

RESOLUTION NO. 90-18

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF PASO ROBLES
AUTHORIZING THE EXECUTION OF A
CONSENT TO ASSIGNMENT OF LEASE
FROM STOP LOSS CONCEPTS, INC.
TO KYODO AIR, INC.

BE IT RESOLVED by the City Council of the City of El Paso de Robles as follows:

That the Mayor and City Clerk be authorized to execute the Consent To Assignment of Lease attached as Exhibit A.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles, this sixth day of February, 1990, on the following vote:

AYES	Russell, Conway and Martin
NOES:	None
ABSENT:	Reneau



Mayor

ATTEST:



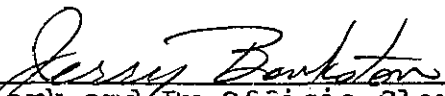
City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO) ss.
CITY OF EL PASO DE ROBLES)

I, Jerry Bankston , City Clerk/~~Deputy City Clerk~~ of the City of El Paso de Robles, California, do hereby certify that the foregoing Resolution No. 90-18 was duly and regularly adopted, passed and approved by the City Council of the City of El Paso de Robles, California, at a regular meeting of said City Council held at the regular meeting place thereof, on the 6th day of February , 19⁹⁰ , by the following vote:

AYES: Russell, Conway and Martin
NOES: None
ABSENT: Reneau
ABSTAINED: None

Dated this 6th day of February , 19⁹⁰



City Clerk and Ex-Officio Clerk of the
City Council, City of El Paso de Robles,
State of California

CONSENT TO ASSIGNMENT OF LEASE

THIS CONSENT OF ASSIGNMENT OF LEASE is herewith incorporated into and as part of a Lease made and entered into on the 1st day of December, 1983, by and between the CITY OF EL PASO de ROBLES, a Municipal Corporation and a political subdivision of the State of California, referred to herein as "City" or "Lessor", and SHERMAN G. SMOOT, referred to herein as "Lessee".

RECITALS

WHEREAS, the City and Lessee entered into the above long-term lease on December 1, 1983; and

WHEREAS, said lease remains in full compliance, force and effect at this time; and

WHEREAS, as a result of foreclosure, the original Lessee, Sherman G. Smoot, has forfeited all interest in said premise, effective May 22, 1989; and

WHEREAS, the building lender, Premier Bank, Custodian for benefit of Mr. Robert V. Bellis IRA Rollover, under instrument of foreclosure, entered into a sales agreement with Stop-Loss Concepts, Inc; and

WHEREAS, Premier Bank, Custodian for Benefit of Mr. Robert V. Bellis IRA Rollover conveyed the property to Stop-Loss Concepts, Inc. by Grant Deed the 21st day of June, 1989, as set forth in the Preliminary Title Report labeled Exhibit 'A' and attached hereto and incorporated by reference herein; and

WHEREAS, the City assigned the Lease to Stop-Loss Concepts, Inc. at the request of the Lessee through a Consent to Assignment of Lease executed the 1st day of August, 1989; and

WHEREAS, Lessee may request the consent of Lessor for Assignment of said lease in accordance with the terms and conditions of the lease agreement of said premises; and

WHEREAS, Lessee desires to assign Lease to Assignee and has made a request therefore;

NOW THEREFORE, it is hereby agreed by both parties as follows:

1. City does hereby consent to the assignment of the Lease, as specified above.

2. Kyodo Air, Inc., Assignee, is hereby identified as the new Lessee under the terms and conditions of this agreement. The address for purposes as specified in the Lease is:

Kyodo Air, Inc
880 West First Street
Los Angeles, CA 90012

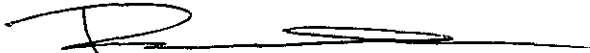
3. In all matters not specifically addressed by this amendment, the terms and conditions of the Lease shall remain in full force and effect.


IN WITNESS WHEREOF, the parties hereto have caused this Consent to Assignment of Lease to be duly executed this 13th day of February, 1990.


