

LEGAL DESCRIPTION

**KERN WATER BANK AUTHORITY
2013 CONSERVATION EASEMENT PARCEL**

THAT PORTION OF LAND IN THE SOUTHWEST QUARTER OF SECTION 28 AND THE NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF KERN, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE WEST 90 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 30 SOUTH, RANGE 26 EAST;

AND

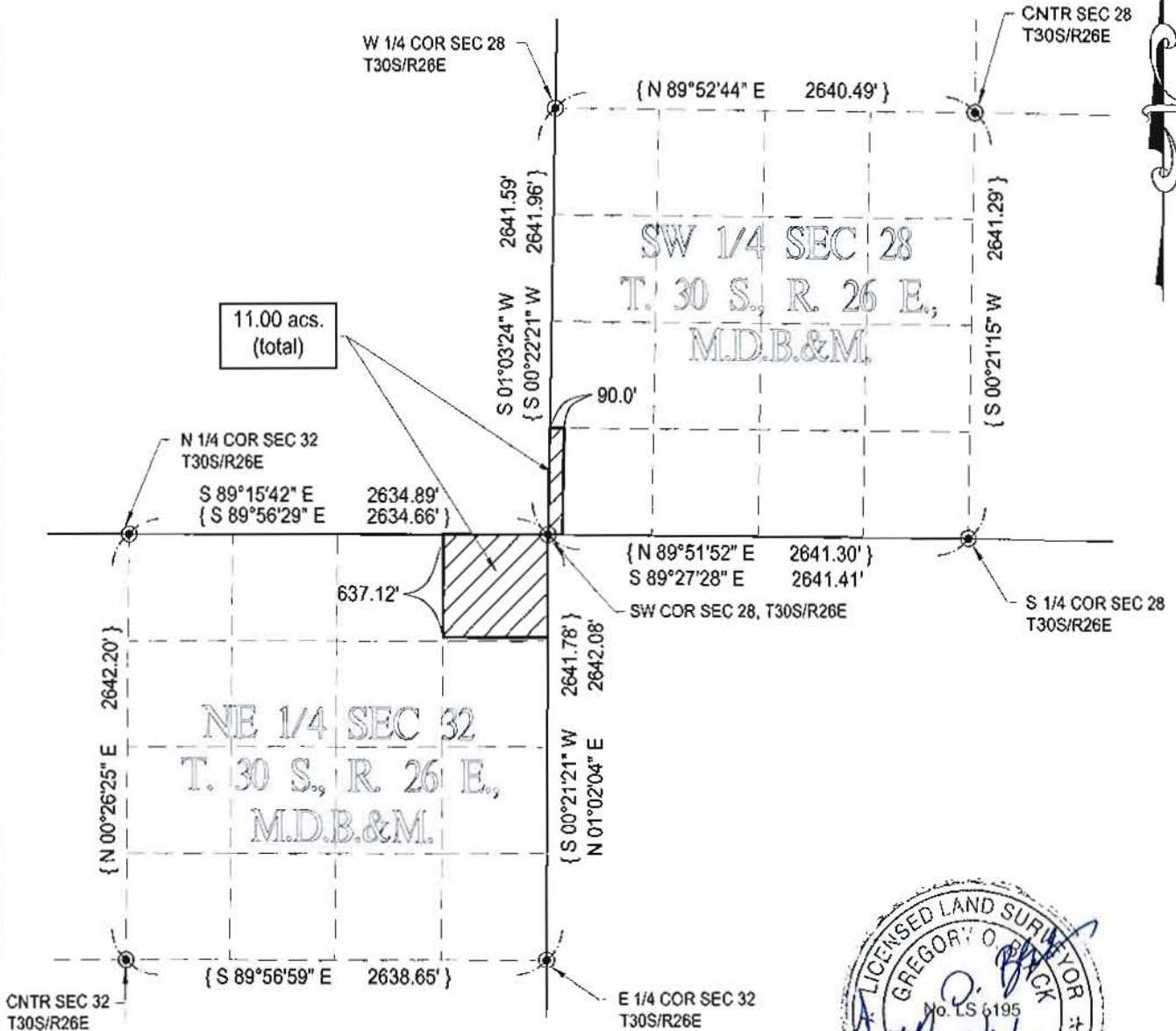
THE NORTH 637.12 FEET OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 30 SOUTH, RANGE 26 EAST.

CONTAINING 11.00 ACRES MORE OR LESS.



4/17/13

"ILLUSTRATIVE PURPOSES ONLY"





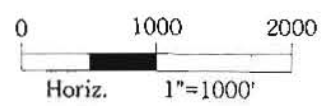
4/17/13


BASIS OF BEARING

THE BEARING OF S 01°03'24"W FOR THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 28, T30S, R26E, MDBM AS SHOWN ON SURVEY INVESTIGATION AND PERPETUATION MAP NO. 7-1, BOOK 6, PAGE 31 WAS USED AS THE BASIS OF BEARING FOR THIS MAP.

LEGEND

-  EASEMENT AREA
-  4" BRASS CAP ON IRON PIPE SET IN CONCRETE AND STAMPED ACCORDING TO GENERAL LAND OFFICE STANDARDS, MARKED R.E. 2313 PER R/S FILED IN BOOK 4, PAGES 48 - 50 ON FILE IN THE OFFICE OF THE RECORDER OF THE COUNTY OF KERN
- { } DISTANCES PER RECORD OF SURVEY AS RECORDED ON R/S FILED IN BOOK 4, PAGES 48 - 50 ON FILE IN THE OFFICE OF THE RECORDER OF THE COUNTY OF KERN



 4300 Ashe Road, Suite 103 Bakersfield, CA 93313 (661) 664-4806 Land (888) 260-7357 Fax	FOR		2013 Conservation Easement		FIGURE:
	Kern Water Bank Authority				1
PROJECT NUMBER:	DRAWN BY:	CHECKED BY:	APPROVED BY:	DATE:	
13-008	CRG	TAW	GOB	04/12/13	

1. Preliminary Report - CA

CLTA Preliminary Report Form
(Rev. 11/06)

Order Number: 1503-4366364
Page Number: 1



First American Title

First American Title Company

**8500 Stockdale Hwy., Suite 190
Bakersfield, CA 93311**

Jon Parker
Kern Water Bank Authority
1620 Mill Rock Way, Suite 500
Bakersfield, CA 93311
Phone: (661)398-4900
Fax: (661)398-4959

Customer Reference: 524-120-02
Order Number: 1503-4366364 (NA)

Title Officer: Nick Ashcraft
Phone: (661)617-1471
Fax No.: (866)225-9007
E-Mail: nashcraft@firstam.com
Property: Vacant Land
CA

PRELIMINARY REPORT

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

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

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

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

Dated as of April 17, 2013 at 7:30 A.M.

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

To Be Determined

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

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

KERN WATER BANK AUTHORITY

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

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

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

1. General and special taxes and assessments for the fiscal year 2013-2014, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2012-2013 are exempt.
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. An easement for a canal to be known as "James Canal" and incidental purposes, recorded June 25, 1928 in Book 128, Page 252 of Official Records.
In Favor of: James Canal Company
Affects: As described therein
5. The effect of a map purporting to show the land and other property, filed April 9, 1937 in Book 4, Page(s) 48, 49 and 50 of Record of Surveys.
6. An easement for pipe line for the transportation of gas and incidental purposes, recorded August 02, 1949 as Book 1615, Page 499 of Official Records.
In Favor of: Shell Oil Company, Incorporated, a corporation
Affects: As described therein

7. An easement for to lay, construct and maintain a pipe line for conveying oil, petroleum, gas, water and other substances and incidental purposes, recorded June 07, 1950 as Book 1662, Page 418 of Official Records.

In Favor of: Richfield Oil Corporation
Affects: As described therein

Document(s) declaring modifications thereof recorded June 12, 1953 as Book 2092, Page 67 of Official Records.

Document(s) declaring modifications thereof recorded Septemeber 29, 1954 as Book 2296, Page 6 of Official Records.

Document(s) declaring modifications thereof recorded December 02, 1964 as Book 3790, Page 543 of Official Records.

8. An oil and gas lease executed by Kern County Land Company, a California corporation as lessor and Richard S. Rheem, doing business under the fictitious name of Richard S. Rheem, operator as lessee, recorded November 13, 1963 in Book 3662, Page 542 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.

9. An easement for public utilites and incidental purposes, recorded December 31, 1965 as Book 3906, Page 894 of Official Records.

In Favor of: Pacific Lighting and Gas Supply Company, a California corporation
Affects: As described therein

10. An easement for one pipe line not exceeding 8 inches in diamete with appurtenant valves, manholes, fittings and other equipment for transportating oil and water and incidental purposes, recorded Juny 02, 1970 as Book 4413, Page 615 of Official Records.

In Favor of: Shell Oil Company, a Delaware corporation
Affects: As described therein

Document(s) declaring modifications thereof recorded March 06, 1991 as Book 6494, Page 1710 of Official Records.

Document(s) declaring modifications thereof recorded March 06, 1991 as Book 6494, Page 1713 of Official Records.

11. The effect of a map purporting to show the land and other property, filed March 10, 1972 in Book 10, Page(s) 142, 143, 144 and 145 of Record of Surveys.

12. An easement for public utilities, ingress and egress and incidental purposes, recorded February 13, 1973 as Book 4769, Page 2268 of Official Records.

In Favor of: The Pacific Telephone and Telegraph Company, a California corporation
Affects: As described therein

13. An easement for canal and incidental purposes, recorded December 6, 1978 in Book 5159, Page 2217 of Official Records.

In Favor of: North Kern Water Storage District

Affects: As described therein

14. An oil and gas lease executed by Tenneco West, Inc., a Delaware corporation as lessor and Tenneco Oil Company, a Delaware corporation as lessee, recorded January 3, 1979 in Book 5166, Page 569 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.

15. The Terms, Provisions and Easement(s) contained in the document entitled "Grant Deed" recorded July 28, 1980 in Book 5301, Page 1695 of Official Records.

Also

Disclosed by: License Agreement

Recorded: July 28, 1980 in Book 5301 Page 1716, of Official Records.

16. The terms and provisions contained in the document entitled "Water Disposal Contract" recorded June 28, 1980 in Book 5301, Page 1731 of Official Records.

17. The terms and provisions contained in the document entitled "Second Amendment of Pipe Line License Agreement" recorded February 23, 1981 in Book 5353, Page 2351 of Official Records.

18. An easement for public utilities, ingress and egress and incidental purposes, recorded September 15, 1982 as Book 5488, Page 1841 of Official Records.

In Favor of: Pacific Gas and Electric Company, a California corporation

Affects: As described therein

19. The Terms, Provisions and Easement(s) contained in the document entitled "Special Warranty Deed" recorded June 30, 1986 in Book 5888, Page 1646 of Official Records.

The terms and provisions contained in the document entitled "Assignment" recorded February 01, 1988 as Book 6090, Page 11 of Official Records.

20. Covenants, conditions, restrictions and easements in the document recorded August 31, 1988 in Book 6158, Page 1098 of Official Records, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

21. Covenants, conditions, restrictions and easements in the document recorded August 09, 1996 as Instrument No. 0196102058 of Official Records, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
22. The terms and provisions contained in the document entitled "Trust Agreement" recorded August 22, 1996 as Instrument No. 0196107584 of Official Records.
23. The terms and provisions contained in the document entitled "Memorandum of Transfer of Water in Storage" recorded August 26, 1996 as Instrument No. 0196108972 of Official Records.
24. The terms and provisions contained in the document entitled "Memorandum of Agreement for Pioneer Project Participation Agreement" recorded June 26, 1998 as Instrument No. 0198085654 of Official Records.
25. The terms and provisions contained in the document entitled "Common Use Agreement Between Kern Water Bank Authority, and Buena Vista Water Storage District" recorded March 16, 2000 as Instrument No. 0200030317 of Official Records.
26. The terms and provisions contained in the document entitled "Memorandum of Agreement" recorded March 2, 2001 as Instrument No. 0201027927 of Official Records.
27. The terms and provisions contained in the document entitled "Memorandum of Unrecorded Grant Agreement" recorded January 25, 2002 as Instrument No. 0202011717 of Official Records.
28. The terms and provisions contained in the document entitled "Memorandum of Natural Community Conservation" recorded September 27, 2002 as Instrument No. 0202160485 of Official Records.
29. A Deed of Trust to secure an original indebtedness of \$None shown recorded November 25, 2003 as Instrument No. 0203256936 of Official Records.
Dated: November 1, 2003
Trustor: Kern Water Bank Authority
Trustee: American Securities Company, a corporation
Beneficiary: Wells Fargo Bank, National Association

Affects: The land and other property.
30. The terms and provisions contained in the document entitled "Assignment and Pledge of Water and Water Rights" recorded March 31, 2004 as Instrument No. 0204070851 of Official Records.
31. An easement for public utilities, ingress and egress and incidental purposes, recorded April 26, 2005 as Instrument No. 0205103812 of Official Records.
In Favor of: Pacific Gas and Electric Company, a California corporation
Affects: As described therein

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32. Rights of the public in and to that portion of the land lying within any Road, Street, Alley or Highway.
33. Water rights, claims or title to water, whether or not shown by the public records.
34. Rights of parties in possession.

