24, BEING ALSO STATION 15 OF RANCHO TODOS Y ANTONIO (AND POST C. 3 & T. S. 5 MENTIONED ON SAID MAP); THENCE NORTH $0^{\circ}30'44''$ EAST ALONG SAID LINE OF SAID LOT 3, 739.54 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LOTS "A" TO "K", INCLUSIVE OF SAID TOWN, THENCE ALONG SAID SOUTHEASTERLY LINE AND THE PROLONGATION THEREON, SOUTH $53^{\circ}25'55''$ WEST 4,523.11 FEET; THENCE SOUTH $36^{\circ}34'05''$ EAST 590.00 FEET TO THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF PT. SAL STREET; THENCE ALONG SAID LAST MENTIONED PROLONGATION AND SAID NORTHWESTERLY LINE 3,093.72 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID TOWN LYING SOUTHEASTERLY OF THE NORTHWESTERLY LINE OF THE ALLEY RUNNING THROUGH BLOCKS 6 TO 10, INCLUSIVE, OF SAID TOWN.

ALSO EXCEPTING THEREFROM THE PARCEL OF LAND DESCRIBED IN THE DEED FROM ANTON TOGNAZZINI TO CASMALIA SCHOOL DISTRICT, DATED OCTOBER 24, 1902, RECORDED IN BOOK 87, PAGE 18 AND FOLLOWING OF DEEDS, RECORDS OF SANTA BARBARA COUNTY, CALIFORNIA, AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHERLY LINE OF THE GUADALUPE AND LOMPOC COUNTY ROAD (WHICH SAID ROAD IS NAMED PT. SAL STREET ON THE MAP OF THE TOWN OF SOME0, COUNTY OF SANTA BARBARA, SURVEYED GEORGE STORY, 1897 AND ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SANTA BARBARA COUNTY, CALIFORNIA) DISTANT THEREON 100 FEET EASTERLY FROM THE EASTERLY LINE OF ALAMOS STREET, AS LAID DOWN ON THE SAID MAP OF THE TOWN OF SOME0, AND RUNNING THENCE EASTERLY ALONG THE NORTH LINE OF SAID COUNTY ROAD 150 FEET; THENCE AT RIGHT ANGLES NORTHERLY 282 FEET; THENCE AT RIGHT ANGLES WESTERLY 150 FEET; THENCE AT RIGHT ANGLES SOUTHERLY 282 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THE PARCEL OF LAND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF COONADO STREET, WITH THE NORTHWESTERLY LINE OF THE ALLEYWAY RUNNING THROUGH BLOCKS 6 AND 7 OF SAID TOWN OF CASMALIA, AS SHOWN ON SAID

MAP; THENCE 1ST, NORTH 36°45' WEST, ALONG SAID NORTHEASTERLY LINE OF COLOMBO STREET, 140.00 FEET TO ITS INTERSECTION WITH THE SOUTHEASTERLY LINE OF CASMALIA STREET, AS SHOWN ON SAID MAP; THENCE 2ND, NORTH 53°15' EAST, ALONG SAID SOUTHEASTERLY LINE OF CASMALIA STREET, 480.00 FEET TO ITS INTERSECTION WITH THE NORTHEASTERLY LINE OF LOT 2, IN BLOCK 7, OF SAID TOWN OF CASMALIA, AS SHOWN ON SAID MAP; THENCE 3RD, SOUTH 36°45' EAST, ALONG THE NORTHEASTERLY LINE OF SAID LOT 2, 140.00 FEET TO SAID NORTHWESTERLY LINE OF SAID ALLEYWAY ABOVE REFERRED TO; THENCE 4TH, SOUTH 53°15' WEST, ALONG SAID NORTHWESTERLY LINE OF SAID ALLEYWAY, 480.00 FEET TO THE POINT OF BEGINNING.

PARCEL TWO:

A PORTION OF THE RANCHO CASMALIA IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, PATENTED TO ANTONIO LIVERA BY THE UNITED STATES OF AMERICA, BY PATENT DATED JULY 30, 1863, AND RECORDED IN BOOK "A" OF PATENTS, AT PAGE 388, ET SEQ., IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE MOST EASTERLY CORNER OF THE RANCH CASMALIA AS PER MAP OR PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND RUNNING THENCE SOUTH 53° WEST 10250 FEET TO A POINT; THENCE NORTH 35°32' EAST 2186 FEET TO A POINT; THENCE NORTH 26°15' WEST 7623 FEET TO A POINT; THENCE NORTH 32°34' WEST 18093 FEET TO A POINT; THENCE NORTH 64° EAST 1188 FEET TO A POINT; THENCE SOUTH 46° EAST 27356 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THOSE CERTAIN STRIPS AND PARCELS OF LAND CONVEYED TO THE SOUTHERN PACIFIC RAILROAD COMPANY BY DEED RECORDED JUNE 22, 1891 IN BOOK 30 OF DEEDS, AT PAGE 453 ET SEQ., AND BY DEED RECORDED AUGUST 19, 1895 IN BOOK 48 OF DEEDS AT PAGE 184 ET SEQ., RECORDS OF SAID SANTA BARBARA COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF BLOCK 10 OF SAID TOWN, BEING A POINT IN THE NORTHWESTERLY LINE OF PT. SAL STREET (70 FEET WIDE) AS SHOWN ON SAID MAP; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID NORTHWESTERLY LINE NORTH 53°25'55" EAST 983.5 FEET TO THE EASTERLY LINE OF LOT 3 OF SECTION 24, BEING ALSO STATION 15 OF RANCHO TODOS AND SAN ANTONIO (AND POST C. 3 & T. S. 5 MENTIONED ON SAID MAP); THENCE NORTH 0°30'44" EAST ALONG SAID EASTERLY LINE OF SAID LOT 3, 739.54 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LOTS A TO K, INCLUSIVE OF SAID TOWN; THENCE ALONG SAID SOUTHEASTERLY LINE AND THE PROLONGATION THEREOF, SOUTH 53°25'55" WEST 4523.11 FEET; THENCE SOUTH 36°34'05" EAST 590.00 FEET TO THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF PT. SAL STREET; THENCE ALONG SAID LAST MENTIONED PROLONGATION AND SAID NORTHWESTERLY LINE 4044 FEET MORE OR LESS TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN BLOCK "A TO K" INCLUSIVE OF THE TOWN OF SOMEO, (TOWN OF CASMALIA) AS SHOWN BY THE MAP ON FILE IN BOOK 1, PAGE 63 OF MAPS AND SURVEYS, RECORDS OF SANTA BARBARA COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND

PARCEL THREE:

THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L. 4" AND RUNNING FROM THIS POINT OF BEGINNING NORTH 22° WEST 35.35 CHAINS ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R. R. HARRIS, UNITED STATES DEPUTY SURVEYOR TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTIONS 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M.; THENCE EAST 42.31 CHAINS TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD WITH THE FOLLOWING COURSES AND DISTANCES: SOUTH 11°30' WEST 20.70 CHAINS; THENCE SOUTH 0°30' WEST 15.15 CHAINS TO THE POINT WHERE THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA INTERSECTS ABOVE-NAMED ROAD; THENCE LEAVING ROAD NORTH 83°45' WEST 25.00 CHAINS ALONG THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA TO A STAKE MARKED "P.L.4" WHICH MARKS THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AND THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT LAND LYING WITHIN THE COUNTY RIGHT OF WAY OF THAT CERTAIN COUNTY ROAD KNOWN AS TO "N.T.U." ROAD.