LESSEE

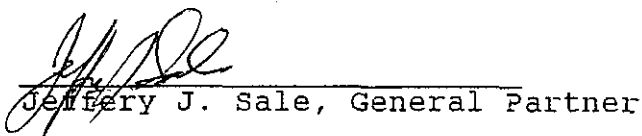
LESSOR

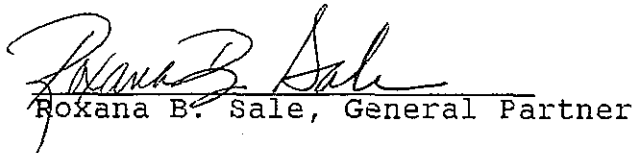
CITY OF EL PASO de ROBLES


Robert Markwith, President

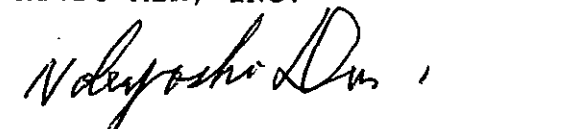

Steven Martin, Mayor


Edward W. Addy, Executive
Vice President

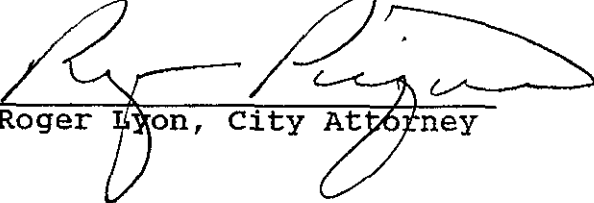

Jeffery J. Sale, General Partner


Roxana B. Sale, General Partner

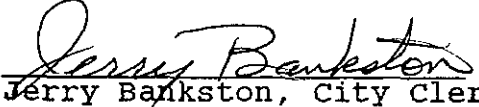
ASSIGNEE AND LESSEE
KYODO AIR, INC.


Mr. Nobuyoshi Dan, President

APPROVED AS TO FORM:


Roger Lyon, City Attorney

ATTEST:


Jerry Bankston, City Clerk

City of El Paso de Robles

MEMORANDUM

To: Jerry Bankston, City Clerk

From: Roger Elkin, Manager
Office of Economic Development

Date: February 15, 1990

Subject: Paso Robles Airport Parcel 26

Enclosed please find the following:

1. Summary Request;
2. Correspondence requesting assignment of lease (Attachment A);
3. Consent to Assignment of Lease (Exhibit A);
4. Resolution No. 90-18 (Attachment B); and
5. Preliminary Report (Exhibit B).

CONSENT TO ASSIGNMENT OF LEASE

THIS CONSENT OF ASSIGNMENT OF LEASE is herewith incorporated into and as part of a Lease made and entered into on the 1st day of December, 1983, by and between the CITY OF EL PASO de ROBLES, a Municipal Corporation and a political subdivision of the State of California, referred to herein as "City" or "Lessor", and SHERMAN G. SMOOT, referred to herein as "Lessee".

RECITALS

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WHEREAS, the building lender, Premier Bank, Custodian for benefit of Mr. Robert V. Bellis IRA Rollover, under instrument of foreclosure, entered into a sales agreement with Stop-Loss Concepts, Inc; and

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WHEREAS, Lessee may request the consent of Lessor for Assignment of said lease in accordance with the terms and conditions of the lease agreement of said premises; and

WHEREAS, Lessee desires to assign Lease to Assignee and has made a request therefore;

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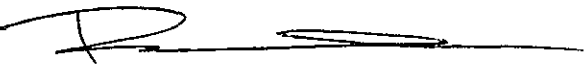
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IN WITNESS WHEREOF, the parties hereto have caused this Consent to Assignment of Lease to be duly executed this 13th day of February, 1990.

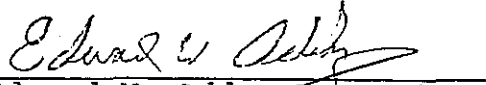
LESSEE

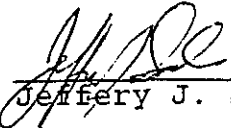
LESSOR


CITY OF EL PASO de ROBLES


Robert Markwith, President

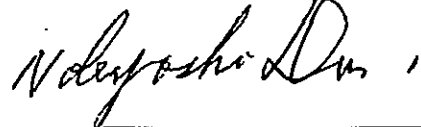

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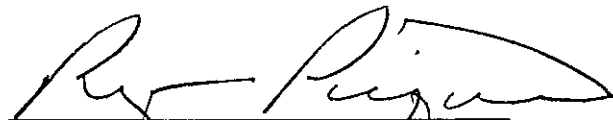

Jeffery J. Sale, General Partner


Roxana B. Sale, General Partner

ASSIGNEE AND LESSEE
KYODO AIR, INC.