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. The property covered by this report is vacant land.
2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

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

LEGAL DESCRIPTION

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

ALL OF SECTION 28, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE NORTHWEST QUARTER, THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER, THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

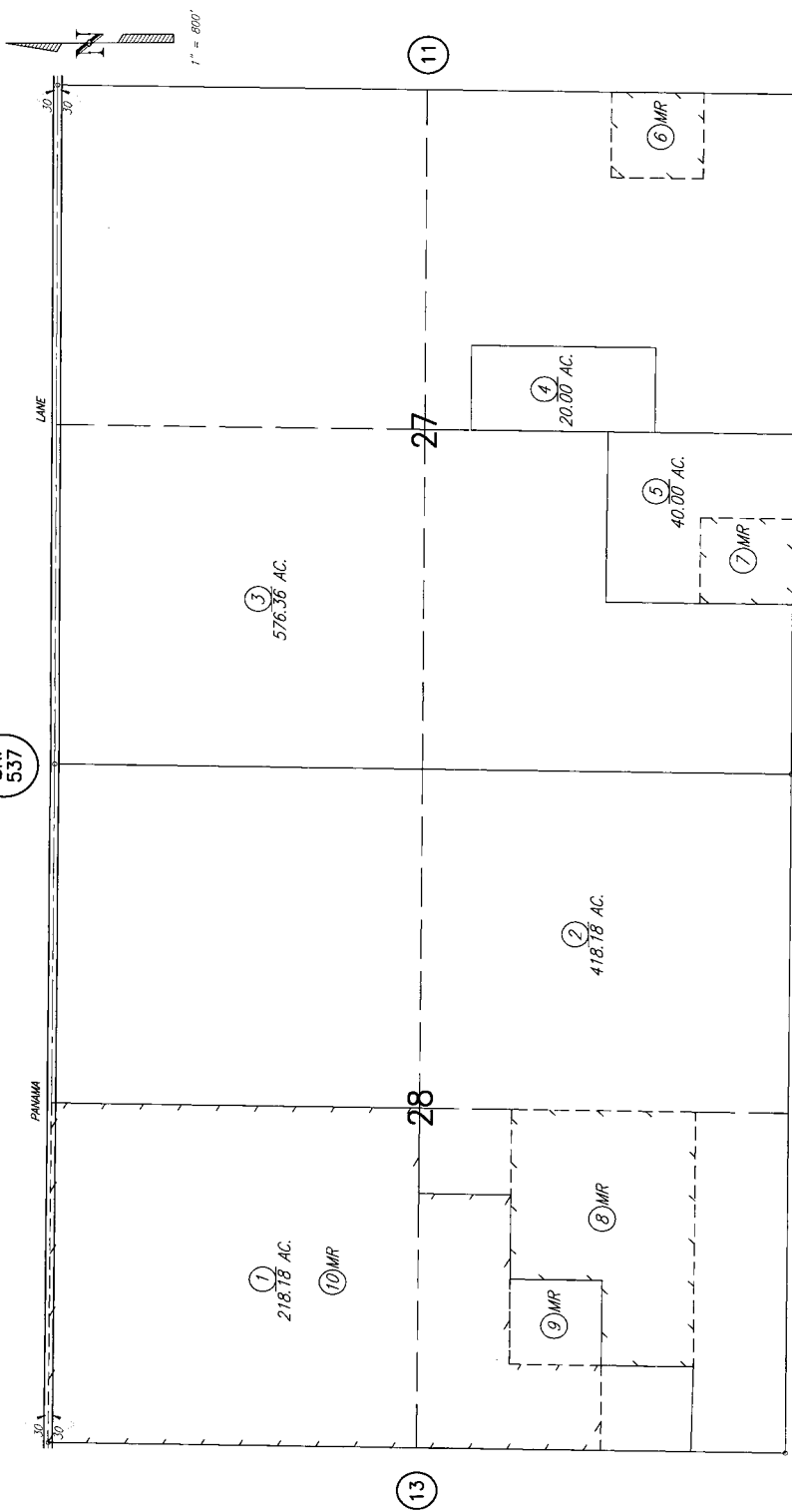
APN: 524-120-02

524-12

T.30S. R.26E.

BK. 537

524-12



LEGEND	REVISED December 12, 2006	JURISDICTION COUNTY
	DISCLAIMER This map is for assessment purposes only. It is not to be used for determining legal ownership or divisions of land for planning or subdivision law.	

ASSESSORS MAP NO. 524-12
 COUNTY OF KERN

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NOTICE

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

If you have any questions about the effect of this new law, please contact your local First American Office for more details.

**EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
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 those portions of any law or government regulation concerning:
 - (a) building;
 - (b) zoning;
 - (c) land use;
 - (d) improvements on the Land;
 - (e) land division; and
 - (f) environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - (a) that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - (b) that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - (c) that result in no loss to You; or
 - (d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - (b) in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows: For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

**ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
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:
 - (a) and use
 - (b) improvements on the land
 - (c) and division
 - (d) 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 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:

- (a) a notice of exercising the right appears in the public records on the Policy Date
 - (b) 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:
 - (a) that are created, allowed, or agreed to by you
 - (b) that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
 - (c) that result in no loss to you
 - (d) 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:
 - (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A OR
 - (b) in streets, alleys, or waterways that touch your land
- This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

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

- 1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that 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 an Insured to comply with applicable doing-business laws of the state where the Land is situated.
- 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
- 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

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

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:

- 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.

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

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

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

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:

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.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)
EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that 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 an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.



First American Title

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site. There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive. FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

2. Exhibit A

EXHIBIT 'A'

File No.: **1503-4366364 (NA)**

Property: **Vacant Land, , CA**

ALL OF SECTION 28, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE NORTHWEST QUARTER, THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER, THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

A.P.N. 524-120-02-00-0

ATTACHMENT

Attached is the document you (or someone on your behalf) requested. As required by Section 12956.1(b)(1) of the California Government Code, please take note of the following:

“If the document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, that restriction violates state and federal fair housing laws is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.”

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

RECORDINGS REQUESTED BY
TICOR TITLE INSURANCE CO.

WHEN RECORDED MAIL TO
DEPARTMENT OF WATER RESOURCES
P. O. Box 388
Sacramento, California 95802

025340

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1988 AUG 31 A 0:00

RECORDED BY GALE S. ERSTAD
KERN COUNTY CLERK-RECORDER

DWS .00
FREE REC .00

#525290 C001 R01 T1

SPACE ABOVE THIS LINE FOR RECORDER'S USE

<input checked="" type="checkbox"/>	OR
<input type="checkbox"/>	MD
<input type="checkbox"/>	LN
<input type="checkbox"/>	RF
<input type="checkbox"/>	NA

**GRANT DEED
(CORPORATION)**

Project KERN WATER BANK

Parcel No. KWB-2

TENNECO WEST, INC.,

a corporation organized and existing under and by virtue of the laws of the State of Delaware
does hereby GRANT to the STATE OF CALIFORNIA all that real property in the _____
County of Kern, State of California, ~~described as~~ identified in
records of the Department of Water Resources as:

<u>DWR Parcel No.</u>	<u>Area</u>	<u>Estate</u>
<u>KWB-2</u>	19,883 <u>19,883</u> acres <i>MJ DK</i>	<u>Fee</u>

described as follows:

(In the event of any discrepancy between the above identification and the real property described herein, the real property described will control.)

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KWB-2 consists of the following DWR Parcels and Units:

KRGW-1	UNIT A	4,334 acres	
	UNIT B	2,556 acres	
	UNIT C	2,281 acres	
KRGW-3	UNIT A	706 acres	
	UNIT B	3,420 acres	
KRGW-5		65 acres	
KRGW-7	UNIT A	157 acres	
	UNIT B	583 acres	
KRGW-9	UNIT A	6 acres	
KRGW-11	UNIT A	1,678 ⁶ acres	<i>m j m OK</i>
KRGW-13	UNIT A	21 ⁵ acres	
	UNIT B	25 acres	<i>m j m DK</i>
KRGW-15	UNIT A	1,377 ⁷ acres	<i>m j m DK</i>
KRGW-17	UNIT A	833 acres	
		812	
KRGW-19	UNIT A	1,497 acres	
	UNIT B	7 acres	
KRGW-30	UNIT A	160 acres	
	UNIT B	6 acres	
TOTAL AREA DESCRIBED -		19,798 acres	<i>m j m OK</i>
		17,883	

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All that certain real property situate in the unincorporated area of the County of Kern, State of California:

KRGW-1

UNIT A:

Consisting of Units A1 through A9 described as follows:

Unit A1:

Section 12, Township 30 South, Range 24 East, Mount Diablo Meridian, according to the Official Plat thereof, and containing an area of 640 acres, more or less.

Unit A2:

Section 13, Township 30 South, Range 24 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING the Southwest quarter of the Southwest quarter of said Section, and containing an area, after said exception, of 602 acres, more or less.

Unit A3:

The Northeast quarter, the Northeast quarter of the Southeast quarter, and the East half of the Northwest quarter of Section 24, Township 30 South, Range 24 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion of said Section 24 described in deed to the State of California, recorded January 23, 1933, Book 458, Page 481, Official Records of said County.

Containing an area, after said exception, of 255 acres, more or less.

Unit A4:

Those portions of the South half of Sections 5 and 6, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County, and containing an area of 370 acres, more or less.

Unit A5:

Section 7, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, and containing an area of 653 acres, more or less.

Unit A6:

That portion of Section 8, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County.

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EXCEPTING THEREFROM that portion described as Cross Valley Canal in the FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 546 acres, more or less.

Unit A7:

That portion of Section 17, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northwesterly of the Northwesterly property line of the lands of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in the FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area of 323 acres, more or less.

Unit A8:

Section 18, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing and area of 650 acres, more or less.

Unit A9:

That portion of Section 19, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northwesterly of the Northwesterly property line of the lands of Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in the FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area of 295 acres, more or less.

Total area contained in said UNIT A1 through A9 is 4334 acres, more or less.

UNIT B:

Consisting of Units B1 through B9 described as follows:

Unit B1:

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPTING THEREFROM that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1 in FINAL ORDER OF

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CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 85 acres, more or less.

Unit B2:

That portion of Section 15, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County, containing an area of 154 acres, more or less.

Unit B3:

That portion of Section 16, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPTING THEREFROM that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 591 acres, more or less.

Unit B4:

That portion of Section 17, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southeasterly of the Southeasterly property line of the lands of Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 281 acres, more or less.

Unit B5:

That portion of Section 19, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southeasterly of the Southeasterly property line of the lands of Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 331 acres, more or less.

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Unit B6:

Section 20, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion lying Northwesterly of the Southeasterly property line of the lands of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 642 acres, more or less.

Unit B7:

The North half of Section 21, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 320 acres, more or less.

Unit B8:

That portion of the Northeast quarter of Section 22, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

Containing an area of 138 acres, more or less.

Unit B9:

That portion of the Northwest quarter of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPTING THEREFROM that portion described in deed to West Kern Water District, recorded August 22, 1988, Book 6155, Page 1405, Official Records of said County.

Containing an area of 14 acres, more or less.

Total area contained in UNITS B1 through B9 is 2556 acres, more or less.

UNIT G:

Consisting of Units C1 through C6 described as follows:

Unit C1:

The Northwest quarter of Section 26, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

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EXCEPTING the East half of the East half of said Northwest quarter, containing an area, after said exception, of 120 acres, more or less.

Unit C2:

Section 27, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 638 acres, more or less.

Unit C3:

The Northeast quarter of Section 28, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 160 acres, more or less.

Unit C4:

Section 34, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 639 acres, more or less.

Unit C5:

Section 35, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 639 acres, more or less.

Unit C6:

That portion of the South half of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPTING THEREFROM that portion described in deed to West Kern Water District, recorded August 22, 1988, Book 6155, Page 1405, Official Records of said County.

Containing an area, after said exception, of 85 acres, more or less.

Total area contained in said UNITS C1 through C6 is 2281 acres, more or less.

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UNIT A:

Consisting of Units A1 through A7 described as follows:

Unit A1:

The South half of Section 3, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion lying Southerly of the Northerly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 55 acres, more or less.

Unit A2:

Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM Parcel 1 as shown on Amended Parcel Map No. 1450, filed February 6, 1974, in the Office of the County Recorder of Kern County, State of California.

ALSO EXCEPTING THEREFROM the Northwest quarter of said Section 4.

ALSO EXCEPTING THEREFROM that portion lying Southeasterly of the Northwesterly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 252 acres, more or less.

Unit A3:

That portion of the South half of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM the Southeast quarter of the Southeast quarter of said Section 5.

Containing an area, after said exceptions, of 212 acres, more or less.

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Unit A4:

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~~An undivided 13/20th interest in the Southeast quarter of the Southeast quarter of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.~~

EXCEPTING THEREFROM all oil, gas, and other minerals contained within the property hereinabove described.

Containing an area, after said exception, of 40 acres, more or less.

Unit A5:

That portion of the Southeast quarter of Section 6, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 2 acres, more or less.

Unit A6:

That portion of Section 8, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 70 acres, more or less.

Unit A7:

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM those portions lying Southeasterly of the Northwesterly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1 in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 75 acres, more or less.

The total area contained within Unit A1 through A7, after said exceptions, is 706 acres, more or less.

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UNIT B:

Consisting of Units B1 through B10, described as follows:

Unit B1:

Section 3, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion lying Northerly of the Southerly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as the Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 245 acres, more or less.

Unit B2:

Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion lying Northwesterly of the Southeasterly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 59 acres, more or less.

Unit B3:

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM those portions lying Northwesterly of the Southeasterly property line of the land of the Kern County Water Agency, a political subdivision of the State of California, described as the Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1 in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 430 acres, more or less.

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Unit B4:

Section 10, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

Containing an area of 638 acres, more or less.

Unit B5:

Section 11, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

Containing an area of 638 acres, more or less.

Unit B6:

Section 14, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the North 385 feet of the West 415 feet being more particularly described in deed to Pacific Gas and Electric Company, recorded May 4, 1962, Book 3522, Page 349, Official Records of said Kern County.

Containing an area, after said exception, of 634 acres, more or less.

Unit B7:

That portion of Section 15, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 451 acres, more or less.

Unit B8:

That portion of Section 16, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 32 acres, more or less.

Unit B9:

That portion of the Northeast quarter of Section 22, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 11 acres, more or less.

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Unit B10:

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That portion of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the California State Highway Number 5, as described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM that portion lying Southerly of the Northerly property line of Parcel 2, as described in the deed to the City of Bakersfield, recorded December 30, 1976, Book 4999, Page 436, Official Records.

Containing an area, after said exception, of 282 acres, more or less.

The total area contained within UNITS B1 through B10, after said exceptions, is 3420 acres, more or less.

KRGW-5

UNIT A:

That portion of the South half of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the California State Highway Number 5, described as Parcel 2, in the deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM that portion described as Parcel 1 in said deed to the State of California.

ALSO EXCEPTING THEREFROM that portion described in deed to the City of Bakersfield, a Municipal Corporation, recorded December 30, 1976, Book 4999, Page 436, Official Records.

Containing an area, after said exceptions, of 65 acres, more or less.

KRGW-7

UNIT A:

That portion of the West half and the Southeast quarter of Section 25, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly and Southwesterly of the Southwesterly boundary of State Highway Number 5, described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 157 acres, more or less.

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UNIT B:

That portion of Section 36, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly boundary of State Highway Number 5, described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM the West half of the Southwest quarter of the Southwest quarter of said Section 36.

Containing an area, after said exception, of 583 acres, more or less.

The total area contained in UNIT A and UNIT B is 740 acres, more or less.

KRGW-9

UNIT A:

That portion of the Northwest quarter of Section 31, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly boundary line of the State Highway Number 5, described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of Kern County.

Containing an area, after said exception, of 6 acres, more or less.

KRGW-11

UNIT A:

Consisting of Units A1 through A4, described as follows:

Unit A1:

Section 28, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the Northwest quarter, the Northwest quarter of the Southwest quarter, the Northwest quarter of the Northeast quarter of the Southwest quarter, and the Northwest quarter of the Southwest quarter of the Southwest quarter of said Section.