ALSO EXCEPTING THAT CERTAIN PROPERTY SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THE EXISTING COUNTY ROAD, WHICH POINT IS PERPENDICULAR TO AND 50 FEET DISTANT FROM HIGHWAY ENGINEERS STATION 79 +00.73 OF THE CASMALIA-SANTA MARIA HIGHWAY SURVEY; THENCE ALONG THE ARC OF A 5050 FOOT RADIUS CURVE RIGHT, CENTRAL ANGLE 2°10', 190.97 FEET, THENCE NORTH 9°06' EAST 571.80 FEET; THENCE SOUTH 89°32'30" EAST 37.98 FEET TO AN IRON PIPE WHICH MARKS THE NORTHEAST BOUNDARY OF THE LAND OF CLELIA MUSCIO HANSEN ET AL., AND THE WESTERLY COUNTY RIGHT-OF-WAY LINE; THENCE ALONG SAID RIGHT-OF-WAY LINE SOUTH 11°37'50" WEST 769.18 FEET TO THE POINT OF BEGINNING, CONTAINING 0.32 ACRES MORE OR LESS, AS CONVEYED TO THE COUNTY OF SANTA BARBARA BY DEED RECORDED JANUARY 21, 1944 IN BOOK 997, PAGE 77 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND.

PARCEL FOUR:

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER (N.W. 1/4 OF THE N.E. 1/4) AND LOTS 4, 5, 6, 7 AND 8 OF SECTION 23, TOWNSHIP 9 NORTH, RANGE 35 WEST S. B. B. & M., IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND.

PARCEL FIVE:

LOTS 1, 2 AND 3 OF SECTION 24, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M. IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF. EXCEPTING FROM SAID LOT 3 ALL OF THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE SOUTHERLY CORNER OF SAID LOT: THENCE NORTH 0°30'44" EAST ALONG THE EAST LINE OF SAID LOT 739.54 FEET THENCE SOUTH 53°25'55" WEST TO AN INTERSECTION WITH THE NORTHEASTERLY LINE OF THE RANCHO CASMALIA; THENCE SOUTHEASTERLY ALONG SAID RANCH LINE TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES WHICH MAY BE FOUND IN, ON OR UNDER SAID LAND.

PARCEL SIX:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDROCARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

A PORTION OF THE RANCHO CASMALIA IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, PATENTED TO ANTONIO LIVERA BY THE UNITED STATES OF AMERICA, BY PATENT DATED JULY 30, 1863, AND RECORDED IN BOOK "A" OF PATENTS, AT PAGE 388, ET SEQ., IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE MOST EASTERLY CORNER OF THE RANCHO CASMALIA, AS PER MAP OR PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND RUNNING THENCE SOUTH 53° WEST 10250 FEET TO A POINT; THENCE NORTH 35°32' EAST 2186 FEET TO A POINT; THENCE NORTH 26°15' WEST 7623 FEET TO A POINT; THENCE NORTH 32°34' WEST 18093 FEET TO A POINT; THENCE NORTH 64° EAST 1188 FEET TO A POINT; THENCE SOUTH 46° EAST 26356 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THOSE CERTAIN STRIPS AND PARCELS OF LAND CONVEYED TO THE SOUTHERN PACIFIC RAILROAD COMPANY BY DEED RECORDED JUNE 22, 1891 IN BOOK 30 OF DEEDS, AT PAGE 453 ET SEQ., AND BY DEED RECORDED AUGUST 19, 1895 IN BOOK 48 OF DEEDS AT PAGE 184 ET SEQ., RECORDS OF SAID SANTA BARBARA COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF BLOCK 10 OF SAID TOWN, BEING A POINT IN THE NORTHWESTERLY LINE OF PT. SAL STREET (70 FEET WIDE) AS

SHOWN ON SAID MAP; THENCE ALONG THE NORTHEASTERLY PROLONGATION OF SAID NORTHWESTERLY LINE NORTH 53°25'55" EAST 983.5 FEET TO THE EASTERLY LINE OF LOT 3 OF SECTION 24, BEING ALSO STATION 15 OF RANCHO TODOS AND SAN ANTONIO (AND POST C. 3 & T. S. 5 MENTIONED ON SAID MAP); THENCE NORTH 0°30'44" EAST ALONG SAID EASTERLY LINE OF SAID LOT 3, 739.54 FEET TO THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LOTS A TO F, INCLUSIVE OF SAID TOWN; THENCE ALONG SAID SOUTHEASTERLY LINE AND THE PROLONGATION THEREOF, SOUTH 53°25'55" WEST 4523.11 FEET; THENCE SOUTH 36°34'05" EAST 590.00 FEET TO THE SOUTHWESTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF PT. SAL STREET; THENCE ALONG SAID LAST MENTIONED PROLONGATION AND SAID NORTHWESTERLY LINE 4044 FEET MORE OR LESS TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN BLOCKS "A" TO "K" INCLUSIVE, OF THE TOWN OF SOMEO (TOWN OF CASMALIA) AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 63 OF MAPS AND SURVEYS, RECORDS OF SANTA BARBARA COUNTY. CALIFORNIA.

PARCEL SEVEN:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L. 4" AND RUNNING FROM THIS POINT OF BEGINNING NORTH 22° WEST 35.35 CHAINS ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R.R. HARRIS, UNITED STATES DEPUTY SURVEYOR TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTIONS 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M.; THENCE EAST 42.31 CHAINS TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD WITH THE FOLLOWING COURSES AND DISTANCES: SOUTH 11°30' WEST 20.70 CHAINS; THENCE SOUTH 0°30' WEST 15.15 CHAINS TO THE POINT WHERE THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA INTERSECTS ABOVE-NAMED ROAD; THENCE LEAVING ROAD NORTH 83°45' WEST 25.00 CHAINS ALONG THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA TO A STAKE MARKED "P.L. 4", WHICH MARKS THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AND THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT LAND LYING WITHIN THE COUNTY RIGHT OF WAY OF THE CERTAIN COUNTY ROAD KNOWN AS THE "N.T.U." ROAD.

ALSO EXCEPTING THAT CERTAIN PROPERTY SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THE EXISTING COUNTY ROAD, WHICH POINT IS PERPENDICULAR TO AND 50 FEET DISTANT FROM HIGHWAY ENGINEERS STATION 79 + 00.73 OF THE CASMALIA-SANTA MARIA HIGHWAY SURVEY; THENCE ALONG THE ARC OF A 5050 FOOT RADIUS CURVE RIGHT, CENTRAL ANGLE 2°10', 190.97 FEET, THENCE NORTH 9°06' EAST 571.80 FEET; THENCE SOUTH 89°32'30" EAST 37.98 FEET TO AN IRON PIPE WHICH MARKS THE NORTHEAST BOUNDARY OF THE LAND OF CLELIA MUSCIO HANSEN ET AL., AND THE WESTERLY COUNTY RIGHT-OF-WAY LINE; THENCE ALONG SAID RIGHT-OF-WAY LINE SOUTH 11°37'50" WEST 769.18 FEET TO THE POINT OF BEGINNING, CONTAINING 0.32 ACRES MORE OR LESS, AS CONVEYED TO THE COUNTY OF SANTA BARBARA BY DEED RECORDED JANUARY 21, 1944 IN BOOK 997, PAGE 77 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM THAT PORTION LYING NORTHERLY AND NORTHEASTERLY OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD."

ALSO EXCEPTING THEREFROM THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L.4"; THENCE, N. 22° WEST 2333.1 FEET ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R. R. HARRIS, UNITED STATES DEPUTY SURVEYOR, TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTION 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, SBB&M' THENCE EAST 2792.46 FEET TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE, SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD SOUTH 11°30' WEST 905.0 FEET TO THE TRUE POINT OF BEGINNING; THENCE, CONTINUING SOUTH 11°30' WEST ALONG SAID CENTERLINE 461.2 FEET; THENCE, SOUTH 0°30' WEST 461.32 FEET; THENCE, WESTERLY 1416.55 FEET TO A POINT WHICH IS DISTANT 922.52 FEET SOUTH OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD"; THENCE NORTH 0°30' EAST 461.32 FEET; THENCE, NORTH 11°30' EAST 461.2 FEET; THENCE EASTERLY TO THE CENTERLINE OF THE OLD SANTA MARIA-CASMALIA ROAD 1416.55 FEET, AND THE POINT OF BEGINNING.