Mr. Nobuyoshi Dan, President

APPROVED AS TO FORM:



Roger Lyon, City Attorney

ATTEST:



Jerry Bankston, City Clerk



Preliminary Report

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

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth herein. Copies of the Policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

First American Title Insurance Company

SAN LUIS OBISPO COUNTY

899 Pacific Street
San Luis Obispo, California 93401
(805) 543-8900 — 800-992-8900

EXHIBIT A

LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (By Policy Type)

1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - (7-88)

SCHEDULE B

EXCEPTIONS FROM COVERAGE

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 liens 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 record.
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 public records.

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) 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 insured 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.

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970 (AMENDED 10-17-70)

SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
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 and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (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.

3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970 (AMENDED 10-17-70)

WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in Paragraph 2 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One:

1. Taxes or assessments which 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.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances 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 public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE (AMENDED 10-17-70)

SCHEDULE OF EXCLUSIONS OF COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
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 and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for 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).
4. Unenforceability of the lien of the insured mortgage because of the failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970 (AMENDED 10-17-70)
WITH REGIONAL EXCEPTIONS

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in part one following:

Part One:

1. Taxes or assessments which 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.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances 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 public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claim or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1987
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE (10-21-87)

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 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. AMERICAN TITLE ASSOCIATION LOAN POLICY - 1987 (10-21-87)
WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

(continued on back)

SCHEDULE B

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 liens by the records of any taxing authority that levies taxes or assessments on real property 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 said land or by making an inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
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5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1987 (10-21-87)

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 or any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of 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.
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3. Defect, 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.

9. AMERICAN LAND TITLE ASSOCIATION OWNER POLICY - 1987 (10-21-87)

WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are excluded and the following exceptions to coverage appear in the policy.

SCHEDULE B

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:

Part One:

1. Taxes or assessments which 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.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances 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. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY - 1987

EXCLUSIONS

In addition to the Exceptions in Schedule B, 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 protectionThis 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 12 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 landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.



ORDER NO: SLO-871278 CC

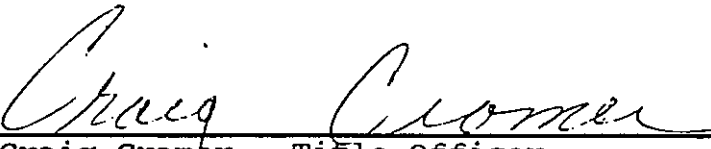
January 19, 1990

Adelaide Escrow
335 Spring Street
Paso Robles, CA 93446

Attention: Tanya

Your No. 6410TA

Dated as of January 4, 1990 at 7:30 a.m.



Craig Cramer - Title Officer

This report is not complete unless it includes a printed cover setting forth, among other things, a list of the printed exceptions and exclusions for the policy form(s) as designated below.

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

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

STOP LOSS CONCEPTS, A CALIFORNIA CORPORATION AS TO AN UNDIVIDED 75% INTEREST AND JEFFREY J. SALE AND ROXANA B. SALE, HUSBAND AND WIFE, AS JOINT TENANTS AS TO AN UNDIVIDED 25% INTEREST

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

A LEASEHOLD -



ORDER NO: SLO-871278 CC

The land referred to in this Report is situated in the State of California, County of San Luis Obispo, and is described as follows:

A leasehold interest by lease dated December 1, 1983, recorded August 24, 1984 in Book 2628, Page 901 of Official Records as to:

Parcel 26 of Parcel Map No. PR 83-185 in the City of El Paso de Robles, County of San Luis Obispo, State of California, according to map recorded August 23, 1984 in Book 35, Page 60 of Parcel Maps, in the office of the County Recorder of said County.

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

1. Second Installment General and Special Taxes for the fiscal year 1989-90, covering said land;

Amount \$3,459.00, unpaid
Parcel No. 008,404,044
Land \$39,507
Improvements \$470,257
TRA Code 002-003

2. "The lien of supplemental taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue Code and Taxation Code."