Containing an area, after said exception, of 420 acres, more or less.

Unit A2:

That portion of the North half of Section 31, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the State Highway Number 5, described in deed to the State of California, recorded March 14, 1967, Book 4037, Page 193, Official Records.

EXCEPTING THEREFROM the Northeast quarter of the Northwest quarter of the Northwest quarter, the Northeast quarter of the Northwest quarter, the Northeast quarter of the Southeast quarter of the Northwest quarter, the

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Northwest quarter of the Northeast quarter, the Northeast quarter of the Northeast quarter and the North half of the South half of the Northeast quarter of said Section.

Containing an area, after said exception, of 134 acres, more or less.

Unit A3:

Section 32, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the North half of the South half of the Northwest quarter, the Southwest quarter of the Northwest quarter of the Northeast quarter, the North half of the Northwest quarter, the Northwest quarter of the Northeast quarter of the Northeast quarter, and the North half of the Northwest quarter of the Northeast quarter of said Section.

Containing an area, after said exception, of 480 acres, more or less.

Unit A4:

Section 33, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof.

Containing an area of 641 acres, more or less.

The total area contained in Units A1 through A4 is 1675 acres, more or less.

KRGW-13

UNIT A:

That portion of Section 25, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the State Highway Number 5, described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records of Kern County.

EXCEPTING THEREFROM the Northeast quarter, the Northeast quarter of the Southeast quarter, the Northeast quarter of the Northwest quarter of the Southeast quarter, and the Northeast quarter of the Southeast quarter of the Southeast quarter of said Section.

Containing an area, after said exceptions, of 214 acres, more or less.

UNIT B:

That portion of Section 36, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Northeasterly of the Northeasterly property line of the State Highway Number 5, described in deed to the State of California, recorded March 24, 1967, Book 4037, Page 193, Official Records.

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Containing an area of 25 acres, more or less.

The total area contained in UNIT A and UNIT B, after said exception, is 239 acres, more or less.

KRGW-15

UNIT A:

Consisting of Units A1 through A4, described as follows:

Unit A1:

That portion of Section 24, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Southerly property line of the lands of the City of Bakersfield, as described in deed, recorded December 30, 1976, Book 4999, Page 436, Official Records of Kern County.

EXCEPTING THEREFROM that portion of said Section 24 granted to the State of California for freeway purposes by deed, recorded March 24, 1967, Book 4037, Page 193, of said Official Records, more particularly described therein.

ALSO EXCEPTING THEREFROM the Southeast quarter of the Southeast quarter, and the Southeast quarter of the Southwest quarter of the Southeast quarter of said Section.

Containing an area, after said exceptions, of 328 acres, more or less.

Unit A2:

All that portion of Section 17, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Kern River Canal right of way, as said canal is described in Grant Deed, recorded December 30, 1976, Book 4999, Page 431, Official Records of said Kern County.

Containing an area of 168 acres, more or less.

Unit A3:

All that portion of Section 19, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Kern River Canal right of way, as said canal is described in deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

EXCEPTING THEREFROM the South half of the South half of the South half, and the Northwest quarter of the Southwest quarter of the Southwest quarter of said Section.

Containing an area, after said exception, of 421 acres, more or less.

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Unit A4:

All that portion of Section 20, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Kern River Canal right of way as said canal is described in deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

EXCEPTING THEREFROM the South half of the Southeast quarter, the Southeast quarter of the Northwest quarter of the Southeast quarter, the South half of the Northeast quarter of the Southeast quarter, the South half of the South half of the Southwest quarter, the North half of the Southeast quarter of the Southwest quarter, and the Northeast quarter of the Southwest quarter of the Southwest quarter of said Section.

Containing an area, after said exception, of 460 acres, more or less.

The total area contained in UNITS A1 through A4 is 1377 acres, more or less.

KRGW-17

UNIT A:

Consisting of Units A1 through A3 described as follows:

Unit A1:

All of Section 13, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the South half of the Southeast quarter of said Section 13.

ALSO EXCEPTING THEREFROM the South 1000 feet of the West 1000 feet of the Southwest quarter of the Northwest quarter of said Section 13, containing an area, after said exceptions, of 540 acres, more or less.

Unit A2:

The Northwest quarter of the Northwest quarter and the West half of the West half of the Northeast quarter of the Northwest quarter of Section 24, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 50 acres, more or less.

Unit A3:

The North half of Section 18, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the Easterly 1700 feet of the South half of the South half of the Northwest quarter, the South half of the South half of the

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northeast quarter, the Easterly 900 feet of the Northeast quarter of the Northeast quarter, and the Easterly 900 feet of the North half of the Southeast quarter of the Northeast quarter of said Section 18, containing an area, after said exception, of 222 acres, more or less.

The total area contained in said UNITS A1 through A3 is 812 acres, more or less.

KRGW-19

UNIT A:

Consisting of Units A1 through A3 described as follows:

Unit A1:

The South half of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion lying Northerly of the Southerly property line of the land conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 299 acres, more or less.

Unit A2:

All of Section 12, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof.

EXCEPTING THEREFROM the South half of the Southwest quarter of said Section, containing an area, after said exception, of 561 acres, more or less.

Unit A3:

That portion of Section 7, Township 30 East, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of the Southern Pacific Railroad Asphalt Branch, as granted to Southern Pacific Railroad Company, a corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds, Records of said County.

Containing an area, after said exception, of 637 acres, more or less.

UNIT B:

That portion of the South half of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying

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northerly of the Northerly property line of the lands conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area, after said exception, of 7 acres, more or less.

Total area contained within UNIT A and UNIT B is 1504 acres, more or less.

KRGW-30

UNIT A:

That portion of the South half of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of the Southern Pacific Railroad Asphalt Branch, as granted to the Southern Pacific Railroad Company, a corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds.

EXCEPTING THEREFROM that portion lying Northerly of the Southerly property line of the lands conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 160 acres, more or less.

UNIT B:

That portion of the South half of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southwesterly of the Southwesterly property line of the Southern Pacific Railroad Asphalt Branch, as granted to the Southern Pacific Railroad Company, a corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds.

EXCEPTION THEREFROM that portion lying Southerly of the Northerly property line of the lands conveyed to the Kern County Water Agency, a political subdivision of the State of California, described as Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 6 acres, more or less.

The total area contained within UNIT A and UNIT B is 166 acres, more or less.

Bearings and distances used in the above description are based on the California Coordinate System, Zone V, 1927.



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EXCEPTING AND RESERVING to Grantor, its successors and assigns, forever, provided, however, that:

- a. While reserving the rights set forth below, Grantor recognizes that: (i) the property conveyed is to be used for extraction and recharge of potable water and to restore portions of the real property to its natural state; and (ii) that Grantee will be installing ponds, canals, and other similar facilities on the property conveyed, and, accordingly, Grantor shall not unduly interfere with the anticipated operations of Grantee.
 - b. Grantor, or its successors and assigns, upon being provided proof thereof, shall compensate Grantee, or its successors and assigns, for any and all actual damage to structures upon said real property and for any increased operating costs incurred by Grantee, its successors and assigns, as the result of such damage which is caused by the exercise of the rights excepted and reserved herein;
 - c. Grantor, its successors and assigns, shall exercise the rights herein reserved in a manner which will protect its facilities from damage by Grantee's water spreading operations on said real property;
 - d. Grantor, its successors and assigns, shall conduct all operations under this reservation in accordance with either (i) then applicable Federal, State, and/or local regulations, or (ii) current applicable Federal, State, and/or local regulations, whichever shall be more stringent, at the time of such operations; and
 - e. Grantee shall have the right, at any and all reasonable times, to inspect Grantor's operations or work in progress.
1. All oil, gas, and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous) which are upon, in, under, or may be produced from said real property; all salt water (water containing over 10,000 p.p.m. T.D.S.) which is in, under, or may be produced from said real property.
 2. The exclusive right, by whatever methods now or hereafter known, as Grantor, or its successors or assigns, may deem advisable, at all times and without charge, to prospect for, investigate for, explore for, drill for, produce, mine, extract, remove, and reduce to possession and ownership, all such minerals and salt water (water containing over 10,000 p.p.m. T.D.S) (excluding, however, sand and gravel) which are upon, in, under, or may be produced from said real property, the exclusive right to drill into and through said real property to explore for and thereafter produce and extract minerals which may be produced from adjacent real property; the right to lay, construct, erect, and place upon and in said real property and use, maintain, and operate thereon and thereafter remove all buildings, tanks, pressure plants, and other machinery, fixtures, and equipment, pipelines, telephone lines, electric power lines, roads, powerhouses, or other structures and facilities as Grantor, or its successors and assigns, may deem advisable for the exercise and enjoyment of the rights herein excepted and reserved. In

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- exercising its rights hereunder, Grantor shall take all reasonable precautions to avoid contamination of, or damage to, any fresh water aquifer;
3. The exclusive right at all times and without charge to treat, process, (but not refine) store upon, and remove from said real property such minerals and salt water;
 4. The exclusive right, at all times and without charge, to produce and extract such minerals by repressuring the subsurface sands and strata with fluids or gases or by such other method or methods as Grantor, or its successors or assigns, may deem advisable, and to inject and store and thereafter remove such fluids and gases, whether or not indigenous to said real property;
 5. The exclusive right, at all times and without charge, to utilize for the benefit of Grantor and third parties the surface of said real property for the construction, maintenance, operation, use, repair, replacement, or removal of oil, gas, and water pipelines, telephone, telegraph, and power lines, and other structures over and across said real property, the aforementioned pipelines, telephone, telegraph and power lines being necessary, incidental to, or convenient in exploring for, producing and extracting the minerals underlying the lands in the vicinity of said real property. In acting under this reservation, Grantor shall utilize its best efforts to provide maps of existing pipelines and roads and shall advise Grantee of the location of any new pipelines or roads known to it;
 6. The right, at all times and without charge, to investigate for, explore for, drill for, produce, remove, and reduce to possession and ownership, up to 50,000 barrels per day of fresh water (containing less than 10,000 p.p.m. T.D.S.) from aquifers underlying said real property deemed necessary by Grantor, or its successors or assigns, to use in prospecting, exploring, drilling, mining, producing, extracting and removing (including, but not limited to, use in unit operations, water flooding, thermal extraction of minerals, or other secondary recovery methods now or hereafter known), or other operations in connection with the full enjoyment and exercise of the rights herein excepted and reserved, provided, however, that all such water may be used only upon the land subject to this reservation;
 7. The right, at all times and without charge, to exercise all rights herein excepted and reserved and any and all rights upon said real property as Grantor, its successors or assigns, deem necessary, incidental to, or convenient, whether alone or jointly with adjacent lands to the extent it is reasonable to do so, in exploring for, producing, and extracting the minerals and salt water herein excepted and reserved; and
 8. The right, at all times and without charge, of access to said minerals, fresh water, and salt water, and of ingress and egress to and from, over and across said real property for all purposes deemed necessary by Grantor, its successors and assigns, in the exercise of the rights excepted and reserved herein.

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9. Grantor in exercising its reserved rights hereunder and grantee in the exercising of its fee interest in the subject property shall each notify the other as early as possible, but not later than 15 working days, prior to the commencement of any such exercise of its rights in the property, of the location and nature of such exercise, and, where appropriate, provide copies of plans and specifications for such work.

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Together with all of the Grantor's right, title and interest in and to all water and water rights, whether surface or subsurface, or of any other kind, including all appurtenant water and water rights, and all water and water rights in any way incident to the real property herein described, or used thereon or in connection therewith, and all other appurtenant rights and easements pertaining to said real property.

IN WITNESS WHEREOF, said corporation has caused its corporate name to be hereunto subscribed and its corporate seal to be affixed hereto, this 20th day of July, 1988.



TENNECO WEST, INC.

By Melvin Jans SENIOR VICE PRESIDENT/President
By Wayne E. Broom ASSISTANT SECRETARY/Secretary

[CORPORATE SEAL]

STATE OF CALIFORNIA

COUNTY OF Kern } ss.

On July 28, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared Melvin Jans

personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the

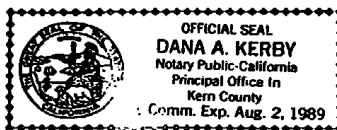
Sr. Vice President, and Wayne E. Broom

personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Assistant Secretary Secretary of the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature Dana A. Kerby

[Seal]



(CERTIFICATE OF ACCEPTANCE, GOVERNMENT CODE, SECTION 27281)

This Is To Certify, That the State of California, grantee herein, acting by and through the Department of Water Resources, hereby accepts for public purposes the real property, or interest therein, described in the within deed and consents to the recordation thereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of August, 19 88



Director of Water Resources

By [Signature]
Director, Water Resources

Attorney in Fact

JUL 15 1988

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ATTACHMENT

Attached is the document you (or someone on your behalf) requested. As required by Section 12956.1(b)(1) of the California Government Code, please take note of the following:

“If the document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, that restriction violates state and federal fair housing laws is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.”

RECORDING REQUESTED BY:
CHICAGO TITLE CO. ESCROW NO.
B648002-mm
**RECORDING/REQUESTED BY/
AND MAIL TO:**

**KERN COUNTY WATER AGENCY
POST OFFICE BOX 58
BAKERSFIELD, CALIFORNIA 93302-0058**

EXEMPT FROM RECORDING FEE
PURSUANT TO GOVERNMENT CODE
SECTION 27383

James Maples, Assessor-Recorder
Kern County Official Records

PATTI
Pages: 57
8/09/1996
12 00:00

DOCUMENT #: 0196102058



Stat Types 1

Fees
Taxes
Other

TOTAL PAID

**DECLARATION OF
COVENANTS CONDITIONS & RESTRICTIONS**

This Declaration is made this 14th day of Dec, 1995 by the KERN WATER BANK AUTHORITY, a California Joint Powers Authority ("KWBA") for the benefit of the KERN COUNTY WATER AGENCY, a California public agency ("Agency").

WHEREAS, KWBA and Agency have entered into a Transfer and Exchange Agreement, dated December 13, 1995, which at Section 3 provides for execution and recording of this Declaration upon the Agency transferring the Real Property described at Exhibit B to KWBA.

NOW, THEREFORE, KWBA DOES HEREBY PROVIDE THIS DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS:

1.0 Definitions: The following definitions shall apply to this Declaration:

(a) "Agency Basic Contract Member Units": shall mean those member units that entered into long-term water supply contracts with the Agency prior to January 1, 1996, for an entitlement to a portion of the State Water Project furnished to the Agency annually by the State of California pursuant to the Agency's November 15, 1963 water supply contract with the State of California and any amendments thereto.