PARCEL EIGHT:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER (N.W. 1/4 OF THE N.E. 1/4) AND LOTS 4, 5, 6, 7 AND 8 OF SECTION 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M. IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PARCEL NINE:

AN UNDIVIDED 1/4 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

LOTS 1, 2 AND 3 OF SECTION 24, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M. IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF. EXCEPTING FROM SAID LOT 3 ALL OF THE FOLLOWING DESCRIBED PARCEL: COMMENCING AT THE SOUTHERLY CORNER OF SAID LOT; THENCE NORTH 0°30'44" EAST ALONG THE EAST LINE OF SAID LOT 739.54 FEET THENCE SOUTH 53°25'55" WEST TO AN INTERSECTION WITH THE NORTHEASTERLY LINE OF THE RANCHO CASMALIA; THENCE SOUTHEASTERLY ALONG SAID RANCHO LINE TO THE POINT OF BEGINNING.

PARCEL TEN:

AN UNDIVIDED 1/2 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THAT PROPERTY IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF SUBDIVISION 16 OF THE RANCHO PUNTA DE LA LAGUNA, HEREINAFTER DESCRIBED, LYING NORTHERLY AND NORTHEASTERLY OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD", TO WIT:

BEGINNING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L. 4" AND RUNNING FROM THIS POINT OF BEGINNING NORTH 22° WEST 35.35 CHAINS ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R.R. HARRIS, UNITED STATES DEPUTY SURVEYOR TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTIONS 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, S. B. B. & M.; THENCE EAST 42.31 CHAINS TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD WITH THE FOLLOWING COURSES AND DISTANCES: SOUTH 11°30' WEST 20.70 CHAINS; THENCE SOUTH 0°30' WEST 15.15 CHAINS TO THE POINT WHERE THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA INTERSECTS ABOVE-NAMED ROAD; THENCE LEAVING ROAD NORTH 83°45' WEST 25.00 CHAINS ALONG THE SOUTHERLY LINE OF THE RANCHO PUNTA DE LA LAGUNA TO A STAKE MARKED "P.L. 4", WHICH MARKS THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AND THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT LAND LYING WITHIN THE COUNTY RIGHT OF WAY OF THE CERTAIN COUNTY ROAD KNOWN AS THE "N.T.U." ROAD.

ALSO EXCEPTING THAT CERTAIN PROPERTY SITUATED IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF THE EXISTING COUNTY ROAD, WHICH POINT IS PERPENDICULAR TO AND 50 FEET DISTANT FROM HIGHWAY ENGINEERS STATION 79 + 00.73 OF THE CASMALIA-SANTA MARIA HIGHWAY SURVEY; THENCE ALONG THE ARC OF A 5050 FOOT RADIUS CURVE RIGHT, CENTRAL ANGLE 2°10', 190.97 FEET, THENCE NORTH 9°06' EAST 571.80 FEET; THENCE SOUTH 89°32'30" EAST 37.98 FEET TO AN IRON PIPE WHICH MARKS THE NORTHEAST BOUNDARY OF THE LAND OF CLELIA MUSCIO HANSEN ET AL., AND THE WESTERLY COUNTY RIGHT-OF-WAY LINE; THENCE ALONG SAID RIGHT-OF-WAY LINE SOUTH 11°37'50" WEST 769.18 FEET TO THE POINT OF BEGINNING, CONTAINING 0.32 ACRES MORE OR LESS, AS CONVEYED TO THE COUNTY OF SANTA BARBARA BY DEED RECORDED JANUARY 21, 1944 IN BOOK 997, PAGE 77 OF OFFICIAL RECORDS.

PARCEL ELEVEN:

AN UNDIVIDED 1/2 INTEREST IN AND TO ALL GAS, OIL, MINERALS OR HYDRO-CARBON SUBSTANCES FOUND IN, ON OR UNDER THE FOLLOWING DESCRIBED REAL PROPERTY:

THAT PORTION OF SUBDIVISION NO. 16 OF THE RANCHO PUNTA DE LA LAGUNA, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWESTERLY CORNER OF THE RANCHO PUNTA DE LA LAGUNA AT A STAKE MARKED "P.L.4"; THENCE, N. 22° WEST 2333.1 FEET ALONG THE EASTERLY LINE OF GOVERNMENT LAND AS SURVEYED BY R. R. HARRIS, UNITED STATES DEPUTY SURVEYOR, TO A POINT WHERE THIS LINE INTERSECTS THE LINE BETWEEN SECTION 14 AND 23, TOWNSHIP 9 NORTH, RANGE 35 WEST, SBB&M; THENCE EAST 2792.46 FEET TO THE CENTER OF THE OLD SANTA MARIA-CASMALIA ROAD; THENCE, SOUTHERLY ALONG THE CENTERLINE OF THE AFOREMENTIONED ROAD SOUTH 11°30' WEST 905.0 FEET TO THE TRUE POINT OF BEGINNING; THENCE, CONTINUING SOUTH 11°30' WEST ALONG SAID CENTERLINE 461.2 FEET; THENCE, SOUTH 0°30' WEST 461.32 FEET; THENCE, WESTERLY 1416.55 FEET TO A POINT WHICH IS DISTANT 922.52 FEET SOUTH OF THE CENTERLINE OF THAT CERTAIN COUNTY ROAD KNOWN AS "N.T.U. ROAD"; THENCE NORTH 0°30' EAST 461.32 FEET; THENCE, NORTH 11°30' EAST 461.2 FEET; THENCE EASTERLY TO THE CENTERLINE OF THE OLD SANTA MARIA-CASMALIA ROAD 1416.55 FEET, AND THE POINT OF BEGINNING.

PARCEL TWELVE

ALL THAT CERTAIN LAND SITUATED IN THE STATE OF CALIFORNIA IN THE UNINCORPORATED AREA OF THE COUNTY OF SANTA BARBARA, DESCRIBED AS FOLLOWS:

ALL OF BLOCKS A, B, C, D, E, F, G, H, I, J, AND K, IN THE TOWN OF SOMELO, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED AUGUST 5, 1897, IN BOOK I, AT PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL THIRTEEN

LOTS 7 THROUGH 12, INCLUSIVE IN BLOCK 10, IN THE TOWN OF SOMELO, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED ON AUGUST 5, 1897, IN BOOK I, AT PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL FOURTEEN

LOT 11, IN BLOCK 8, IN THE TOWN OF SOMELO, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED AUGUST 5, 1897, IN BOOK I, AT PAGE 63 OF MAPS AND SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL FIFTEEN

THE NORTH HALF OF THE SOUTHWEST QUARTER, THE NORTH HALF OF THE SOUTHEAST QUARTER, THE SOUTH HALF OF THE NORTHWEST QUARTER, THE SOUTH HALF OF THE NORTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 10, AND THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER AND LOTS 3 AND 4 OF SECTION 11, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THE FULL, FREE, EXCLUSIVE AND PERPETUAL RIGHT TO, AND THE OWNERSHIP OF ALL GAS, OIL AND OTHER HYDROCARBON SUBSTANCES AND ALL MINERALS IN, UPON OR UNDERLYING SAID LAND, WHICH HYDROCARBON SUBSTANCES AND MINERALS ARE NOW OR IN THE FUTURE WILL BE OWNED BY J. F. GOODWIN COMPANY, A CALIFORNIA CORPORATION, OR ITS ASSIGNEES, TOGETHER WITH THE PERPETUAL RIGHT, PRIVILEGE AND EASEMENT TO ENTER IN AND UPON SAID LANDS TO PROSPECT, EXPLORE, DRILL, OPERATE, DEVELOP AND DISPOSE OF ALL SUCH MINERALS, AND ALL SUCH OIL, GAS OR OTHER HYDROCARBONS.

PARCEL SIXTEEN.

THE SOUTH HALF OF THE SOUTHWEST QUARTER AND LOTS 3, 4, 6 AND 7 IN SECTION 3, LOT 5 AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4; THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 9; THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 10; ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON OFFICIAL PLAT OF THE SURVEY OF SAID LANDS FILED IN THE DISTRICT LAND OFFICE.

PARCEL SEVENTEEN

LOT 5 AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 3, LOT ONE AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 10, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON OFFICIAL PLAT OF SAID LAND, FILED IN THE DISTRICT LAND OFFICE.

