

## SCHEDULE A

### *First American Title Insurance Company*

Name and Address of Title Insurance Company:  
First American Title Insurance Company  
1 First American Way  
Santa Ana, CA 92707

File No.: **4904-5765018**

Policy No.: **5765018**

Address Reference: 1100 Highway 101 S. Hwy, Crescent City, CA 95531

Amount of Insurance: \$1,803,000.00

Premium: \$2,866.00

Date of Policy: November 19, 2018 at 4:54 P.M.

1. Name of Insured:

State of California

2. The estate or interest in the Land that is insured by this policy is:

A Fee.

3. Title is vested in:

State of California

4. The Land referred to in this policy is described as follows:

Real property in the unincorporated area of the County of Del Norte, State of California, described as follows:

PARCEL 12680-1

THE FRACTIONAL SOUTHWEST QUARTER OF SECTION 27 IN TOWNSHIP 16 NORTH, RANGE 1 WEST, HUMBOLDT MERIDIAN, ACCORDING TO THE PLAT OF THE GOVERNMENT SURVEY, EXCEPTING ANY PORTION OF SAND LAND WHICH MAY LIE BELOW THE LINE OF ORDINARY HIGH WATER OF THE PACIFIC OCEAN WHERE IT WAS LOCATED PRIOR TO AN ARTIFICIAL OR AVULSIVE CHANGE IN THE LOCATINO OF THE SHORELINE;

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE QUARTER CORNER COMMON TO SECTIONS 27 AND 28, TOWNSHIP 16 NORTH, RANGE 1 WEST, SAID CORNER BEING MARKED BY A 3¼ INCH DIAMETER ALUMINIUM DISK STAMPED "T16N R1W ¼ S28 / S27 1979 LS 3340" AS SHOWN ON BOOK 8 OF MAPS, PAGES 117-118, DEL NORTE COUNTY RECORDS;

THENCES S. 1° 22' 48" W. ALONG THE WEST LINE OF SAID SECTION 27 1346.69 FEET TO THE TRUE POINT OF BEGINNING;

1) THENCE LEAVING SAID WEST LINE S. 58° 50' 00" E., 1394.84 FEET;

2) THENCE PARALLEL WITH THE WEST LINE OF SAID SECTION 27, S. 1° 22' 48" W., 407 FEET MORE OR LESS, TO THE NORTH LINE OF HIGHWAY 101 RIGHT OF WAY AS CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED OCTOBER 25, 1933 IN BOOK 52 OF DEEDS, PAGE 349,

DEL NORTE COUNTY RECORDS;

3) THENCE SOUTHEASTERLY ALONG SAID NORTH LINE 460 FEET MORE OR LESS, TO THE SOUTH LINE OF SAID SECTION 27;

4) THENCE WESTERLY ALONG SAID SOUTH LINES 1015 FEET MORE OR LESS, TO SAID LINE OF ORDINARY HIGH WATER;

5) THENCE WESTERLY ALONG SAID LINE OF ORDINARY HIGH WATER 650 FEET MORE LESS, TO SAID WEST LINE OF SECTION 27;

6) THENCE ALONG SAID WEST LINE OF SECTION 27, N. 1° 22' 48" E. 1090 FEET MORE OR LESS, TO THE POINT OF BEGINNING.

PORTION OF APN 115-020-18

BEARINGS IN THIS DESCRIPTION ARE GRID BEARINGS (CCS83) BASED ON TIES TO THE HIGH PRECISION GEODETIC NETWORK (HPGN). DISTANCES HEREIN ARE GRID DISTANCES. MULTIPLY DISTANCES HEREIN BY THE COMBINED SCALE FACTOR (CSF) OF 0.99998018 TO OBTAIN GROUND DISTANCES.

APN: PORTION OF 115-020-018-000

## SCHEDULE B

File No. 4904-5765018

Policy No. 5765018

### EXCEPTIONS FROM COVERAGE

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

#### **Part One:**

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

#### **Part Two:**

1. General and special taxes and assessments for the fiscal year 2018-2019.

First Installment:	\$2,913.60, PAID
Penalty:	\$0.00
Second Installment:	\$2,913.60, OPEN
Penalty:	\$0.00
Tax Rate Area:	051021
A. P. No.:	115-020-018-000 Portion

The County Tax Collector could not verify the amounts shown above at this time. Please verify the amounts with the County Tax Collector prior to the close of the contemplated transaction.

2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
3. An easement for STATE HIGHWAY and incidental purposes, recorded in Book 34 of Deeds, Page 298.  
In Favor of: THE STATE OF CALIFORNIA

Affects: AS DESCRIBED THEREIN

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

4. An easement for STATE HIGHWAY and incidental purposes, recorded October 25, 1933 in Book 52 of Deeds, Page(s) 348 AND 349.