(b) "Agency Non-Basic Member Units": shall mean any member units of the Agency other than Agency Basic Contract Member Units.

(c) "Agency Member Units": shall mean member units of the Agency as that term is defined in Section 2(g) of the Kern County Water Agency Act, California Statutes 1961, Chapter 1003, as amended.

(d) "Member Entities": shall mean those entities that have become members of the Kern Water Bank Authority by executing the Joint Powers Agreement for the Kern Water Bank Authority, and their successors and assigns that become members.

(e) "Project": shall mean the Project described in Article V of the Joint Powers Agreement for the Kern Water Bank Authority.

(f) "Property": shall mean the approximately 19,890 acres of real property together with all improvements thereon located within Kern County, California, more fully described in Exhibit A attached hereto and incorporated herein by reference.

(g) "SWP Agricultural Contractors": for purposes of this Declaration shall mean the following State Water Project contractors: County of Kings; Dudley Ridge Water District; Empire West Side Irrigation District; Kern County Water Agency; Oak Flat Water District; and Tulare Lake Basin Water Storage District.

(h) "SWP Urban Contractors": shall mean every State Water Project contractor other than the SWP Agricultural Contractors.

2.0 General - Property Benefitted & Burdened By Declaration: It is the intent of the parties that each restraint or restriction relating to the use, repair, maintenance or improvement of the Property shall constitute a covenant running with the land, binding upon all successive owners of all or any portion of the Property. Such covenants shall be for the benefit of the land of Agency as described in Exhibit A, and shall burden the Property described in Exhibit B.

3.0 Use Of Property:

3.1 The annual consumptive use of groundwater upon any of the Property by KWBA, any successor in interest to KWBA, or any transferee of any interest in the Property, shall be limited to 0.3 acre feet per acre; provided however, that KWBA, any successor in interest thereto, or any transferee of any interest in any of the Property may make arrangements for additional supplies, which may include water banked by KWBA and/or its Member Entities. In the event of a breach of the restrictions provided for in this Section, Agency shall have the rights and remedies provided for in Section 3.6.

3.2 Neither the whole, nor any part, nor any interest in the property described in Exhibit C, may be sold, transferred, leased, subleased, assigned, conveyed or encumbered without the express prior written consent of Agency Board of Directors, provided that (i) Agency shall not unreasonably withhold such consent; and (ii) upon consultation with the Agency, such property may be encumbered as a bona fide security for improvements upon this Property used for water banking purposes and such restrictions on transfer shall not apply to any transfer upon or deed in lieu of foreclosure of such permitted encumbrance or be binding upon any transferee pursuant to or in lieu of foreclosure or upon

such transferee's successors and assigns. In no event shall withholding of consent of the Agency be deemed unreasonable if Agency determines that the property involved can be used economically for groundwater storage and recovery for agricultural water use in Kern County. If Agency so determines, and KWBA disputes such determination, the matter shall be resolved by arbitration in accordance with the provisions of Title 9 (commencing with Section 1280) of Part 3 of the California Code of Civil Procedure. In determining whether the property affected can be economically used for groundwater storage and recovery for agricultural use in Kern County, the arbitrator shall not consider the possible economic returns from any other potential uses of the property. If the arbitrator determines that the property affected can not be used economically for such purpose, and KWBA thereafter elects to dispose of such property, Agency shall have a right of first refusal to purchase or lease such property on the same terms and conditions as those provided for in the proposed sale or lease. Any offer, acceptance, or agreement for such sale or lease by KWBA with a third party must state in writing that it is subject to such rights of Agency. KWBA shall serve written notice on Agency of the terms of such proposed sale or lease, and of any material amendments or modifications of such terms. Agency shall have 90 days after receipt of written notice of the terms of such sale or lease, or of any material amendments or modifications of such terms, whichever is later, to exercise such right of first refusal. In the event of a breach of the restrictions provided for in this Section, Agency shall have the rights and remedies specified in Section 3.6.

3.3 The property described in Exhibit D may be sold, transferred, leased, subleased, assigned, conveyed or encumbered; provided that all of the net proceeds from such disposition shall be used solely for the development, operation (including purchase of water) or maintenance of the Project, including any amortization of indebtedness incurred for such development, operation or maintenance, unless (i) substantially all the property described at Exhibit C has been or is being disposed of because it has been determined by the Agency or an arbitrator in accordance with the procedure set forth in Section 3.2 that the property described in Exhibit C can not be used economically for groundwater storage and recovery for agricultural water used in Kern County, or (ii) otherwise agreed to in writing by the Agency. In the event of a breach of the restrictions provided for in this Section, Agency shall have the rights and remedies provided for in Section 3.6.

3.4 The property described in Exhibit E may be sold, transferred, leased, subleased, assigned, conveyed or encumbered; provided that all of the net proceeds from such disposition shall be used solely for the development, operation (including purchase of water) or maintenance of the Project, including any amortization of indebtedness incurred for such development, operation or maintenance, unless (i) substantially all the property described at Exhibit C has been or is being disposed of because it has been determined by the Agency or an arbitrator in accordance with the procedure set forth in Section 3.2 that the property described in Exhibit C can not be used economically for groundwater storage and recovery for agricultural water used in Kern County, or (ii) otherwise agreed to in writing by the Agency. In the event that any of the property described in Exhibit E is sold, transferred, or conveyed, and KWBA does not retain and reserve a fee interest or a permanent exclusive easement, to

each of the well sites located thereon described in Exhibit F, together with any pumps or motors or other equipment used in connection with such wells, Agency shall have and is hereby granted an option (the "Option") to purchase such property at the fair market value. Agency may exercise the Option only if KWBA attempts to sell, transfer or convey any property listed on Exhibit E without retaining and reserving the well sites located thereon listed on Exhibit F. The Option shall be exercised by the Agency providing written notice to KWBA of the exercise of such option within 30 days of Agency's receipt of written notice from KWBA or any record owner of title to such property of a proposed sale, conveyance or transfer. Within 90 days of the date the parties agree as to the fair market value of the Property or within 90 days of the date of the appraisal provided for below, whichever is earlier, Agency and the owner of such property shall enter into the purchase agreement attached hereto as Exhibit G. The purchase price for such property shall be the fair market value of the property. In the event that the parties can not agree to the fair market value of the property within 30 days after the exercise of the Option, the parties shall select an M.A.I. appraiser to appraise the property. Each party shall pay one-half of the cost of such appraisal. In the event that the parties do not agree upon an appraiser within 45 days after the exercise of the Option, each party shall name an appraiser, and those appraisers shall jointly name an appraiser to appraise such property. In no event shall KWBA consummate more than three transfers or other transactions subject to this section without retaining the rights to such well sites.

3.5 KWBA may request that Agency make property which is subject to the restrictions contained in 3.2, subject instead to the provisions of 3.3. Such modification shall be subject to the written consent of the Agency; provided, Agency shall not unreasonably withhold such consent. If the Agency so determines, and KWBA disputes such determination, the matter shall be resolved by arbitration in accordance with the provisions of Title 9 (commencing with Section 1280) of Part 3 of the California Code of Civil Procedure. In the event the Agency so consents, Agency and KWBA shall promptly execute, acknowledge and record an appropriate amendment to this Declaration containing such modification.

3.6 In the event that KWBA, or any successor in interest to KWBA, or any transferee, lessee, sublessee or assignee of the Property affected, shall violate any of the restrictions or restraints upon such Property, or enter into any agreement which would cause such restrictions or restraints to be violated, or otherwise breach the terms of Sections 3.2, 3.3, 3.4 or 3.5, Agency shall have the following rights and remedies, at its sole election:

3.6.1 Agency shall be entitled to a temporary restraining order, and preliminary and permanent injunctions, restraining the breach of such restrictions; and in addition; any sale, transfer, lease, sublease, assignment, conveyance, encumbrance or use in violation or breach of the terms of Sections 3.3, 3.4 or 3.5 of this Declaration shall be void and of no force or effect; and Agency shall further be entitled to declaratory relief so providing:

3.6.2 Agency shall be entitled to any other remedies it may have at law or in equity.

3.7 The foregoing provisions of Sections 3.1 through 3.6 of this Declaration shall not apply if KWBA elects to change its form to another form of public entity, and in connection with such change of form transfers title to the Property to such successor entity, provided that (i) 66-2/3% of the members of the KWBA are members of or participants in the successor agency; and (ii) such successor agency assumes the obligations under this Declaration in the same manner as required of the KWBA. The foregoing provisions of Sections 3.1 through 3.6 of this Declaration also shall not apply to any succession to the rights, interests and obligations of KWBA pursuant to Section 5.6(c) of the Joint Powers Agreement of the KWBA, dated October 16, 1995, as amended from time to time, provided that the reconstituted Authority assumes the obligations under this Declaration in the same manner as required of the KWBA.

4.0 Priorities For Use Of The Project:

4.1 The KWBA Member Entities shall have the first priority right to use the Project for the recharge, storage and/or recovery of water primarily for the use within the boundaries of the Agency and Dudley Ridge Water District. Included within such priority will be uses of the Project for recharge of high flow Kern River flows under terms and conditions of agreement(s) entered into between the KWBA or any of its Member Entities and the holders of Kern River water rights. The KWBA and/or its Member Entities intend to enter into long term exchanges and programs with other entities including entities outside of Agency boundaries. Such exchanges will be subject to the following:

4.1.1 Any such exchange or program with interests outside the boundaries of the SWP Agricultural Contractors, shall be subject to the approval of Agency under the same terms and conditions as Agency applies to other Agency Member Units.

4.1.2 If approved, these transactions will be included in this first priority use category.

4.2 To the extent there is recharge, storage and/or recovery capacity available in the Project facilities beyond that needed for the first priority ("Excess Capacity"), Agency Basic Contract Member Units, including Agency and its improvement districts, shall have the second priority right to use the Project for the recharge and/or recovery of water for use in the boundaries of Agency if they pay the Fair Compensation for such use or a lesser amount agreed to by KWBA. The meaning of "Fair Compensation" shall be the same as that set forth in California Water Code section 1811. The KWBA Board of Directors may establish from time to time such rates consistent with said section 1811.

4.3 The third priority shall be any Agency Non-Basic Contract Member Unit for use within Kern County, subject to the approval of terms and conditions acceptable

to the KWBA and approval of Agency, where Agency approval would otherwise be required absent the Project.

4.4 The fourth priority shall be any person, entity or organization within the County of Kern for use within Kern County, subject to terms and conditions acceptable to KWBA and approval of Agency, where Agency approval would otherwise be required absent the Project.

4.5 Any excess Capacity available beyond that needed for these first four priorities can be made available to other persons, entities, or organizations, including SWP Urban Contractors, on terms and conditions acceptable to the KWBA and Agency.

IN WITNESS HEREOF, this Declaration has been executed the date first above written.

KERN WATER BANK AUTHORITY

BY 

WILLIAM D. PHILLIMORE

Its: Chairman

KERN COUNTY WATER AGENCY

BY 

ADRIENNE JO MATTHEWS

Its: President

223315.2

EXHIBIT A

PARCEL 1:

All of Section 5, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying southerly of the southerly line of that portion thereof described in the Final Order of Condemnation, a certified copy of which was recorded December 1, 1981 in Book 5421, Page 1531 of Official Records.

PARCEL 2:

That portion of the South half (S/2) of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying northeasterly of the northeasterly line of the Southern Pacific Railroad Company Asphalt Branch Right of Way, as conveyed in deed recorded October 21, 1893 in the Office of the Kern County Recorder, in Book 47 of Deeds, at page 356, and southerly of the southerly line of that portion of Section 6 described in the Final Order of Condemnation, a certified copy of which was recorded December 1, 1981, in Book 5421, Page 1531 of Official Records.

PARCEL 3:

That portion of Section 7, and the North half (N/2) of Section 8, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying northeasterly of the northeasterly right of way line of Southern Pacific Railroad Company's Asphalt Branch Line, as described in deed recorded October 21, 1893 in the Office of the Kern County Recorder, in Book 47 of Deeds, at page 356.

PARCEL 4:

The West half of the Northwest Quarter of Section 9, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area, County of Kern, State of California, according to the Official Plat thereof.

PARCEL 5:

The Southeast quarter of the Northwest Quarter; the Northeast Quarter, and the South half of Section 10, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area, County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion thereof conveyed to the City of Bakersfield, a municipal corporation, in deed recorded August 3, 1988 in the Office of the Kern County Recorder, in Book 6149 of Official Records, at page 407.

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PARCEL 6:

All of Section 15, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area, County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion thereof conveyed to the Southern Pacific Railroad Company, in deed recorded October 21, 1893, in Book 47, Page 356 of Deeds.

ALSO EXCEPTING THEREFROM that portion thereof conveyed to the City of Bakersfield, a municipal corporation, in deed recorded August 3, 1968 in the Office of the Kern County Recorder, in Book 6149 of Official Records, at page 407.

PARCEL 7:

That portion of Section 16, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Sales Map of Lands of Kern County Land Company dated May 23, 1892 and recorded May 28, 1892 in the Office of the Kern County Recorder, lying southerly of the southerly line of the Kern River Canal as described in the deed recorded December 30, 1976, in Book 4999, page 431 of Official Records and easterly and northeasterly of the lands conveyed to Southern Pacific Railroad Company, a corporation, in deeds recorded October 21, 1893 and July 2, 1894, in Book 47, Page 356 of Deeds and Book 54, Page 262 of Deeds, respectively;

EXHIBIT B
PLEASE SEE EXHIBIT 1.1A

KWB-2-AR

All that certain real property situate in the unincorporated area of the County of Kern, State of California, described in Deeds to the STATE OF CALIFORNIA, recorded August 31, 1988, Book 6158, Pages 1098 through 1119; recorded March 22, 1990, Book 6360, Pages 1923 through 1925; March 7, 1990, in Book 6354, Pages 998 through 1000; and March 7, 1990, Book 6354, Pages 989 through 991, all of Official Records in the Office of the County Recorder of said Kern County, being more or less described herein as follows:

PARCEL 1: (KRCW-1 UNIT A Unit A1) (APN 159-010-02)

Section 12, Township 30 South, Range 24 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, and containing an area of 640 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158 Page 1098, Official Records.