PARCEL EIGHTEEN

GOVERNMENT LOT 1 OF SECTION 9, TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

Parcel 19:

LOT 2 AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 10 AND LOTS 1 AND 2 AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 15, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FIELD IN THE DISTRICT LAND OFFICE ON SEPTEMBER 11, 1884.

EXCEPT AN UNDIVIDED 75% OF ALL OIL, GAS, MINERALS, PETROLEUM, AND OTHER HYDROCARBON SUBSTANCES, IN, UNDER OR RECOVERABLE FROM THE PORTION OF SUBSURFACE OF THE ABOVE DESCRIBED LAND LYING BELOW A PLANE PARALLEL TO AND 500 FEET VERTICALLY BELOW THE SURFACE OF SAID LAND, WITHOUT HOWEVER, THE RIGHT TO ENTER ON THE SURFACE THEREOF.

PARCEL 20

That portion of Subdivision No. 16 of the Rancho Punta De La Laguna, County of Santa Barbara, State of California, described as follows:

Beginning at the Southwesterly corner of the Rancho Punta De La Laguna at a stake marked "P.L. 4" and running from this point of beginning North 22° West 35.35 chains along the Easterly line of government land as surveyed by R. R. Harris, United States Deputy Surveyor to a point where this line intersects the line between Sections 14 and 23, Township 9 North, Range 35 West, S. B. B. & M.; thence East 42.31 chains to the center of the old Santa Maria-Casmalia Road; thence Southerly along the centerline of the aforementioned road with the following courses and distances: South 11°30' West 20.70 chains; thence South 0°30' West 15.15 chains to the point where the Southerly line of the Rancho Punta De La Laguna intersects above-named road; thence leaving road North 83°45' West 25.00 chains along the Southerly line of the Rancho Punta De La Laguna to a stake marked "P.L. 4" which marks the Southwesterly corner of the Rancho Punta De La Laguna and the point of beginning.

EXCEPTING therefrom that land lying within the County Right of Way of that certain County Road known as the "M.T.U." Road.

ALSO EXCEPTING therefrom that certain property situated in the County of Santa Barbara, State of California, and more particularly described as follows:

Beginning at a point on the Westerly right of way line of the existing County road, which point is perpendicular to and 50 feet distant from Highway Engineers Station 79 +00.73 of the Casmalia-Santa Maria Highway Survey; thence along the arc of a 5,050 foot radius curve right, central angle 2°10', 190.97 feet, thence North 9°06' East 571.80 feet; thence South 89°32'30" East 37.98 feet to an iron pipe which marks the Northeast boundary of the land of Clelia Muscio Hansen et al., and the Westerly County right of way line; thence along said right of way line South 11°37'50" West 769.18 feet to the point of beginning, containing 0.32 acres more or less, as conveyed to the County of Santa Barbaraby Deed recorded January 21, 1944 in Book 997, Page 77 of Official Records.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-270-06)

PARCEL 21

The Northwest quarter of the Northeast quarter (N.W. 1/4 of the N.E. 1/4) and Lots 4, 5, 6, 7 and 8 of Section 23, Township 9 North, Range 35 West S. B. B. & M., in the County of Santa Barbara, State of California, according to the official plat thereof.

EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-260-16)

PARCEL 22

Lots 1, 2 and 3 of Section 24, Township 9 North, Range 35 West, S.B.B. & M. in the County of Santa Barbara, State of California, according to the official plat thereof. Excepting from said Lot 3 all of the following described parcel:

Commencing at the Southerly corner of said Lot: thence North $0^{\circ}30'44''$ East along the East line of said Lot 739.54 feet thence South $53^{\circ}25'55''$ West to an intersection with the Northeasterly line of the Rancho Casmalia; thence Southeasterly along said Ranch line to the point of beginning.

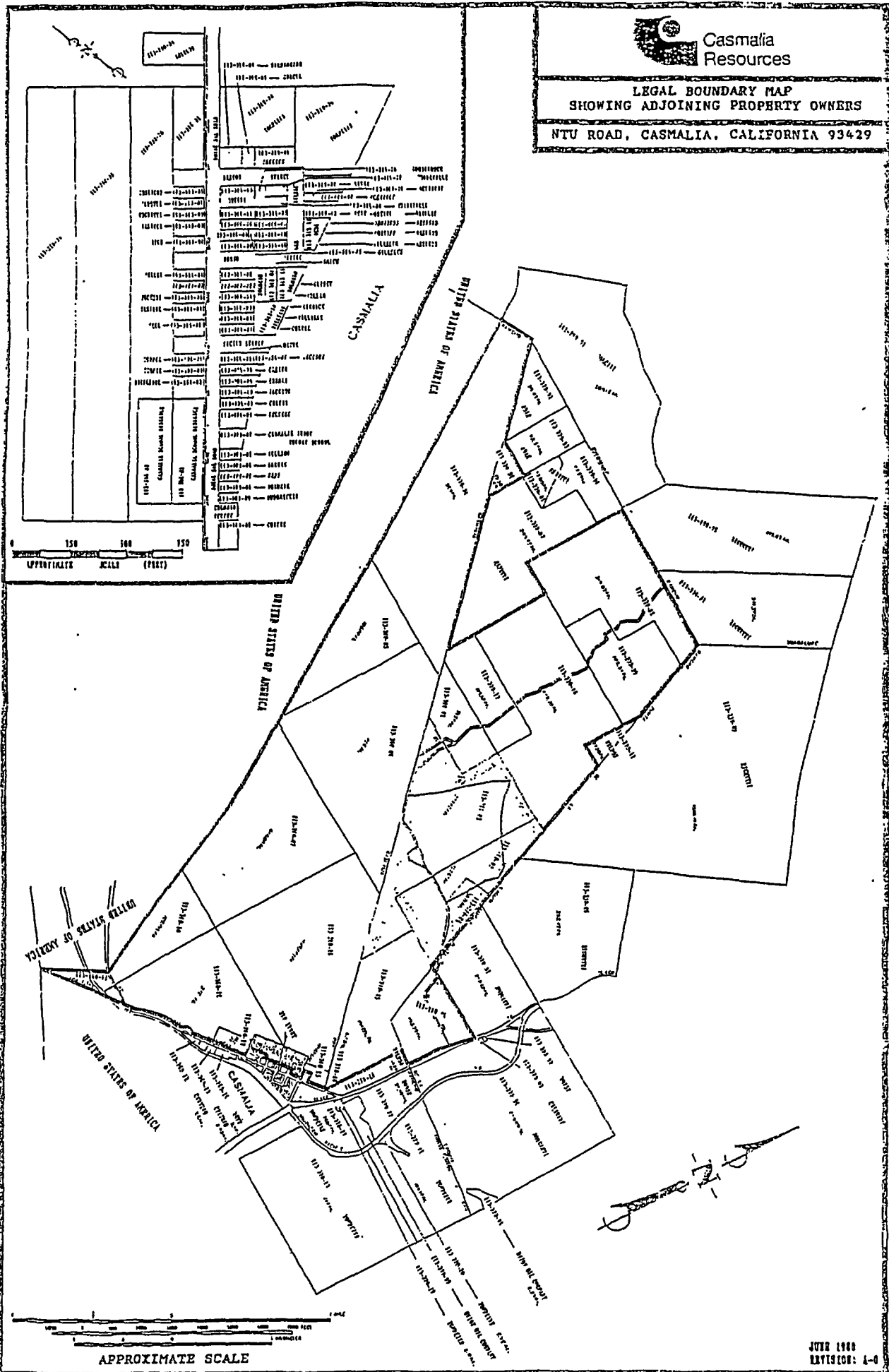
EXCEPTING therefrom all gas, oil, minerals or hydrocarbon substances which may be found in, on or under said land. (113-260-18)

ATTACHMENT 2

MAP AND LEGAL DESCRIPTION OF FACILITY AND FACILITY FRINGE AREA



NTU ROAD, CASMALIA, CALIFORNIA 93429



CDM174219

JUNE 1980
REVISION: 4-0

Parcel 1:

THE WEST HALF OF THE NORTHWEST QUARTER, THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AND LOT 5 OF SECTION 14; THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, SOUTHEAST QUARTER OF THE NORTHEAST QUARTER AND LOTS 3, 4, 5, 6 AND 7 OF SECTION 15; AND LOTS 1, 2 AND 3 OF SECTION 23, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THE FULL, FREE, EXCLUSIVE AND PERPETUAL RIGHT TO, AND THE OWNERSHIP OF ALL GAS, OIL AND OTHER HYDROCARBON SUBSTANCES AND ALL MINERALS IN, UPON OR UNDERLYING SAID LAND, WHICH HYDROCARBON SUBSTANCES AND MINERALS ARE NOW OR IN THE FUTURE WILL BE OWNED BY J. F. GOODWIN COMPANY, A CALIFORNIA CORPORATION, OR ITS ASSIGNEES, TOGETHER WITH THE PERPETUAL RIGHT, PRIVILEGE AND EASEMENT TO ENTER IN AND UPON SAID LANDS TO PROSPECT, EXPLORE, DRILL, OPERATE, DEVELOP AND DISPOSE OF ALL SUCH MINERALS, AND ALL SUCH OIL, GAS OR OTHER HYDROCARBONS.

Parcel 2:

LOTS 1, 2, 3 AND 4 AND THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO 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 SEPTEMBER 11, 1884.

EXCEPTING THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A 1-INCH PIPE IN THE WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO, BEARING NORTH 22°20' WEST 447.3 FEET FROM THE INTERSECTION OF THE SOUTH LINE OF SECTION 14, TOWN-9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, AND SAID WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO; THENCE NORTH 55°01' WEST 409 FEET TO A 1-INCH PIPE NO. 2; THENCE NORTH 50°29' WEST 589 FEET TO A 1-INCH PIPE NO. 3; THENCE NORTH 57°46' WEST 519.2 FEET TO A 1-INCH PIPE NO. 4; THENCE NORTH 81°45' WEST 214.1 FEET TO A 1-INCH PIPE NO. 5; THENCE NORTH 22°20' WEST 1179.00 FEET TO A 1-INCH PIPE NO. 6; THENCE NORTH 67°40' EAST 983.9 FEET TO A 1-INCH PIPE NO. 7, AND IN THE WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO; THENCE SOUTH 22° 20' EAST 2574.3 FEET TO THE POINT OF BEGINNING.

Parcel 3:

THAT PORTION OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.M., IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A ONE-INCH PIPE IN THE WEST LINE OF THE PUNTA DE LAGUNA RANCHO, BEARING NORTH 22°20' WEST 447.3 FEET FROM THE INTERSECTION OF THE SOUTH LINE OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.M., AND SAID WEST LINE OF THE PUNTA DE LAGUNA RANCHO; RUNNING THENCE 1ST, NORTH 55°01' WEST 409 FEET TO ONE-INCH PIPE NO. 2; THENCE 2ND, NORTH 50°29' WEST 589 FEET TO A ONE-INCH PIPE NO. 3; THENCE 3RD, NORTH 57°46' WEST 519.2 FEET TO ONE-INCH PIPE NO. 4; THENCE 4TH, NORTH 81°45' WEST 214.1 FEET TO ONE-INCH PIPE NO. 5; THENCE 5TH, NORTH 22°20' WEST 1179 FEET TO ONE-INCH PIPE NO. 6; THENCE 6TH, NORTH 67°40' EAST 983.9 FEET TO ONE-INCH PIPE NO. 7; AND IN THE WEST LINE OF THE PUNTA DE LAGUNA RANCHO; THENCE 7TH, SOUTH 22°20' EAST 2574 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM AN UNDIVIDED 75% OF ALL OIL, GAS, GASOLINE AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS IN, UNDER OR PRODUCED FROM THE PORTION OF THE SUB-SURFACE OF THE ABOVE-DESCRIBED LAND LYING BELOW A PLANE PARALLEL TO AND 500 FEET VERTICALLY BELOW THE SURFACE OF SAID LAND WITHOUT, HOWEVER, THE RIGHT TO ENTER ON THE SURFACE THEREOF.

EXHIBIT 6

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby acknowledged, Casmalia Resources, a California limited partnership ("Grantor"), hereby grants to _____ ("Grantee") fee interest in that certain real property located in the County of Santa Barbara, State of California described in Attachment 1 and Attachment 2, but excluding any portions of such real property as may be designated by Grantee in Attachment 3 hereto.

This Grant Deed is subject to all matters of record.

Dated _____, 2001

CASMALIA RESOURCES, a California
limited partnership

By: Hunter Resources, a California
corporation, its General Partner

By: _____
Kenneth H. Hunter, III
Vice President

Grantee

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the within Grant Deed to _____ ("Grantee") is hereby accepted in accordance with its terms by the undersigned on behalf of Grantee, and Grantee consents to recordation thereof by its duly authorized representative.

[Type name of Grantee]

By: _____

STATE OF CALIFORNIA)
)ss.
COUNTY OF)

On _____, before me, the undersigned, a Notary Public
in and for said County and State, personally appeared

personally known to me or 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.

WITNESS my hand and official seal.

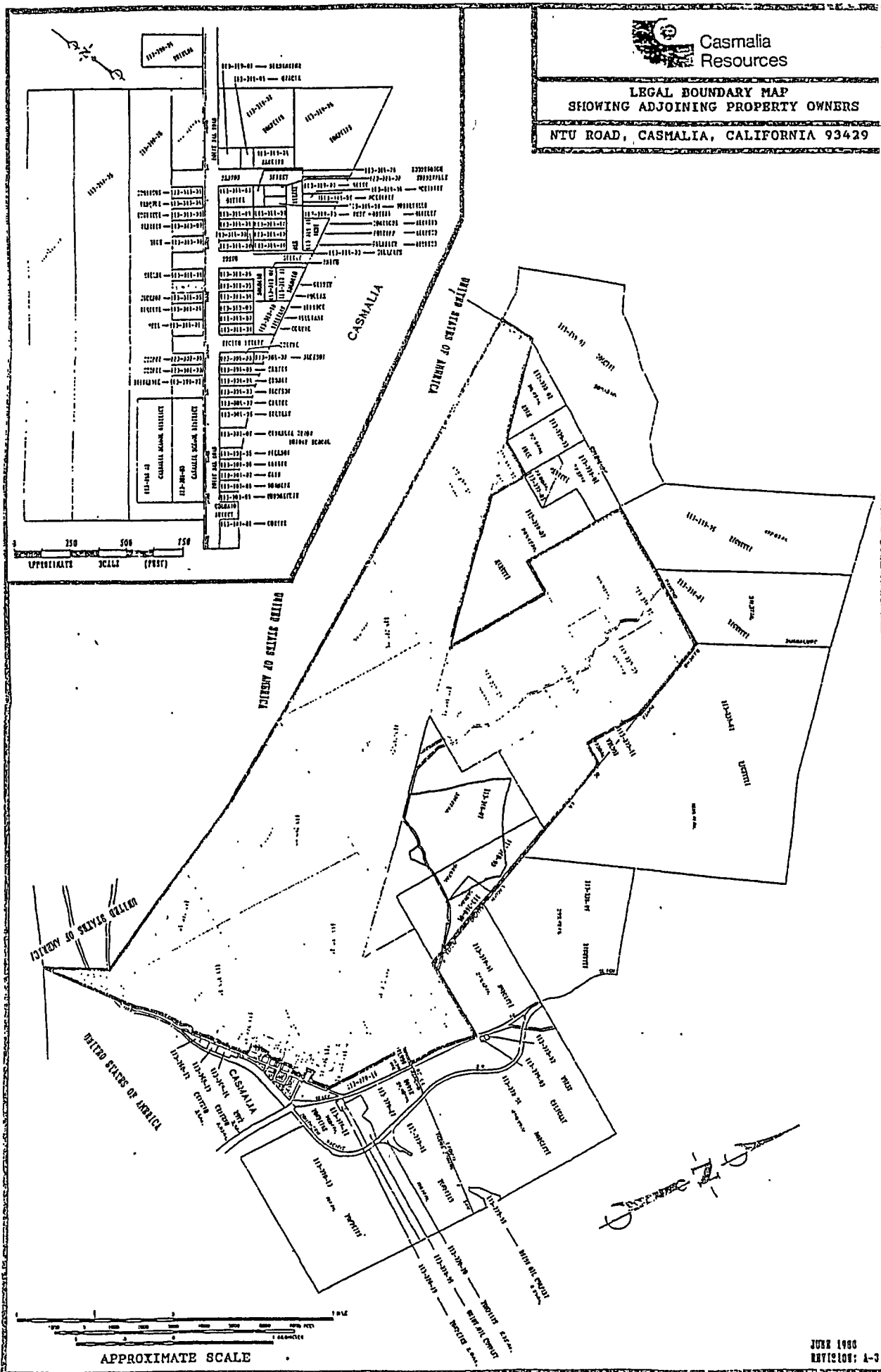
(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC

ATTACHMENT 1
MAP AND LEGAL DESCRIPTION OF THE PROPERTY

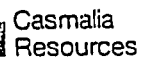


NTU ROAD, CASMALIA, CALIFORNIA 93429

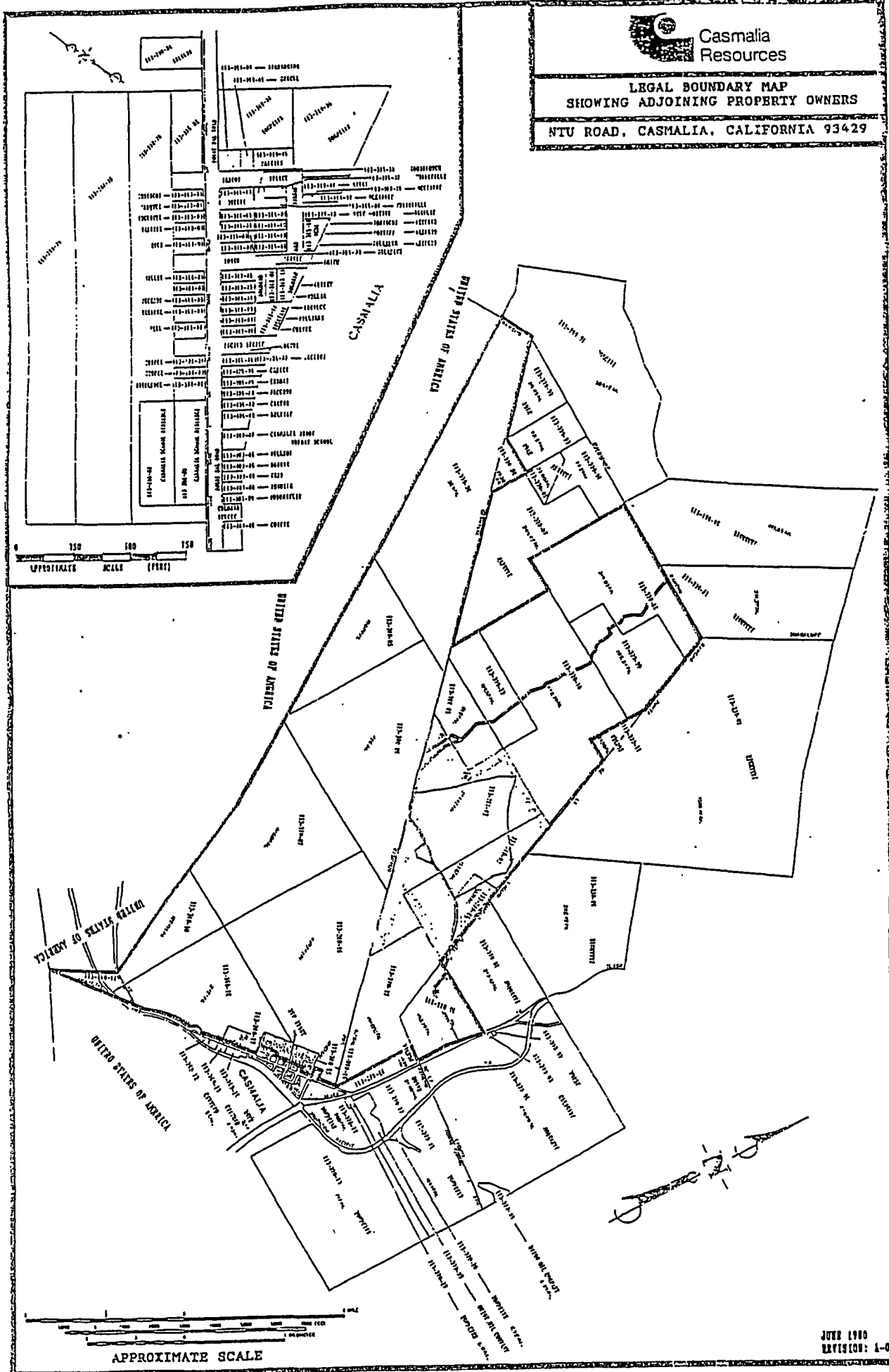


JUNE 1980
REVISION: A-3

CDM174226



NTU ROAD, CASMALIA, CALIFORNIA 93429



JUNE 1980
 PROVISION: 1-0

CDM174227

Parcel 1:

THE WEST HALF OF THE NORTHWEST QUARTER, THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AND LOT 5 OF SECTION 14; THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, SOUTHEAST QUARTER OF THE NORTHEAST QUARTER AND LOTS 3, 4, 5, 6 AND 7 OF SECTION 15; AND LOTS 1, 2 AND 3 OF SECTION 23, ALL IN TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THE FULL, FREE, EXCLUSIVE AND PERPETUAL RIGHT TO, AND THE OWNERSHIP OF ALL GAS, OIL AND OTHER HYDROCARBON SUBSTANCES AND ALL MINERALS IN, UPON OR UNDERLYING SAID LAND, WHICH HYDROCARBON SUBSTANCES AND MINERALS ARE NOW OR IN THE FUTURE WILL BE OWNED BY J. F. GOODWIN COMPANY, A CALIFORNIA CORPORATION, OR ITS ASSIGNEES, TOGETHER WITH THE PERPETUAL RIGHT, PRIVILEGE AND EASEMENT TO ENTER IN AND UPON SAID LANDS TO PROSPECT, EXPLORE, DRILL, OPERATE, DEVELOP AND DISPOSE OF ALL SUCH MINERALS, AND ALL SUCH OIL, GAS OR OTHER HYDROCARBONS.

Parcel 2:

LOTS 1, 2, 3 AND 4 AND THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 35 WEST, SAN BERNARDINO 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 SEPTEMBER 11, 1884.

EXCEPTING THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A 1-INCH PIPE IN THE WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO, BEARING NORTH 22°20' WEST 447.3 FEET FROM THE INTERSECTION OF THE SOUTH LINE OF SECTION 14, TOWN-9 NORTH, RANGE 35 WEST, SAN BERNARDINO MERIDIAN, AND SAID WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO; THENCE NORTH 55°01' WEST 409 FEET TO A 1-INCH PIPE NO. 2; THENCE NORTH 50°29' WEST 589 FEET TO A 1-INCH PIPE NO. 3; THENCE NORTH 57°46' WEST 519.2 FEET TO A 1-INCH PIPE NO. 4; THENCE NORTH 81°45' WEST 214.1 FEET TO A 1-INCH PIPE NO. 5; THENCE NORTH 22°20' WEST 1179.00 FEET TO A 1-INCH PIPE NO. 6; THENCE NORTH 67°40' EAST 983.9 FEET TO A 1-INCH PIPE NO. 7, AND IN THE WEST LINE OF THE PUNTA DE LA LAGUNA RANCHO; THENCE SOUTH 22° 20' EAST 2574.3 FEET TO THE POINT OF BEGINNING.