In Favor of: COUNTY OF DEL NORTE

Affects: AS DESCRIBED THEREIN

5. An easement for STATE HIGHWAY and incidental purposes, recorded June 02, 1942 in Book 60 of Deeds, Page 29.

In Favor of: STATE OF CALIFORNIA

Affects: AS DESCRIBED THEREIN

6. An easement for RIGHT OF WAY and incidental purposes, recorded September 22, 1950 in Book 71 of Deeds, Page 199.

In Favor of: THE CALIFORNIA POWER COMPANY, A CALIFORNIA CORPORATION

Affects: AS DESCRIBED THEREIN

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

7. Rights of the public in and to that portion of the land lying within any Road, Street, Alley or Highway.
8. Water rights, claims or title to water, whether or not shown by the public records.
9. Any claim that any portion of the land is below the ordinary high water mark where it was located prior to any artificial or avulsive changes in the location of the shoreline or riverbank.
10. Any rights, interests, or easements in favor of the public, which exist or are claimed to exist over any portion of said land covered by water, including a public right of access to the water.
11. Any claim that any portion of the land is or was formerly tidelands or submerged lands.
12. Rights of parties in possession.

Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

- (c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

#### 6. DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.
- (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

#### 7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

- (a) To Pay or Tender Payment of the Amount of Insurance.  
To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
- (b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.  
(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or  
(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs,

attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

#### 8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of  
(i) the Amount of Insurance; or  
(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.
- (b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,  
(i) the Amount of Insurance shall be increased by 10%, and  
(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.
- (c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

#### 9. LIMITATION OF LIABILITY

- (a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.
- (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

#### 10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

#### 11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

#### 12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

#### 13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

- (a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.  
If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

- (b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

- (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

**14. ARBITRATION - NOT AVAILABLE IN LOUISIANA**

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

**15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT**

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.
- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

**16. SEVERABILITY**

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

**17. CHOICE OF LAW; FORUM**

- (a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefore in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
- (b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

**18. NOTICES, WHERE SENT**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at 1 First American Way, Santa Ana, CA 92707, Attn: Claims Department.

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## ***POLICY OF TITLE INSURANCE***





12680-2  
Access Easement  
not shown

FOUND ALUM. DISC STAMPED "LS 3340" FOR  
QUARTER CORNER BETWEEN SECTIONS 27 & 28

EA 0B090 Mitigation Parcel 12680  
Required = 132.8 acres +-  
Underlying Fee = N/A  
Remainder = 25.9 acres +-  
PDF markups of this draft Points  
West map are by D1 RWE CRJ 4/23/18  
v2 6/11/18

12680-1  
REMAINING AREA = 132.8 AC  
(ALL NORTH OF US 101 R/W)

AREA = 13.5 AC  
(NORTH OF US 101 R/W)

Esmt R/W  
+- 3.4 acres of  
remainder

AREA = 8.8 AC  
(SOUTH OF US 101 R/W, TO APPX  
ELEVATION 6.0' FOR MHT)

0.2  
acres +-

**EXHIBIT NOTES**

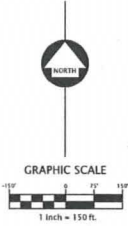
- 1) This map is based on surveys performed in March & April 2018 and reflects conditions as of that time.
- 2) The purpose of this exhibit is to illustrate the boundaries of a proposed acquisition by Caltrans of the parcel in the southwest portion of the Hambro property as shown hereon.
- 3) A portion of the southerly boundary of the southwest quarter of Section 27 shown hereon is the Ordinary High Water Mark of the Pacific Ocean. This line has been approximated at the 6.0 elevation contour taken from the City of Crescent City 2004 aerial photography for purposes of acreage calculation.

**ACREAGE INFORMATION**

Hambro Forest Products Ownership:  
*The Fractional Southwest Quarter of Section 27, Township 16 North, Range 1 West, Humboldt Meridian*

Original Government Plat of 1855 Acreage:	149.7
Overall Acreage per Plate provided by CDFW:	159.0
Overall Acreage calculated per PWS survey:	155.1
Parcel Acreage to be retained by Hambro:	22.3
Portion North of US 101 right of way:	13.8
Portion South of US 101 right of way:	8.8
Parcel Acreage to be acquired by CDFW:	132.8

Caltrans right of way has been excluded from Acreage.



**CALTRANS ACQUISITION**  
for  
**HAMBRO FOREST PRODUCTS**  
SECTION 27 T16N R1W  
HUMBOLDT MERIDIAN  
IN THE UNINCORPORATED AREA OF  
DEL NORTE COUNTY, STATE OF CALIFORNIA  
APRIL 2018  
SCALE: 1" = 150' SHEET 1 OF 1

**POINTS WEST SURVEYING CO.**  
5201 Callison Park Dr., Suite 3 - Arcata, CA 95521  
707-840-9510 - Phone 707-840-9542 - Fax

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