PARCEL 2: (KRWG-1 UNIT A Unit A2) (APN 159-180-03)

Section 12, Township 30 South, Range 24 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING the Southwest quarter of the Southwest quarter of said Section, and containing an area, after said exception, of 602 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

EXHIBIT 1.1.A

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PARCEL 3: (KRGW-1 UNIT A Unit A3) (APN 159-180-04)

The Northeast quarter, the Northeast quarter of the Southeast quarter, and the East half of the Northwest quarter of Section 24, Township 30 South, Range 24 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion of said Section 24 described in deed to the State of California, recorded January 23, 1933, Book 458, Page 481, Official Records of said County, described as follows:

BEGINNING at the Northwest corner of the Southeast quarter of the Northwest quarter of said Section 24, and thence South $51^{\circ} 52'$ East a distance of 2130 feet, more or less, to a point on the South line of the North half of said Section 24; thence West along said South line a distance of 1672.8 feet to the Southwest corner of said Southeast quarter of the Northwest quarter of said Section 24; and thence North along the West line of said Southeast quarter of the Northwest quarter of said Section 24 to the Point of Beginning.

Containing an area, after said exception, of 255 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 4: (KRGW-1 UNIT A Unit A8) (APN 160-090-01, 160-090-02)

Section 18, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing and area of 650 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

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PARCEL 5: (KRGW 1 UNIT A Unit A9 and UNIT B Unit B5) (APN 160-100-08, 160-100-07, 160-100-02)

Section 19, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records of said County.

Containing an area of 626 acres, more or less.

ALSO EXCEPT from the East half of the Southeast quarter of the Southwest quarter of the Southwest quarter, the Southwest quarter of the Southeast quarter of the Southwest quarter of the Southwest quarter, and the West half of the Southeast quarter of the Southwest quarter of said Section, all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used in this MINERAL GRANT DEED shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove, and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LF Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 6: (KRGW-1 UNIT A Unit A4) (APN 160-030-14 Ptn.)

That portion of the South half of Section 6, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the State Highway as granted to the State of

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California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County, and containing an area of 319 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 7: (KRGW-1 UNIT A Unit A4) (APN 160-030-14, 160-030-12 Ptn.)

That portion of the Southwest quarter of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County, and containing an area of 52 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 8: (KRGW-1 UNIT A Unit A5) (APN 160-040-01, 160-040-02)

Section 7, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, and containing an area of 653 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with

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the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 9: (KRGW-1 UNIT A Unit A6) (APN 160-040-03 Ptn.)

That portion of Section 8, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said Kern County.

EXCEPT those portions conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1, by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302, a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, of Official Records.

Containing an area, after said exception, of 546 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 10: (KRGW-1 UNIT B Unit B1) (APN 160-050-01 Ptn.)

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPT those portions conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal and Cross Valley Canal Pumping Plant Number 1 by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, in Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 85 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word

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and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous, which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 11: (KRGW-1 UNIT A Unit A7 and UNIT B Unit B4) (APN 160-090-03)

Section 17, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by the FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, in Book 5421, Page 1531, Official Records.

Containing an area of 604 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 12: (KRGW-1 UNIT B Unit B3) (APN 160-080-01 Ptn.)

That portion of Section 16, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal in FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 591 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word

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"minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 13: (KRGW-1 UNIT B Unit B2) (APN 160-480-02 Ptn.)

That portion of Section 15, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying southwesterly of the southwesterly line of State Highway, granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records, containing an area of 154 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 14: (KRGW-1 UNIT B Unit B6) (APN 160-100-09, 160-100-10, 160-100-04, 160-100-05)

Section 20, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302, a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 642 acres, more or less.

ALSO EXCEPT from the Southwest quarter of the Southeast quarter of the Southwest quarter and the South half of the Southwest quarter of the Southwest quarter of said Section, all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used in this mineral grant deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products,

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both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 15: (KRGW-1 UNIT B Unit B7) (APN 160-110-13)

The North half of Section 21, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 320 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 16: (KRGW-1 UNIT B Unit B8) (APN 160-110-10 Ptn.)

That portion of the Northeast quarter of Section 22, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 138 acres, more or less.

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EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 17: (KRCW-1 UNIT B Unit B9 and UNIT C Unit C6) (APN 160-120-39, 160-120-40 Ptn.)

That portion of the West half and that portion of the Southeast quarter of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of State Highway, as granted to State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of said County.

EXCEPT that portion conveyed to West Kern Water District, by deed recorded August 22, 1988, Book 6155, Page 1405, Official Records. Containing an area, after said exception, of 99 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 18: (KRCW-1 UNIT C Unit C3) (APN 160-140-15, 160-140-18)

The Northeast quarter of Section 28, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 160 acres, more or less.

EXCEPT from the Southwest quarter of the Northeast quarter of the Northeast quarter; the South half of the Northwest quarter of the Northeast quarter; all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used in this mineral grant deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products, both metallic and nonmetallic,

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solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas, and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 19: (KRGW-1 UNIT C Unit C2) (APN 160-140-03, 160-140-04)

Section 27, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 638 acres, more or less.

EXCEPT from the Southwest quarter of the Southwest quarter of the Northeast quarter; the Northwest quarter of the Southeast quarter of the Northwest quarter; the South half of the Southeast quarter of the Northwest quarter; the Southwest quarter of the Northwest quarter; the West half of the Northeast quarter of the Southeast quarter; the Northwest quarter of the Southeast quarter; the South half of the Southeast quarter; and the Southwest quarter of said Section; all of the oil, gas and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used in this mineral grant deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other minerals substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

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ALSO EXCEPT all oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988 in Book 6158 Page 1098, of Official Records.

PARCEL 20: (KRGW-1 UNIT C Unit C1) (APN 160-130-07)

The Northwest quarter of Section 26, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING the East half of the East half of said Northwest quarter, containing an area, after said exception, of 120 acres, more or less.

ALSO EXCEPT of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 21: (KRGW-1 UNIT C Unit C4) (APN 160-170-03, 160-170-04)

Section 34, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 639 acres, more or less.

EXCEPT from the North half; the North half of the South half, the Northeast quarter of the Southeast quarter of the Southwest quarter; the North half of the Southwest quarter of the Southeast quarter; the Southeast quarter of the Southwest quarter of the Southeast quarter; and the Southeast quarter of the Southeast quarter of said Section, all of the oil, gas and other minerals of whatsoever kind or character whether now known to exist or hereinafter discovered (it being intended that the word "minerals" as used in this Mineral Grant Deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous) which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill

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for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by Deed recorded December 10, 1974, Book 4672, Page 170, Official Records.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 22: (KRGW-1 UNIT C Unit C5) (APN 160-180-01, 160-180-02 Ptn.)

Section 35, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPTING THEREFROM that portion described in Director's Deed, KRGW-1-A, recorded March 22, 1990, Book 6360, Page 1927, Official Records, being more or less recited herein as follows:

That portion of Section 35, Township 30 South, Range 25 East, Mount Diablo Meridian, County of Kern, State of California, according to the Official Plat thereof, lying South of the South right of way line of State Highway 119, said right of way being more particularly described in State Highway Deed to the State of California, recorded January 15, 1937, Book 683 Page 74, Official Records of said Kern County.

EXCEPTING THEREFROM the East 758.43 feet of said Section 35, as described in Easement Deed to the State of California, recorded January 2, 1964, Book 3677, Page 293, Official Records of said County,

Containing an area, after said exception, of 638 acres, more or less.

EXCEPT from the West half; the Northwest quarter of the Northwest quarter of the Northeast quarter; the South half of the Northwest quarter of the Northeast quarter; the Southwest quarter of the Northeast quarter of the Northeast quarter; the Southwest quarter of the Northeast quarter; the West half of the Southeast quarter of the Northeast quarter; the Northwest quarter of the Southeast quarter, the West half of the Northeast quarter of the Southeast quarter; the North half of the Southwest quarter of the Southeast quarter; the Southwest quarter of the Southwest quarter of the Southeast

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quarter; and the Northwest quarter of the Southeast quarter of the Southeast quarter of said section, all of the oil, gas, and other minerals of whatsoever kind or character whether now known to exist or hereafter discovered (it being intended that the word "minerals" as used in this Mineral Grant Deed shall be defined in the broadest sense of the word and shall include, but not be limited to, all hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous) which are upon, in, under, or may be produced from the surface thereof down to a depth of 12,000 feet below the surface of said land, including all rights of reverter; all salt water which is in, under, or may be produced from said lands, the exclusive right, by whatsoever methods now or hereafter known, as grantee deems advisable, to prospect for, investigate, explore for, drill for, produce, mine, extract, remove and reduce to grantee's exclusive possession and ownership, all oil, gas, salt water, and all other minerals which are upon, in, under, or may be produced from said lands, as granted to Tenneco LT Corporation, a Delaware Corporation, by Deed recorded December 10, 1974, Book 4872, Page 170, Official Records.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 23: (KRGW-3 UNIT A Unit A1 and UNIT B Unit B1) (APN 150-020-04)

The South half of Section 3, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1571, Official Records.

Containing an area, after said exception, of 300 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with

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the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 24: (KRGW-3 UNIT A Unit A2 and UNIT B Unit B2) (APN 160-020-06)

The Southwest quarter of Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exceptions, of 159 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 25: (KRGW-3 UNIT A Unit A2 and UNIT B Unit B2) (APN 160-020-08)

PARCEL 2, in the unincorporated area of the County of Kern, State of California, as shown on amended Parcel Map NO. 1450, filed February 6, 1974, in the Office of the County Recorder of Kern County.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Said land is a division of a portion of the East half of Section 4, Township 30 South, Range 25 East, Mount Diablo Meridian.

Containing an area, after said exception, of 153 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said

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real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 26: (KRGW-3 UNIT A Unit A3) (APN 160-030-12 Pcn.)

That portion of the South half of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT the Southeast quarter of the Southeast quarter of said Section 5.

Containing an area, after said exception, of 212 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 27: (KRGW-3 UNIT A Unit A4) (APN 160-030-10)

The Southeast quarter of the Southeast quarter of Section 5, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 40 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

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PARCEL 28: (KRGW-3 UNIT A Unit A5) (APN 160-030-14 Ptn.)

That portion of the Southeast quarter of Section 6, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeastly of the Northeastly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 2 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 29: (KRGW-3 UNIT A Unit A6) (APN 160-040-03 Ptn.)

That portion of Section 8, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeastly of the Northeastly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 70 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 30: (KRGW-3 UNIT A Unit A7 and UNIT B Unit B3) (APN 160-050-01 Ptn.)

That portion of Section 9, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeastly of the

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Northeasterly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT, KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 505 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 31: (KRGW-3 UNIT B Unit B4) (APN 160-050-04)

All of Section 10, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 638 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 32: (KRGW-3 UNIT B Unit B5) (APN 160-060-01, 160-060-02, 160-060-03)

All of Section 11, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 638 acres, more or less.

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EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1986, Book 6158, Page 1098, Official Records.

PARCEL 33: (KRGW-3 UNIT B Unit B6) (APN 160-070-03, 160-070-04, 160-070-02, 160-070-11)

All of Section 14, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion described as:

BEGINNING at the iron pipe with a 4 inch brass cap (stamped R.E. 2312, 1937) marking the Northwest corner of Section 14, Township 30 South, Range 25 East, Mount Diablo Meridian, and running thence South 89° 39' East, along the Northerly boundary line of said Section 14, a distance of 415.00 feet; thence along a line parallel with the Westerly boundary line of said Section 14, the following two courses and distances, namely: South 0° 17 1/2 West, 55.00 feet to a concrete monument with a 3 inch bronze cap (marked PAC. GAS & ELECT. CO. PROP.); and thence continuing South 0° 17 1/2 West, 330.00 feet to a concrete monument with a 3 inch pipe bronze cap (marked PAC. GAS & ELECT. CO. PROP. COR.); thence along a line parallel with the Northerly boundary line of said Section 14 the following two courses and distances, namely; North 89° 39' West 360.00 feet to a concrete monument with a 3 inch bronze cap (marked PAC. GAS & ELECT. CO. PROP.); and thence continuing North 89° 39' West, 55.00 feet to a point in the Westerly boundary line of said Section 14; thence North 0° 17 1/2 East, along the Westerly boundary line of said Section 14, a distance of 385.00 feet to the Point of Beginning.

Containing an area, after said exception, of 634 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.)

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which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 14: (KRGW-3 UNIT B Unit B7) (APN 160-080-02 Ptn., 160-080-03, 160-080-04)

That portion of Section 15, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeastly of the Northeastly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 451 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 15: (KRGW-3 UNIT B Unit B8) (APN 160-080-01)

That portion of Section 16, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeastly of the Northeastly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 32 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

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PARCEL 36: (KRGW-3 UNIT B Unit B9) (APN 160-110-10 Ptn.)

That portion of the Northeast quarter of Section 22, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeastly of the Northeastly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 11 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 37: (KRGW-3 UNIT B Unit B10) (APN 160-120-20 Ptn., 160-120-22 Ptn., 160-120-40 Ptn.)

That portion of Section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeastly of the Northeastly line of the State Highway, as granted to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT all that portion lying Southerly of the Northerly line of Parcel 2, as described in the deed to the City of Bakersfield, recorded December 30, 1976, Book 4999, Page 416, Official Records, said line being described as beginning at a point on the Northeastly boundary line of the State Highway referred to above, at "the East-West centerline of said Section 23; thence along said centerline South 88° 41' 55" East, 2790.38 feet; thence North 55° 19' 28" East, 330.00 feet; thence North 74° 21' 35" East, 450.00 feet, more or less, to the East line of said Section 23."

Containing an area, after said exception, of 282 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by

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Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 38: (KRGW-5 UNIT A) (APN 160-120-20, 160-120-22)

That portion of the south half of section 23, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, described therein as Parcel 2, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT that portion conveyed to the State of California by deed recorded March 24, 1967, Book 4037, Page 193, Official Records, described therein as Parcel 1.

ALSO EXCEPT that portion conveyed to the City of Bakersfield, a Municipal Corporation, by deed recorded December 30, 1976, Book 4999, Page 436, Official Records.

Containing an area, after said exceptions, of 65 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 39: (KRGW-7 UNIT A) (APN 160-130-03 Ptn.)

That portion of the West half and the Southeast quarter of Section 25, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly and Southwesterly of the Southwesterly boundary of that certain parcel conveyed to the State of California, for the purpose of a freeway, recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 157 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with

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the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 40: (KRGW-7 UNIT B) (APN 160-180-04 Ptn.)

That portion of Section 36, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly boundary of that certain parcel conveyed to the State of California, for the purposes of a freeway, recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT the West half of the Southwest quarter of the Southwest quarter of said Section 36.

Containing an area, after said exception, of 883 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 41: (KRGW-9 UNIT A) (APN 161-180-12 Ptn.)

That portion of the Northwest quarter of Section 31, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the State Highway, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of Kern County.