3. Covenants, conditions and restrictions in an Instrument recorded September 15, 1947 in Book 458, Page 42 of Official Records;

but deleting restrictions if any, based on race, color, religion or national origin.

4. The effect of a Map recorded August 7, 1963 in Book 13, Page 54 of Record of Surveys, in the Office of the County Recorder of San Luis Obispo County, California, purporting to show the herein described and other land.

5. The effect of a Map recorded April 26, 1977 in Book 27, Page 90 of Record of Surveys, in the Office of the County Recorder of San Luis Obispo County, California, purporting to show the herein described and other land.



ORDER NO: SLO-871278 CC

6. An easement for public utilities and incidental purposes as shown upon the map of said Tract, over the Westerly and Northerly 15 feet of said land.

7. A lease dated December 1, 1983 executed by the City of Paso Robles, as Lessor and by Sherman G. Smoot, as Lessee recorded August 24, 1984 in Book 2628, Page 901 of Official Records, for the period and upon the terms, conditions, and covenants therein contained therein. Reference being made to the record thereof for further particulars.

8. A Certification of Correction recorded March 2, 1981 in Book 2308, Page 759 of Official Records to correct the widths of Taxiway 'D' as shown on Sheets #3 and #4 should "25 feet" on the Westerly portion and "30 feet" on the Easterly portion and the course along the South line of Taxiway 'C' shown on Sheet #3 reading "South 89°23'12" West, 1106.61'" should read "South 89°23'12" West, 1111.61 feet" on Parcel Map filed in Book 27, Page 88 of Parcel Maps.

9. A Resolution No. 2637 accepting an offer of dedication for street right of ways in the City of El Paso de Robles, recorded October 14, 1981 in Book 2362, Page 331 of Official Records.

10. Items setforth and shown on the Parcel Map No. PR-83-185 recorded August 23, 1984 in Book 35, Page 60 of Parcel Maps are incorporated herein.

Reference being made to said map for further particulars.

11. A Deed of Trust to secure an indebtedness in the original principal sum of \$500,000.00, and any other amounts and/or obligations secured thereby recorded August 7, 1989 as Instrument No. 53076 in Book 3362, Page 109 of Official Records;

Dated: July 31, 1989.

Trustor: Stop Loss Concepts, a California corporation as to an undivided 75% interest and Jeffrey J. Sale and Roxana B. Sale, husband and wife, as joint tenants as to an undivided 25% interest.

Trustee: First American Title Insurance Company, a California corporation.

Beneficiary: Premiere Bank Custodian for Benefit of Robert V. Bellis Ira Rollover.



ORDER NO: SLO-871278 CC

12. A Deed of Trust to secure an indebtedness in the original principal sum of \$127,322.00, and any other amounts and/or obligations secured thereby recorded August 7, 1989 as Instrument No. 53077 in Book 3362, Page 112 of Official Records;

Dated: July 31, 1989.

Trustor: Stop Loss Concepts, a California Corporation as to an undivided 75% interest and Jeffrey J. Sale and Roxana B. Sale, husband and wife, as joint tenants as to an undivided 25% interest.

Trustee: First American Title Insurance Company, a California corporation.

Beneficiary: Premiere Bank Custodian for Benefit of Robert V. Bellis Ira Rollover.

INFORMATION NOTE:

Taxes for the fiscal year 1989-90 covering said land;
1st Installment \$(no amount shown)
2nd Installment \$(no amount shown)
Parcel No. 008,404,044
TRA Code 002-003

This report is preparatory to the issuance of an ALTA Policy of Title Insurance. We have no knowledge of any fact which would preclude the issuance of said ALTA Policy with Indorsement No. 100 attached. We are unable to determine whether or not there are improvements located on said property and address, if any, is not known.

Applicable Title Rate is as follows:

Short Term Rate.

According to the public records, there have been no deeds conveying the property described in this Report recorded within a period of two years prior to the date of this Report, except as follows:

A Grant Deed from Premier Bank Custodian for benefit of Robert V. Bellis IRA Rollover to Stop Loss Concepts, a California corporation as to an undivided 75% interest and Jeffery J. Sale and Roxana B. Sale, husband and wife, as joint tenants as to an undivided 25% interest, dated June 21, 1989 recorded August 7, 1989 in Book 3362, Page 107 of Official Records.