Parcel 3:

THAT PORTION OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 35 WEST, S.B.M.,
IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS FOLLOWS:

BEGINNING AT A POINT MARKED BY A ONE-INCH PIPE IN THE WEST LINE OF
THE PUNTA DE LAGUNA RANCHO, BEARING NORTH 22°20' WEST 447.3 FEET
FROM THE INTERSECTION OF THE SOUTH LINE OF SECTION 14, TOWNSHIP 9
NORTH, RANGE 35 WEST, S.B.M., AND SAID WEST LINE OF THE PUNTA DE
LAGUNA RANCHO; RUNNING THENCE 1ST, NORTH 55°01' WEST 409 FEET TO
ONE-INCH PIPE NO. 2; THENCE 2ND, NORTH 50°29' WEST 589 FEET TO A ONE-
INCH PIPE NO. 3; THENCE 3RD, NORTH 57°46' WEST 519.2 FEET TO ONE-INCH
PIPE NO. 4; THENCE 4TH, NORTH 81°45' WEST 214.1 FEET TO ONE-INCH PIPE
NO. 5; THENCE 5TH, NORTH 22°20' WEST 1179 FEET TO ONE-INCH PIPE NO. 6;
THENCE 6TH, NORTH 67°40' EAST 983.9 FEET TO ONE-INCH PIPE NO. 7; AND IN
THE WEST LINE OF THE PUNTA DE LAGUNA RANCHO; THENCE 7TH, SOUTH
22°20' EAST 2574 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM AN UNDIVIDED 75% OF ALL OIL, GAS, GASOLINE AND
OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS IN, UNDER OR
PRODUCED FROM THE PORTION OF THE SUB-SURFACE OF THE ABOVE-
DESCRIBED LAND LYING BELOW A PLANE PARALLEL TO AND 500 FEET
VERTICALLY BELOW THE SURFACE OF SAID LAND WITHOUT, HOWEVER, THE
RIGHT TO ENTER ON THE SURFACE THEREOF.

ATTACHMENT 3

DESCRIPTION OF EXCLUDED PROPERTY

APPENDIX I TO CONSENT DECREE

Land Lease

LAND LEASE

THIS AGREEMENT (the Lease), made and entered into as of the first day of January 2002, by and between CASMALIA RESOURCES, a California limited partnership, hereinafter termed Lessor, and ROY BOGNUDA, hereinafter termed Lessee. The United States Environmental Protection Agency (EPA) is hereby made an express third party beneficiary of this Lease for purposes of implementing the response actions conducted by EPA and its designated representatives at or around the Casmalia Resources waste disposal site (the Site).

WITNESSETH:

That for and in consideration of the rents, conditions and covenants to be paid, kept and performed by Lessee, Lessor does by these presents lease, demise, and let unto Lessee for grazing purposes, and Lessee does hereby lease, hire, and take from Lessor the following described properties for a period of one year, commencing the 1st day of January 2002 and ending on the 31st day of December 2002. Said property is situated in the County of Santa Barbara, State of California, and is described as follows, to wit:

Berry Ranch	158.670 Acres
Morganti Ranch	210.260 Acres
Goodwin Ranch	611.650 Acres
Stokes Lease	319.030 Acres
Worsham Lease	183.540 Acres
Parcels I, II, III & IV (as described on Exhibit 1)	2,598.041 Acres
* Additional Parcels from old Shiffrar Lease	<u>426.500 Acres</u>
TOTAL ACREAGE	4,507.691 Acres

Lessee agrees to pay as rental for the use and occupation of said above-described premises for said term of one year, the total sum of \$67,500 annually; payable monthly in the amount of \$5,625 beginning on January 1, 2002 and continuing on the first day of each month thereafter during calendar year 2002; provided, however, in the event that any of the demised property is foreclosed on by an existing secured lender, the monthly rental amount shall thereafter be reduced proportionately based on the size of the demised property after foreclosure.

*NO. 1: As shown on the attached sketch, bounded on the north by Pt. Sal Road, on the east and south by the Southern Pacific Company right-of-way, and on the west by Vanderberg Air Force Base. It contains approximately 9 acres.

NO. 2: As shown on the attached sketch, this field is bounded on the west, north, and east by a fence separating it from pasture land, and on the south by Schuman Creek. It contains approximately 73 acres.

NO. 3: As shown on the attached sketch, bounded on the west by a fence, on the north by Shuman Creek, on the east by a fence, and on the south by a fence which runs along the north side of Pt. Sal Road. It contains approximately 29 acres.

NO. 4: As shown on the attached sketch, surrounded on all sides by a fence. The whole field contains approximately 58 acres. It should be noted, however, that about 3 to 4 acres of this total area lie in property not owned by Casmalia Resources. This portion has not been fenced off, but is partly on a steep slope and party marshy land and is not cultivated, in any case.

NO. 5: As shown on the attached sketch, bounded on all sides by a fence. It contains three oil wells, Muscio No. 1, Muscio No. 2 and Muscio No. 3. It contains approximately 67 acres.

NO. 6: As shown on the attached sketch, this field is bounded on all sides by a fence. The north fence line is also a property boundary fence. Black Road runs along the easterly side of this field and the NTU Road along the southerly and westerly boundary. It contains two oil wells, Hansen No. 1 and Hansen No. 2. It contains approximately 38 acres in all, but a considerable portion of this field is taken up by the oil well locations, roads, and pipelines. Approximately 23 acres of this field are tillable.

NO. 7 and 8: As shown on the attached sketch, this field is bounded on all sides by a fence. A considerable portion of it is too steep to farm and is covered by grass. It contains approximately 75 acres.

NO. 9: As shown on the attached sketch, this field is bounded on the north by the line fence of the Rancho Casmalia, on the east by a fence, on the south by a fence, and on the west by a gully, which separates it from field No. 10. It contains approximately 41.5 acres.

NO. 10: As shown on the attached sketch, this field is bounded south, west, and north by a fence separating it from pasture land, and on the east partly by a gully separating it from field No. 9, and partly by a fence separating it from pasture land. It contains approximately 27 acres.

NO. 11: As shown on the attached sketch, this field is bounded on all sides by a fence. The NTU Road lies along the north boundary. It contains approximately 9 acres.

It is further agreed that Lessee will pay to Lessor during the demised term beginning January 1, 2002, as additional rental an amount equal to any increase in taxes and special assessments on the property and improvements hereby demised, over the amount of such taxes and special assessments for the tax years 2002-2003. Such additional rental shall be paid as soon as the amount thereof shall have been determined and upon written demand thereof by Lessor to Lessee.

Lessee promises to quit and surrender the premises to Lessor at the end of the term in as good order and condition (reasonable use and wear thereof and damage by the elements excepted), as the same are now or may be put into, to cut or disk the weeds around the town of Casmalia to maintain a firebreak of approximately 100 yards in width in the same manner as the firebreak has historically been maintained, and to pay the rent as above stated for such further time as Lessee may hold the same, and not to make or suffer any waste thereof, nor lease, nor sublease, or permit any other person to occupy or improve the same, or make or suffer to be made any alteration therein without the written consent of Lessor. And, if any rent shall be due and unpaid, or if default shall be made in any of the covenants herein contained, then it shall be lawful for Lessor to reenter the premises and to expel Lessee, and as his option, to terminate this Lease.

Lessee agrees to consult with Lessor and EPA before the construction of check dams or barriers in creek beds and channels to check the erosion and cutting of gullies and channels on and through the properties.

Lessee does hereby promise and agree to maintain the line fences upon said property and keep the same in good condition of repair. It is further understood and agreed that Lessor will not be called upon or required by Lessee to build, erect, replace or repair any other fences that may be upon said premises, and that should Lessee desire to erect or repair any of said other fences he will do so at his own and sole cost and expense, and save and hold Lessor harmless from any expenses or costs that he may incur in making said repairs or erecting said other fences. Lessee agrees to fence the areas Lessee deems necessary for its cattle operation in a manner so as not to inconvenience response actions conducted by EPA or its designated representatives on or around said premises and the Site; this shall be accomplished at no cost to Lessor and Lessee hereby agrees that Lessor shall in no way be liable or responsible for any loss or damage to Lessee by reason of said response actions, and Lessor's or EPA's use of said premises. All fences of any nature shall be left intact in the event that the Lease terminates for any cause. In addition, EPA shall have the right, but shall be under no obligation, to undertake or cause to be undertaken any maintenance or repair work deemed appropriate by EPA on or around said premises, in connection with the response actions conducted at the Site.