Containing an area of 6 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

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PARCEL 42: (KRGW-11 UNIT A Unit A1) (APN 161-160-02)

All of Section 28, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the Northwest quarter, the Northwest quarter of the southwest quarter, the Northwest quarter of the Northeast quarter of the Southwest quarter, and the Northwest quarter of the Southwest quarter of the Southwest quarter of said Section.

Containing an area, after said exception, of 420 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 43: (KRGW-11 UNIT A Unit A2) (APN 161-180-12 Ptn.)

That portion of the North half of Section 31, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeastly of the Northeastly line of the State Highway, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

EXCEPT the Northeast quarter of the Northwest quarter of the Northwest quarter, the Northeast quarter of the Northwest quarter, the Northeast quarter of the Southeast quarter of the Northwest quarter, the Northwest quarter of the Northeast quarter, the Northeast quarter of the Northeast quarter and the North half of the South half of the Northeast quarter of said Section.

Containing an area, after said exception, of 135 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

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PARCEL 44: (KRGW-11 UNIT A Unit A3) (APN 161-180-04)

All of Section 32, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the North half of the South half of the Northwest quarter, the Southwest quarter of the Northwest quarter of the Northeast quarter, the North half of the Northwest quarter, the Northwest quarter of the Northeast quarter of the Northeast quarter, and the North half of the Northwest quarter of the Northeast quarter of said Section.

Containing an area, after said exception, of 480 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 45: (KRGW-11 UNIT A Unit A4) (APN 161-190-05, 161-190-10, 161-190-09, 161-190-11)

All of Section 33, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

Containing an area of 641 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and non-metallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 46: (KRGW-13 UNIT A) (APN 160-130-03 Ptn.)

That portion of Section 25, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, conveyed to the State of California,

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by deed recorded March 24, 1967, Book 4037, Page 193, Official Records of Kern County.

EXCEPT the Northeast quarter, the Northeast quarter of the Southeast quarter, the Northeast quarter of the Northwest quarter of the Southeast quarter, and the Northeast quarter of the Southeast quarter of the Southeast quarter of said Section.

Containing an area, after said exception, of 215 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 47: (KRGW-13 UNIT B) (APN 160-160-04)

That portion of Section 36, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Northeasterly of the Northeasterly line of the State Highway, conveyed to the State of California, by deed recorded March 24, 1967, Book 4037, Page 193, Official Records.

Containing an area of 25 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 48: (KRGW-15 UNIT A Unit A1) (APN 160-120-12, 160-120-05, 160-120-18, 160-120-25)

That portion of Section 24, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly of a line described as follows:

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BEGINNING at a point on the East line of said Section 24, distant thereon South 00° 22' 38" East, 1526.351 feet from the Northeast corner thereof, which point lies on the Northerly boundary line of the Kern River Canal right of way, as hereinafter described; thence along said Northerly boundary line, South 82° 29' 42" West, 1202.846 feet to the Westerly terminus of the concrete lined section of said canal; thence South 07° 30' 18" East, 100.00 feet; thence along the Southerly boundary of the earthen section of said canal, South 82° 29' 42" West, 2181.995 feet; thence, leaving said boundary South 39° 25' 12" West, 876.787 feet; thence South 77° 55' 12" West, 1400.00 feet, more or less, to a point on the West line of said Section 24, distant thereon 340.00 feet Southerly of the West one-quarter corner thereof.

EXCEPT that portion of said Section 24 granted to the State of California for freeway purposes by deed, recorded March 24, 1967, Book 4037, Page 193, of said Official Records, more particularly described therein.

ALSO EXCEPT any portion thereof lying Northerly of the Southerly line of the Kern River Canal.

ALSO EXCEPT the Southeast quarter of the Southeast quarter, and the Southeast quarter of the Southwest quarter of the Southeast quarter of said Section 24.

Containing an area, after said exceptions, of 323 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6188, Page 1098, Official Records.

PARCEL 49: (KRGW-19 UNIT A Unit A3) (APN 161-100-25)

All that portion of Section 19, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southerly of the Southerly line of the Kern River Canal, as said canal is described in deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

EXCEPT the South half of the South half of the South half, and the Northwest quarter of the Southwest quarter of the Southwest quarter of said Section 19.

Containing an area, after said exception, of 408 acres, more or less.

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ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 50: (KRGW-15 UNIT A Unit A4) (APN 161-100-13)

All that portion of section 20, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying southerly of the southerly line of the Kern River Canal, as said canal is described in deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

EXCEPT the South half of the Southeast quarter, the Southeast quarter of the Northwest quarter of the Southeast quarter, the South half of the Northeast quarter of the Southeast quarter, the South half of the South half of the Southwest quarter, the North half of the Southeast quarter of the Southwest quarter, and the Northeast quarter of the Southwest quarter of the Southwest quarter of said Section 20.

Containing an area, after said exception, of 457 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 51: (KROW 15 UNIT A Unit A2) (APN 161-090-07)

All that portion of Section 17, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying southerly of the southerly line of the Kern River Canal, as said canal is described in Grant Deed, recorded December 30, 1976, Book 4999, Page 431, Official Records.

Containing an area of 155 acres, more or less.

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EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 52: (KRGW-17 UNIT A Unit A1) (APN 160-070-06, 160-070-20, 160-070-14, 160-070-22, 160-070-19)

Section 13, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the South half of the Southeast quarter of said Section 13.

ALSO EXCEPT the South 1000 feet of the West 1000 feet of the Southwest quarter of the Northwest quarter of said Section 13, containing an area, after said exception, of 540 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 53: (KRGW 17 UNIT A Unit A2) (APN 160-120-17)

The Northwest quarter of the Northwest quarter and the West half of the West half of the Northeast quarter of the Northwest quarter of Section 24, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, containing an area of 50 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.)

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which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 54: (KRGW-17 UNIT A Unit A3) (APN 161-090-10, 161-090-01)

The North half of Section 18, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the Easterly 1700 feet of the South half of the South half of the Northwest quarter, the South half of the South half of the Northeast quarter, the Easterly 900 feet of the Northeast quarter of the Northeast quarter, and the Easterly 900 feet of the North half of the Southeast quarter of the Northeast quarter of said Section 18, containing an area, after said exception, of 222 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 55: (KRGW-19 UNIT A Unit A1 and UNIT B) (APN 160-010-12, 160-010-14, 160-010-24, 160-010-13, 160-010-26, 160-010-17)

The South half of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 306 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.)

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which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 56: (KRGW-19 UNIT A Unit A2) (APN 160-060-17, 160-060-04, 160-060-21, 160-060-20, 160-060-06, 160-060-18, 160-060-19, 160-060-15, 160-060-07, 160-060-09)

Section 12, Township 30 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof.

EXCEPT the South half of the Southwest quarter of said Section, containing an area, after said exception, of 561 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 57: (KRGW-19 UNIT A Unit A3) (APN 161-040-20, 161-040-02, 161-040-09, 161-040-10, 161-040-11)

That portion of Section 7, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the Southern Pacific Railroad Asphalt Branch, as granted to SOUTHERN PACIFIC RAILROAD COMPANY, a Corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds, Records of said County.

Containing an area of 637 acres, more or less.

EXCEPT all oil, gas and other hydrocarbons, and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

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PARCEL 58: (KRGW-10 UNIT A and UNIT B) (APN 161-030-23, 161-030-08, 161-030-24)

That portion of the South half of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the Official Plat thereof, lying Southwesterly of the Southwesterly line of the Southern Pacific Railroad Asphalt Branch, as granted to the SOUTHERN PACIFIC RAILROAD COMPANY, a Corporation, by deed, recorded October 21, 1893, Book 47, Page 356 of Deeds.

EXCEPT that portion conveyed to the Kern County Water Agency, a political subdivision of the State of California, for the Cross Valley Canal by FINAL ORDER OF CONDEMNATION, SUPERIOR COURT OF KERN COUNTY, Case Number 126302; a certified copy thereof was recorded December 1, 1981, Book 5421, Page 1531, Official Records.

Containing an area, after said exception, of 166 acres, more or less.

ALSO EXCEPT all oil, gas and other hydrocarbons and all other minerals of whatever kind or character (all herein collectively called "minerals") now known to exist or hereafter discovered (it being intended that the word "minerals" as used herein shall be defined in the broadest sense of the word and shall include, but not be limited to, oil, gas, other hydrocarbons, and all other mineral substances and products, both metallic and nonmetallic, solid, liquid, or gaseous), which are upon, in, under, or may be produced from said real property all salt water (water containing over 10,000 P.P.M. T.D.S.) which is in, under, or may be produced from said real property; together with the specific rights enumerated and made a part of therein, all as reserved by Tenneco West, Inc., a Delaware Corporation, in Deed recorded August 31, 1988, Book 6158, Page 1098, Official Records.

PARCEL 59: (KWB-4-B) (APN 160-070-28)

The South 1000 feet of the West 1000 feet of the Southwest quarter of the Northwest quarter of Section 13, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 23 acres, more or less.

PARCEL 60: (KWB-5-A)

UNIT A (APN 160-070-10)

The North 385 feet of the West 415 feet of Section 14, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 3.67 acres, more or less.

UNIT B (APN 160-010-40, 160-010-38, 160-010-43)

That portion of the East 5000 feet of the North half of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, lying Southerly of the Northerly line of the Pioneer Canal Easement as described in PARCEL C, P-O Canal Easement Deed, recorded December 6, 1978, Book 5159, Page 2217, Official Records of said County, containing an area of 8.37 acres, more or less.

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UNIT C (APN 161-030-42)

That portion of the Northwest quarter of Section 6, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying southerly of the northerly line of the Pioneer Canal Easement as described in PARCEL C, P-O Canal Easement Deed, recorded December 6, 1978, Book 5159, Page 2217, Official Records of said County.

EXCEPTING THEREFROM that portion of said Northwest quarter lying northeasterly of the southwesterly property line of the Southern Pacific Railroad Asphaltic Branch, as granted to the SOUTHERN PACIFIC RAILROAD COMPANY, a Corporation, by Deed, recorded October 21, 1893, Book 47, Page 356 of Deeds, records of said County, containing an area, after said exception, of 3.25 acres, more or less.

UNIT D (APN 160-010-41)

The south 1176.00 feet of the West 165.00 feet of the Northwest quarter of Section 1, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, containing an area of 4.45 acres, more or less.

PARCEL 61: (KRGW-29)

UNIT A (APN 161-040-26, 161-040-13)

That portion of the West half of the West half of Section 8, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof, lying southerly of the southwesterly property line of the Southern Pacific Railroad Asphaltic Branch, as said railroad is described in deed, recorded October 21, 1893, Book 47, Page 356, Deeds, records of Kern County.

EXCEPTING THEREFROM the southerly 820 feet of the Southwest quarter of the Southwest quarter of said Section 8, as granted to the CITY OF BAKERSFIELD, a Municipal Corporation, by deed, recorded December 30, 1976, Book 4999, Page 436, Official Records.

SUBJECT TO all exceptions, reservations, terms, conditions, covenants, and restrictions contained and recited in that certain oil, gas, and/or mineral interest assignment and conveyance from TENNECO WEST, INC., to TENNECO OIL COMPANY, recorded November 18, 1988 in Book 6183, Page 1167, Official Records of said County.

Containing an area, after said exception, of 73 acres, more or less.

EXCEPTING AND RESERVING THEREFROM a perpetual easement and right of way to construct, operate, and maintain a State Highway over, through, and across those portions of the hereinabove described Sections 1, 11, 12, 13, 14, 23, 24, 25, 35 & 36, Township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, included within the lines of the parcels of land described in deeds to the State of California, recorded December 15, 1934, Book 547, Page 56; recorded August 22, 1935, Book 596, Page 34; recorded May 20, 1977, book 5028, Page 2074; and recorded May 20, 1977, Book 5028, Page 2077, all of Official Records of Kern County. (Affects Parcels 22, 32, 33, 37, 38, 40, 46, 48, 52, 55, 56 and 59).

ALSO EXCEPTING AND RESERVING THEREFROM a perpetual easement and right of way to construct, operate and maintain a State Highway over, through, and across those portions of the hereinabove described Sections 34, 35 and 36, township 30 South, Range 25 East, Mount Diablo Meridian, according to the Official Plat thereof, included within the lines of the parcels of land described in deeds to the State of California, recorded January 15, 1937, Book 683, Page 74, and recorded January 2, 1964 in Book 3677, Page 293, both of Official Records of Kern County. (Affects Parcels 21, 22 and 40).

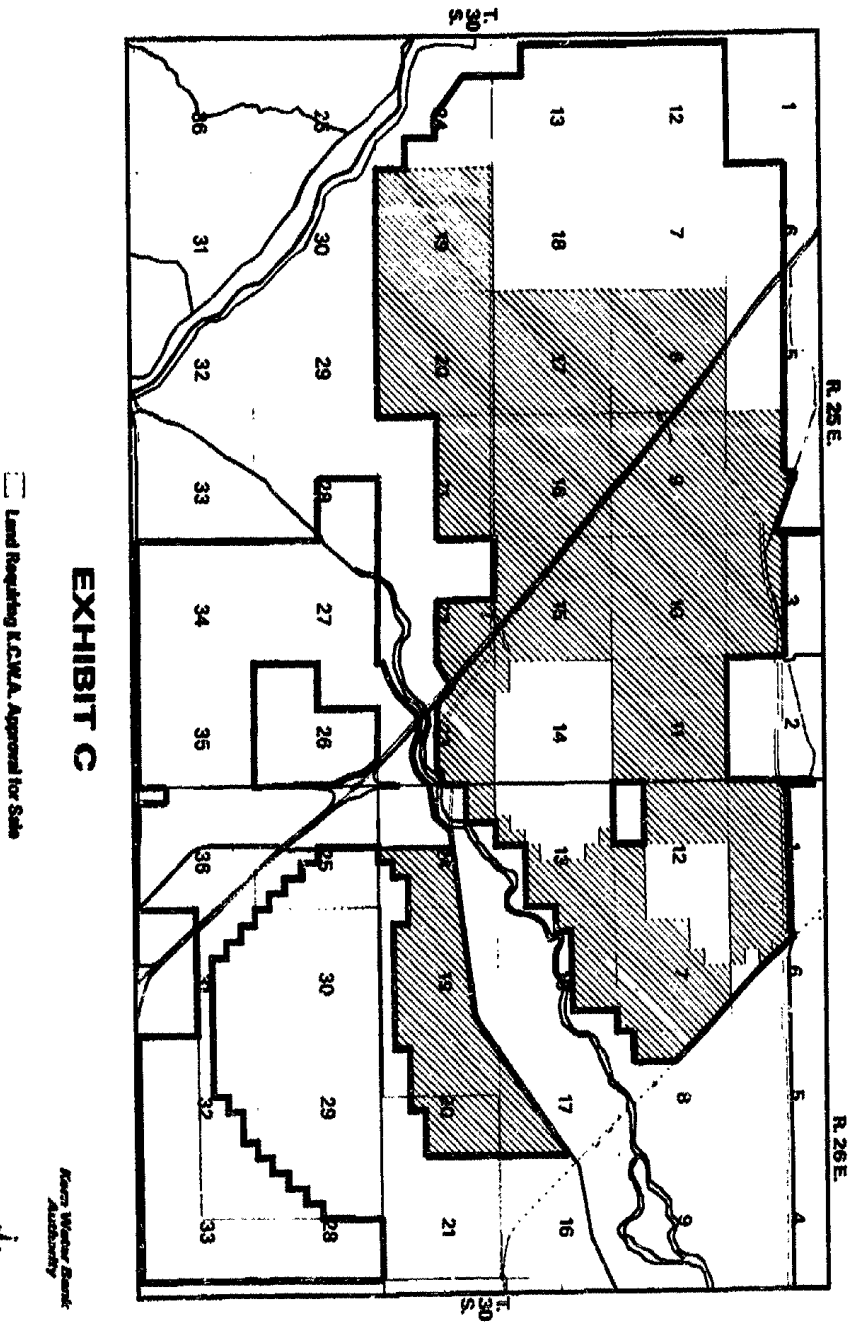
ALSO EXCEPTING AND RESERVING THEREFROM a perpetual easement and right of way to construct, operate, and maintain a State Highway over, through, and across the South 30 feet of the hereinabove described Sections 32 and 33, Township 30 South, Range 26 East, Mount Diablo Meridian, according to the Official Plat thereof. (Affects Parcels 44 and 45).