CC/dh
Plat Map Attached

1.800.52.663

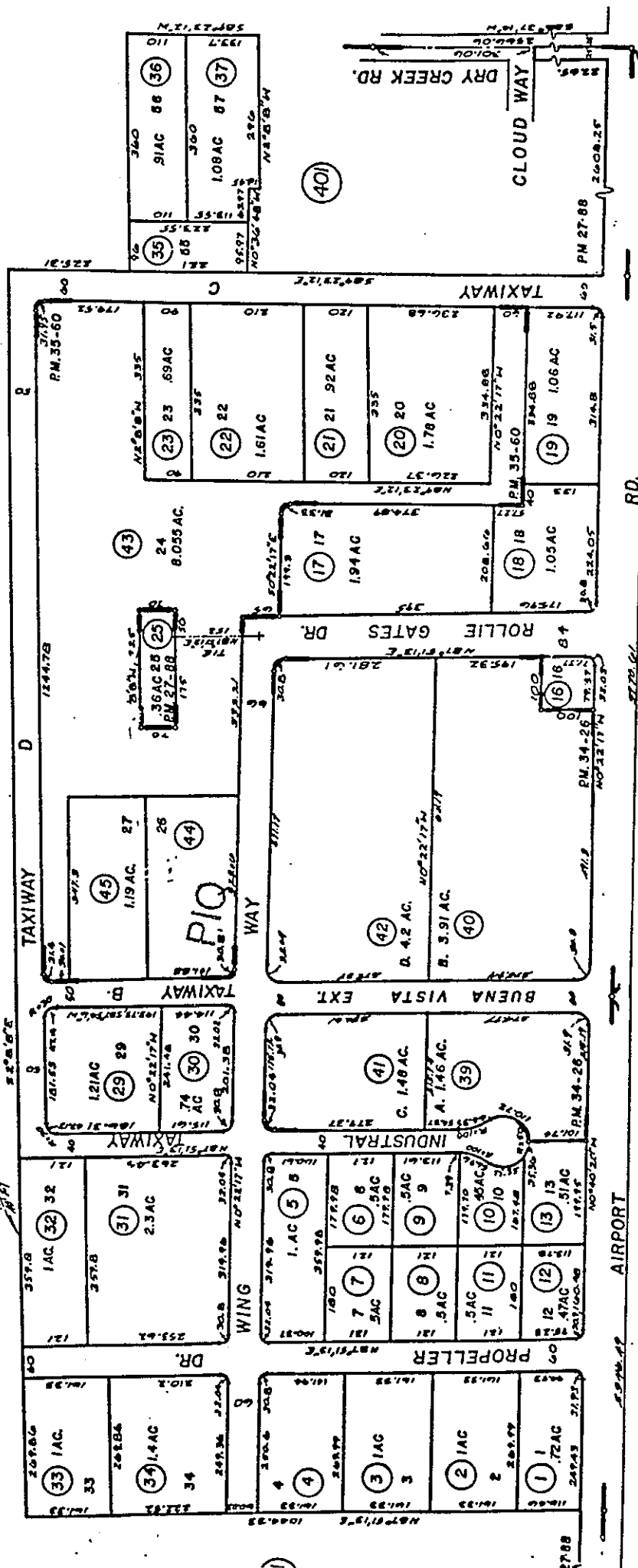
8-404



"This map may or may not be a survey of the kind depicted hereon. You should not rely upon it for any purpose other than orientation to the general location of the parcel or parcels depicted. First American expressly disclaims any liability for alleged loss or damage which may result from reliance upon this map."

T26S, R12E Ptn. Sec's 12 & 13

(40)



Bk 26 / 19

UNLESS OTHERWISE NOTED ALL RADIIUS = 20'

Bk 26 / 8

P.M. Bk. 27, Pg. 88
P.M. E.: 35, Pg. 60

Apr 11-15-84

CITY OF PASO DE ROBLES
Assessor's Map Bk. 8 - Pg 404
County of San Luis Obispo, Calif.