Lessee shall not use, nor permit to be used, any part of said property, for any other purpose other than the grazing and pasturing of cattle.

Lessee does further covenant and agree that he will look after and care for that portion of the premises that he uses for grazing purposes in a manner as is customary and usual in caring for and looking after grazing land.

Lessee shall not use said premises, nor any part thereof, for any unlawful purpose, and shall at all times comply with all statutes, ordinances, laws or regulations of any governmental agency or department applicable to said premises or his operations thereon.

It is further understood and agreed that Lessee shall not assign or sublet this Lease or any portion thereof without the written consent of Lessor and EPA, and in the event of assignment of or subletting, Lessee shall assume full responsibility for the carrying out of the terms of this Lease.

Lessee further covenants and agrees to save Lessor, as well as said premises, safe and harmless from any and all liability, actions or claims for injuries that may arise by reason of Lessee's occupation, subletting, or use of said premises, or any part thereof, and to pay when due all charges, bills or accounts that may have been incurred by him during this occupancy or use of said premises.

It is further understood and agreed that this Lease shall not, nor shall any interest therein, become an asset in bankruptcy, or any receivership proceedings on the part of or on behalf of Lessee, and in the event that Lessee shall become bankrupt, or a receivership had on his behalf, then this Lease shall immediately and without further notice terminate and end.

Upon termination of this Lease, Lessee may remove from the premises the corral fencing, mangers, water troughs, water tanks and related equipment installed by Lessee and described in Exhibit 2 attached hereto. Lessee shall exercise due care in undertaking such removal, and shall repair any damage to the premises that is caused by such removal.

The removal of Lessee's facilities and any necessary repair of the demised property shall be completed no later than January 31, 2003.

LESSOR:

CASMALIA RESOURCES, a
California
limited partnership

By: Hunter Resources, a California
corporation, General Partner

By: _____
Kenneth H. Hunter, III
Vice-President

LESSEE:

Roy Bognuda

EXHIBIT "1"

PARCEL I:

A portion of the Rancho Casmalia in the County of Santa of California; patented to Antonio Livera by the United States of America by patent dated July 30, 1863, and recorded in book "A" page 388, et seq., in the office of the County Recorder of said County, described as follows:

Beginning at a point on the most Easterly corner of the Rancho Casmalia as per map or plat thereof on file and of record in the office of the County Recorder of the county of Santa Barbara, State of California, and running thence South 53° West 10250 feet to a point; thence North $35^{\circ} 32'$ East 21.86 feet to a point; thence North $26^{\circ} 15'$ West 7623 feet to a point; thence North $32^{\circ} 34'$ West 18093 feet to a point; thence North 64° East 1188 feet to a point; thence South 46° East 26,356 feet to the point of beginning...

EXCEPTING THEREFROM those certain strips and parcels of land conveyed to the Southern Pacific Railroad Company by deed recorded June 22, 1891 in Book 30 of Deeds, at page 453 et seq. , and by Deed recorded August 19, 1895 in Book 48 of Deeds at page 184 et.seq., records of said Santa. Barbara County.

Also excepting therefrom that portion thereof described as follows:

Beginning at the most Easterly corner of Block 10 of said Town, being a point in the Northwesternly line of Pt. Sal Street (70 feet wide) as shown on said map; thence along the Northeastly prolongation of said Northwesternly line North $53^{\circ} 25' 55''$ East 983.5 feet to the Easterly line of Lot 3 of Section 24, being also Station 15 of Rancho Todos and San Antonio (and Post C. 3 & T. S. 5 mentioned on said map); thence North $0^{\circ} 30' 4''$ East: along said Easterly line of said Lot 3, 739.54 feet to the Northeastly prolongation of the Southeastly line of Lots A to K, inclusive of said Town; thence along said Southeastly line and the prolongation thereof, South $53^{\circ} 25' 55''$ West 4523.11. feet; thence South $36^{\circ} 34' 05''$ East 590.00 feet to the Southwestly prolongation of said Northwesternly line of Pt. Sal Street; thence along said last mentioned prolongation and said Northwesternly line 4044 feet more or less to the point of beginning.

Also excepting; therefrom that portion thereof lying within Blocks "A" to "K" inclusive of the Town of Someo (Town of Casmalia) as shown by map on file in Book 1 page 63 of Maps and Surveys, records of Santa Barbara County, California.

PARCEL II:

That portion of Subdivision No. 16 of the Rancho Punta de la Laguna described as follows: Beginning at the Southwestly corner of the Rancho Punta de la Laguna at a stake marked "P. L. 4" and running from this point of beginning North 22° West 35.35 chains along; the Easterly line of government, land as surveyed by R. R. Harris, United States Deputy Surveyor to a point where this line intersects the line between sections 14 and 23, Township 9 North, Range 35 West, S.B.B. & M.; thence East 42.31 chains to

the center of the old Santa Maria-Casmalia Road; thence Southerly along the center line of the aforementioned road with the following courses and distances: South $11^{\circ} 30'$ West 20.70 chains; thence South $0^{\circ} 30'$ West 15.15 chains to the point where the Southerly line of the Rancho Punta de la Laguna intersects above-named road; thence leaving road North $83^{\circ} 45'$ West 25.00 chains along the Southerly Line of the Rancho Punta de la Laguna to a stake marked "P.L.4", which marks the Southwesterly corner of the Rancho Punta de la Laguna and the point of beginning. EXCEPTING THEREFROM that land lying within the county right of way of that certain county road known as the "N.T.U." road.

ALSO EXCEPTING that certain property situated in the County of Santa Barbara, State of California, and more particularly described as follows:

Beginning at a point on the Westerly right-of-way line of the existing county road, which point is perpendicular to and 50 feet distant from Highway Engineers station 79+00.73 of the Casmalia-Santa Maria Highway Survey; thence along the arc of a 5050 foot radius curve right, central angle $2^{\circ} 10'$, 190.97 feet, thence North $9^{\circ} 06'$ East 571.80 feet; thence South $89^{\circ} 32' 30''$ East 37.98 feet to an iron pipe which marks the northeast boundary of the land of Clelia Muscio Hansen et al and the westerly county right-of-way line; thence along said right-of-way line South $11^{\circ} 37' 50''$ West 769.18 feet to the point of beginning, containing 0.32 acres more or less, as conveyed to the County of Santa Barbara by Deed recorded January 21, 1944 in Book 997, page 77 of Official Records.

PARCEL III:

The Northwest quarter of the Northeast quarter (N.W. $1/4$ of the N.E. $1/4$) and lots 4,5,6,7 and 8 of Section 23, Township 9 North, Range 35 West, S. B. B. & M.

PARCEL IV:

Lots 1, 2 and 3 of Section 24, Township 9 North, Range 35 West, S. B. B. & M.

EXCEPTING FROM said lot 3 all of the following described parcel: Commencing at the Southerly corner of said lot: thence North $0^{\circ} 30' 44''$ East along the East line of said Lot 739.54 feet thence South $53^{\circ} 25' 55''$ West to an intersection with the Northeasterly line of the Rancho Casmalia; thence Southeasterly along said Rancho line to the point of beginning.

EXCEPTING THEREFROM those portions reserved to the Muscio family and those portions leased for farming purposes to Joe Shiffrar.

EXHIBIT 2

ITEMS OWNED AND TAKEN BY BOGNUDA WHEN LEASE TERMINATES

Fifteen (15) Water Troughs

PowerRiver Farmhand Green Gates

Two (2) Silver Gates

Pipe Pens & Gates

240' x 3" Culverts

Two (2) 20" x 10' Culverts

Back Corrals

Circle Chute

Lane Chute

Pile of Sucker Rods and Unused Pipe