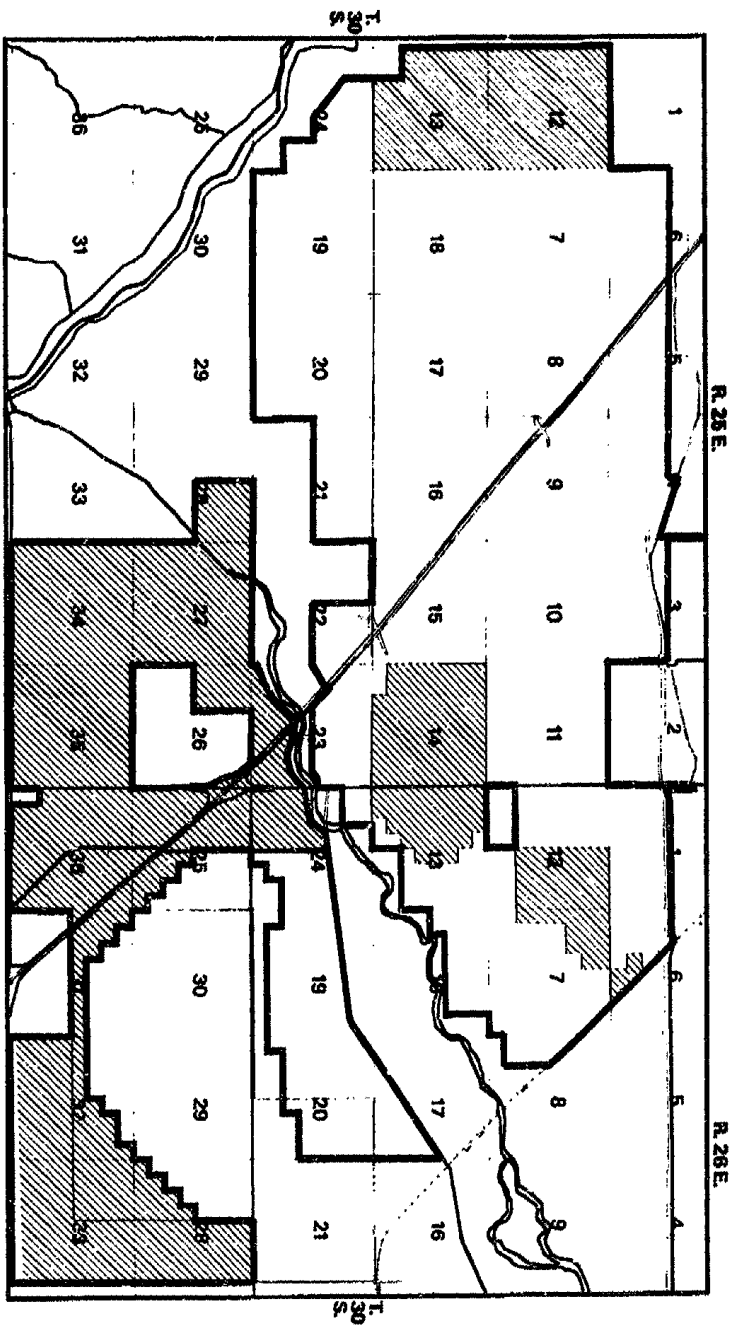
Bearings and distances used in the above description are based on the California Coordinate System, Zone V, 1927.

The Director's Deed of this property from the Department of Water Resources contains the following reservation:

"The Department of Water Resources, State of California, hereby (1) reserves to itself title to one-half of the La Hacienda Program Water and one-half of the Berrenda Mesa Demonstration Program Water; and (2) grants to Kern County Water Agency one-half of the La Hacienda Program Water, one-half of the Berrenda Mesa Demonstration Program Water, all of the 1995 water and all other water on, in, or under the real property which has not been reserved to the State herein. "Berrenda Mesa Demonstration Program Water" shall mean 2,532 acre feet of groundwater that has not been extracted by the State before the Close of Escrow on the property as part of the 1990 Berrenda Mesa Demonstration Program. "La Hacienda Program Water" shall mean the 83,127 acre feet of water that has not been extracted before the close of escrow of the 98,005 acre-feet of the groundwater purchased by the State from the Kern County Water Agency, and the Kern County Water Agency from La Hacienda, Inc., in 1991. "1995 Water" shall mean all water on, in, or under the real property upon closing that was delivered to and spread upon the real property at any time during 1995 by or for the Kern County Water Agency or its member units or the members of the Kern Water Bank Authority. (Does Not Affect Parcels 62 and 63)."

The water described in this reservation, which is not otherwise reserved by Department of Water Resources, is conveyed to the Kern Water Bank Authority.

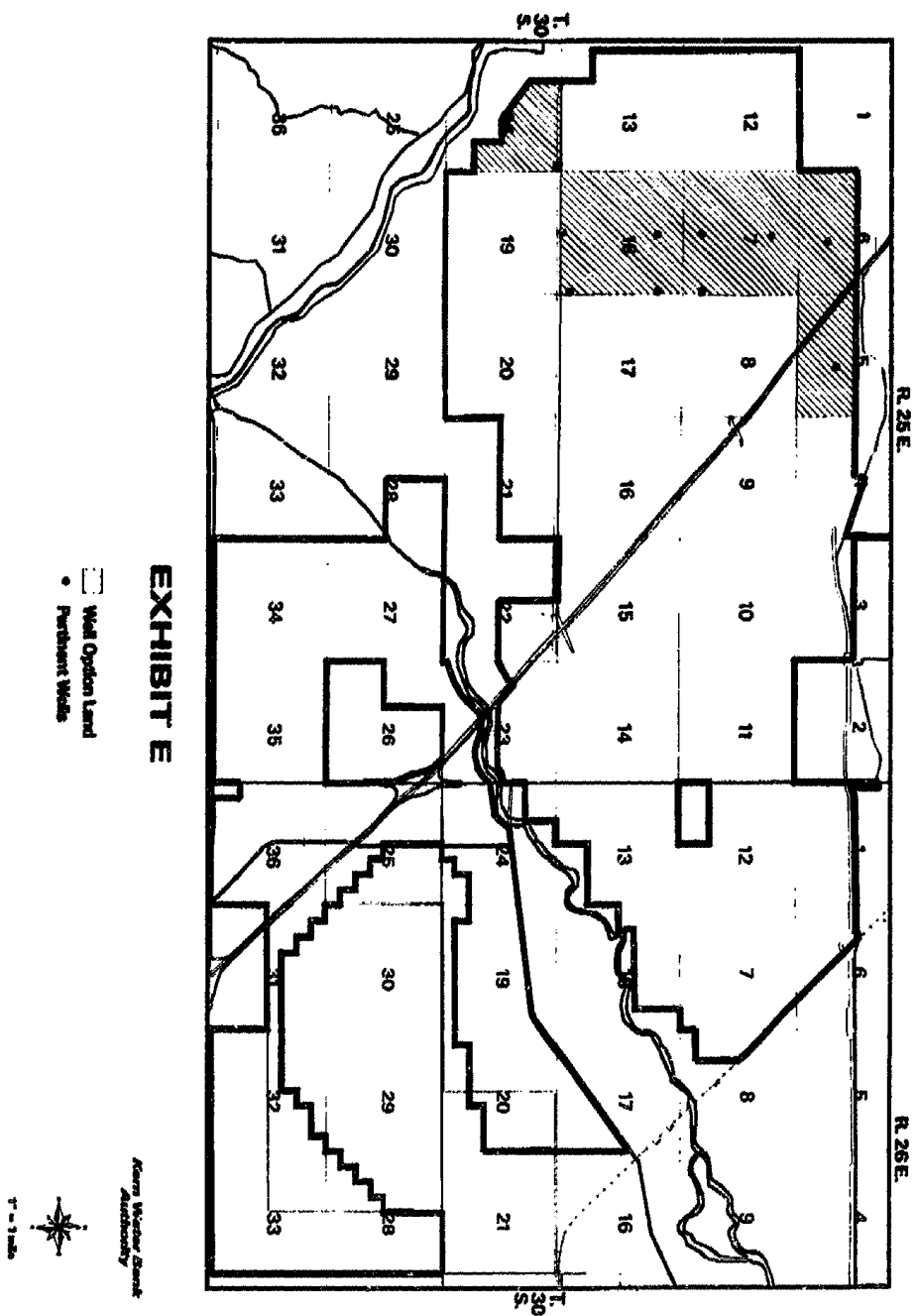




□ Land Not Resubdividing E.C.H.A. Approval for Sale

EXHIBIT D





11/20/95

PAGE 1

KERN WATER BANK WATER WELLS

WELL LOC.	WELL NUMBER	WELL STATUS	DESC.
302424	24A1	OPERATIONAL	EXPAN
302507	7P1	OPERATIONAL	EXPAN
302507	7R1	OPERATIONAL	EXPAN
302508	8P1	OPERATIONAL	EXPAN
302508	8J1	OPERATIONAL	EXPAN
302511	11A1	OPERATIONAL	EXPAN
302518	18C1	OPERATIONAL	EXPAN
302518	18A1	OPERATIONAL	EXPAN
302504	4L1	OPERATIONAL	LAHAC
302505	5K1	OPERATIONAL	LAHAC
302508	8K1	OPERATIONAL	LAHAC
302507	7G1	OPERATIONAL	LAHAC
302508	8F1	OPERATIONAL	LAHAC
302508	8J1	OPERATIONAL	LAHAC
302509	9L1	OPERATIONAL	LAHAC
302515	15C1	OPERATIONAL	LAHAC
302515	15B1	OPERATIONAL	LAHAC
302515	15G1	OPERATIONAL	LAHAC
302518	18F1	OPERATIONAL	LAHAC
302518	18P1	OPERATIONAL	LAHAC
302518	18R1	OPERATIONAL	LAHAC
302517	17F1	OPERATIONAL	LAHAC
302518	18R1	OPERATIONAL	LAHAC
302518	18P1	OPERATIONAL	LAHAC
302520	20A1	OPERATIONAL	LAHAC
302520	20C1	OPERATIONAL	LAHAC
302521	21G1	OPERATIONAL	LAHAC
302538	38D1	OPERATIONAL	LAHAC
28		OPERATIONAL	
302818	18M1	NONOPERATIONAL	LAHAC
302820	20L1	NONOPERATIONAL	LAHAC
302820	20N2	NONOPERATIONAL	LAHAC
3		NONOPERATIONAL	
31			

EXHIBIT F

Exhibit G
to
Declaration of Covenants, Conditions & Restrictions

PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

This Purchase Agreement and Escrow Instructions ("Agreement") is made by and between Kern County Water Agency, a public agency ("Buyer"), and _____ a joint powers agency ("Seller"), with reference to the following facts:

RECITALS

- A. Seller owns certain real property consisting of approximately ____ acres of _____ located in _____ County, California, as more particularly described in Exhibit "A" and incorporated herein by this reference (the "Real Property").
- B. Buyer and the Department of Water Resources, State of California ("DWR"), have entered into that certain Agreement for the Exchange of the Kern Fan Element of the Kern Water Bank dated _____, 1995 (the "Master Agreement"). Pursuant to the terms of the Master Agreement, DWR transferred certain real property, including the Real Property herein, to Buyer.
- C. Seller and Buyer have entered into that certain Transfer And Exchange Agreement dated as of _____, 1995, (the "Transfer Agreement") and that certain Declaration of Covenants, Conditions and Restrictions dated _____, 1995 (the "Declaration"). Pursuant to the terms of the Transfer Agreement, Buyer transferred most of the real property acquired by Buyer from DWR under the Master Agreement, to Seller herein.
- D. Pursuant to Section 3 of the Transfer Agreement, the Declaration shall create restrictions and covenants running with the Real Property. Pursuant to Section 3.4 of the Declaration, Buyer has an option on certain property described therein, on the terms and conditions described therein (the "Option").
- E. Seller has exercised the Option as to the Real Property. Pursuant to Section 3.4 of the Declaration, the parties hereto are entering into this Agreement for the purchase and sale of the Real Property.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, and for other good and valuable consideration moving between parties, Buyer and Seller agree as follows:

AGREEMENT

1. **Definition of Property.** Seller shall convey, transfer, assign, and deliver the Real Property to Buyer, as provided by this Agreement. The Real Property shall also include all of the following additional real, personal, and mixed property located on or relating to the Real Property: (i) all water rights and water contracts owned or used by Seller relating to the Real Property, excepting water in storage underlying the Property in the Kern Water Bank; (ii) all buildings, improvements and fixtures; (iii) all wells, pumps, motors and equipment; and (iv) all permits, approvals, easements, licenses, or other rights appurtenant to, or relating to the Property. The Real Property and the additional property described herein are collectively referred to as the "Property".

2. **Purchase and Sale: Price.**

2.1 Seller agrees to sell to Buyer and Buyer agrees to buy from Seller, all of the Property. The purchase price for the Property is the fair market value as determined in Section 2.2 (the "Purchase Price"). At least one business day prior to the Close of Escrow, Buyer shall deposit with the Escrow Holder, a bank cashier's, certified check or wire transfer in the amount of the Purchase Price.

2.2 The Purchase Price is determined in the manner provided for in Section 3.4 of the Declaration. That section provides that the purchase price for such property shall be the fair market value of the property. In the event that the parties can not agree to the fair market value of the property within 30 days after the exercise of the Option, the parties shall select an M.A.I. appraiser to appraise the property. Each party shall pay one-half of the cost of such appraisal. In the event that the parties do not agree upon an appraiser within 45 days after the exercise of the Option, each party shall name an appraiser, and those appraisers shall jointly name an appraiser to appraise such property.

3. **Escrow.** "Escrow Holder" shall be Chicago Title Insurance Company, located at 4700 Stockdale Highway, Bakersfield, California 93309. This Agreement shall, to the extent possible, act as escrow instructions. The parties agree to execute all further escrow instructions required by Escrow Holder, which further instructions shall be consistent with this Agreement. "Close of Escrow" is defined to be the recordation of the Grant Deed from Seller to Buyer for the Real Property, which shall occur on or before _____ or on such other date as the parties hereto shall mutually agree in writing.

4. **Costs and Fees.** Buyer and Seller shall each pay one-half of (i) Escrow Holder's fees; (ii) the cost of preparing, executing, and acknowledging any deeds or other

instruments required to convey title to Buyer; (iii) the cost of recording the Grant Deed required to convey title to the Real Property to Buyer or its nominee; and (iv) any taxes imposed on the conveyance of title to the Real Property to Buyer under the Documentary Transfer Tax Act. Seller shall pay any other closing costs, including the cost of the title insurance policy provided for in this Agreement.

5. Title.

5.1 Upon Close of Escrow, the title to the Real Property shall be subject only to those exceptions numbered _____ on Preliminary Title Report No. _____ (dated _____) ("Preliminary Title Report").

5.2 Upon Close of Escrow, the Property shall be free of all other liens or encumbrances, and Seller shall, except as to the Declaration, at its sole costs and expense, cause any title exceptions not expressly approved in 5.1 above to be removed from the Preliminary Title Report and policy of title insurance prior to Close of Escrow.

6. Possession. Full possession of the Property shall be delivered to Buyer at Close of Escrow.

7. Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer that:

7.1 Seller is a California joint powers agency in good standing and has full power and authority to execute and enter into this Agreement and to consummate the transactions contemplated hereunder. This Agreement constitutes a valid and binding agreement of Seller enforceable in accordance with its terms.

7.2 To the best of Seller's actual knowledge, during Seller's ownership of the Property, Seller's ownership, use, and operation of the Property has been and is in compliance with all applicable state, federal and local statutes, ordinances, orders, requirements, laws or regulations affecting the Property.

7.3 At Close of Escrow, the Property will not be subject to any liens, or encumbrances other than those approved in Sections 5.1 and 5.2 above, and except as disclosed on Exhibit 7.3 there is no pending or to the best of Seller's actual knowledge threatened litigation or administrative proceedings affecting the Property or this Agreement. Buyer is not assuming any monetary liabilities, liens, encumbrances, or obligations of any kind (whether contractual or otherwise) related to the ownership and use of the Property by Seller prior to the Close of Escrow.

7.4 To the best of Seller's actual knowledge, during Seller's ownership of the Property, except as listed on Exhibit 7.4 hereto:

7.4.1 There have been no Hazardous Substances, or storage tanks containing Hazardous Substances, placed in, on, under, or about the Real Property, except as disclosed in the Master Agreement.

7.4.2 Seller has not conducted or authorized the generation, transportation, storage, treatment, or disposal on the Real Property of any Hazardous Substance;

7.4.3 The Real Property is not in violation of any federal, state, or local law, ordinance, regulation, order, decree or judgment relating to environmental conditions on, under, or about the Real Property.

7.4.4 There have been no (i) pending or threatened litigation or proceedings before any administrative agency; (ii) pending notices from any governmental authority, or employee or agent thereof; or (iii) communications, notices, or agreements with any governmental agency or private party any of which relate in any way to the presence, release, threat of release, placement, generation, transportation, storage, treatment, or disposal of any Hazardous Substance.

7.5 As used herein, the term actual knowledge shall mean (i) such actual knowledge of any executive, managerial, professional or technical employee of such party whose job or management duties relate in whole or in material part to the Kern Water Bank project, or (ii) information contained in written files, records or documents in the possession or control of the party to be charged with such knowledge.

"Hazardous Substance" shall have the meaning given to such term in Section 1.7 of the Master Agreement.

8. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller that:

8.1 Buyer has the full power and authority to execute and enter into this Agreement and to consummate the transactions contemplated hereunder; and

8.2 This Agreement constitutes a valid and binding agreement of Buyer enforceable in accordance with its terms.

9. Survival of Representations and Warranties. All of the representations and warranties of Buyer and Seller made in conjunction with or pursuant to this Agreement shall survive the Close of Escrow and the delivery of the Grant Deed.

10. Buyer's Conditions of Closing. The Close of Escrow and Buyer's obligation to purchase the Property pursuant to this Agreement are expressly conditioned on:

10.1 The conveyance to Buyer of good and marketable title to such Property, as evidenced by a standard form CLTA Title Insurance Policy in the amount of _____ Dollars (\$ _____), issued by Escrow Holder, subject only to such liens or encumbrances, as are expressly approved by Buyer in paragraph 5.1 of this Agreement.

10.2 Buyer's final inspection and reasonable approval of the condition of the Property.

10.3 Seller having delivered into escrow all documents or instruments required by this Agreement, and having complied with all other covenants and conditions to be performed or complied with by Seller; and

10.4 The representations and warranties of Seller contained in this Agreement being true on and as of the Close of Escrow as if the same were made on and as of such date.

11. Failure of Buyer's Conditions. Buyer shall notify Seller and Escrow Holder prior to the Close of Escrow of the failure of any of the conditions set forth in this Agreement. Should any of the conditions to Buyer's obligation to close the escrow and complete purchase of Property as specified in this Agreement fail to occur prior to the date established herein for the Close of Escrow, Buyer shall have the power, exercisable by giving written notice to the Escrow Holder and to Seller, to waive the condition or to cancel the Escrow, terminate this Agreement, and recover all amounts paid to Seller or to the Escrow Holder on account of the Purchase Price for the Property. The Escrow Holder shall be, and is hereby irrevocably instructed by Seller and Buyer, on any such failure of conditions and receipt of such cancellation and termination notice from Buyer, to immediately refund and deliver to Buyer all monies and instruments deposited by Buyer in Escrow pursuant to this Agreement, and to deliver to Seller all instruments deposited by Seller in escrow pursuant to this Agreement.

12. Seller's Conditions of Closing. The Close of Escrow and Seller's obligation to complete the sale of the Property to Buyer is conditioned on:

12.1 The representations and warranties of Buyer contained in this Agreement being true on and as of the Close of Escrow as if the same were made on and as of such date; and

12.2 Buyer having delivered into escrow the Purchase Price and all other funds as required by this Agreement and having complied with all other covenants and conditions to be performed or complied with by Buyer.

13. Failure of Seller's Conditions. Should any of the conditions to Seller's obligation to close the escrow and complete the sale of the Property as specified in this



Agreement fail to occur prior to the date established herein for the Close of Escrow, Seller shall have the power, exercisable by giving written notice to the Escrow Holder and to Buyer, to cancel the Escrow and terminate this Agreement. Seller's cancellation of the Escrow pursuant to this paragraph shall not constitute a waiver of any other rights or remedies available to Seller from breach of this Agreement by Buyer. The Escrow Holder shall be, and is hereby irrevocably instructed by Seller and Buyer, on any such failure of conditions and receipt of such cancellation and termination notice from Seller, to immediately refund to Buyer all monies and instruments deposited by Buyer in Escrow pursuant to this Agreement, and to deliver to Seller all instruments deposited by Seller in Escrow pursuant to this Agreement.

14. Items to be Delivered at Close of Escrow.

14.1 Seller shall execute in Escrow or deliver to Escrow Holder for delivery to Buyer at Close of Escrow:

14.1.1 A bill of sale in a form satisfactory to the parties, covering any of the Property which is personal property, a description of which is attached hereto as Exhibit 14.1.1;

14.1.2 A deed for the Property, in a form corresponding to the form of the deed, by which Seller acquired the Property (the "Deed");

14.2 Buyer shall execute and deliver to Escrow Holder, for delivery or disbursement at the Close of Escrow:

14.2.1 A bank cashier's, certified check or wire transfer in an amount equal to the Purchase Price; plus the amount of Buyer's share of other costs and expenses to be borne by Buyer as set forth herein.

14.3 Escrow Holder shall:

14.3.1 Record the Deed.

14.3.2 Cause the final policy of title insurance to be issued and delivered to Buyer.

14.3.3 Deliver the Bill of Sale to Buyer.

14.3.4 Deliver the escrow proceeds to Seller minus its share of the costs and expenses, as herein provided.

15. **Title of Personal Property.** Title to any personal property shall be conveyed to Buyer by the Bill of Sale free and clear of any mortgages, liens, charges, encumbrances, licenses, or other agreements, judgments, obligations, or other matters affecting title.

16. **Indemnification.**

16.1 From and after the Close of Escrow, Seller shall indemnify and hold harmless Buyer (and Buyer's directors, officers, agents and employees) against and in respect of any and all claims, demands, damages, liabilities, losses, judgments, assessments, costs and expenses (including reasonable attorneys' fees) of any kind or nature whatsoever which may be asserted by anyone against Buyer (or Buyer's directors, officers, agents or employees):

16.1.1 By reason of any act, omission, or event relating to the Real Property arising, or occurring during Seller's ownership of the Property; or

16.1.2 Based upon or related to a breach of any representation, warranty, or covenant made by Seller in this Agreement or in any exhibit, document, statement, schedule or certificate delivered pursuant to this Agreement.

16.2 From and after the Close of Escrow, Buyer shall indemnify and hold harmless Seller (and seller's members, officers, agents and employees) against and in respect of any and all claims, demands, damages, liabilities, losses, judgments, assessments, costs, and expenses (including reasonable attorneys' fees) of any kind or nature whatsoever which may be asserted by anyone against Seller (or Seller's members, officers, agents or employees):

16.2.1 By reason of any act, omission, or event arising, or occurring during Buyer's ownership of the Property; or

16.2.2 Based upon or related to a breach of any representation, warranty, or covenant made by Buyer in this Agreement or in any exhibit, document, statement, schedule or a certificate delivered pursuant to this Agreement.

17. **Entire Agreement.** This Agreement constitutes the sole and only agreement between Buyer and Seller concerning the Property and their rights and duties in connection with the Property. Any prior or other agreements or representations between Buyer and Seller regarding those matters are null and void unless expressly set forth in this Agreement.

18. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of California.

19. **Notices.** All notices and demands of any kind which either party may be required or desires to serve upon the other party shall be in writing and shall be served upon

such other party by personal service, facsimile transmission, or by mailing a copy thereof, certified or registered mail, postage prepaid, addressed as follows:

If to Seller: _____

If to Buyer: _____

Service shall be deemed complete on the date of personal service, facsimile transaction or the actual delivery as shown on the addressee's return receipt, whichever is earlier. The addresses to which notices and demands shall be delivered or sent may be changed from time to time by notice to the other party.

20. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same agreement.

SELLER:

Dated: _____

By: _____

BUYER:

Dated: _____

By: _____

225313.2


CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California
 County of Kern

On Dec. 14, 1995 before me, Pam Hyles, personally appeared
Adrienne J. Mathews

 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.



Pam Hyles
 NOTARY PUBLIC

- OPTIONAL SECTION -

Capacity Claimed by Signer:
 Individual Corporate Officer(s) Title(s)
 Partner(s) Limited General
 Attorney-in-Fact Trustee(s) Guardian/Conservator
 Other
 Signer is Representing Person/Entity

- OPTIONAL SECTION -

Title or Type of Document
 Number of Pages Date of Document
 Signer(s) other than named above

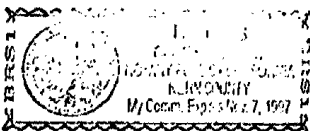
CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California
 County of Kern

On Dec. 14, 1995 before me, Pam Hyles, personally appeared
William Phillimore

 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.



Pam Hyles
 NOTARY PUBLIC

- OPTIONAL SECTION -

Capacity Claimed by Signer:
 Individual Corporate Officer(s) Title(s)
 Partner(s) Limited General
 Attorney-in-Fact Trustee(s) Guardian/Conservator
 Other
 Signer is Representing Person/Entity

- OPTIONAL SECTION -

Title or Type of Document
 Number of Pages Date of Document
 Signer(s) other than named above

1. Preliminary Report - CA

CLTA Preliminary Report Form
(Rev. 11/06)

Order Number: 1503-4366383
Page Number: 1



First American Title

First American Title Company

**8500 Stockdale Hwy., Suite 190
Bakersfield, CA 93311**

Jon Parker
Kern Water Bank Authority
1620 Mill Rock Way, Suite 500
Bakersfield, CA 93311
Phone: (661)398-4900
Fax: (661)398-4959

Customer Reference: 524-140-04
Order Number: 1503-4366383 (NA)

Title Officer: Nick Ashcraft
Phone: (661)617-1471
Fax No.: (866)225-9007
E-Mail: nashcraft@firstam.com
Property: Vacant Land
CA

PRELIMINARY REPORT

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

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

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

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

Dated as of April 18, 2013 at 7:30 A.M.

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

To Be Determined

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

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

KERN WATER BANK AUTHORITY

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

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

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

1. General and special taxes and assessments for the fiscal year 2013-2014, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2012-2013.
First Installment: \$0.00, NO TAX DUE
Penalty: \$0.00
Second Installment: \$0.00, NO TAX DUE
Penalty: \$0.00
Tax Rate Area: 061-001
A. P. No.: 524-140-04-00-2
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. Taxes and assessments, if any, of the North Kern Water Storage District.
5. Taxes and assessments, if any, of the Kern Community College District.
6. Rights of the public in and to that portion of the land lying within any Road, Street, Alley or Highway.

7. Contract of settlement of water rights made between Henry Miller and others, as parties thereto of the first part and James B. Haggin and others, as parties thereto or the second part, under date of July 28, 1888, recorded in Book 2 Page 40 et seq. of Agreements, and also the amendment thereof or supplement thereto, dated November 30, 1889; all as recited in the deed executed by James B. Haggin to Kern County Land Company, a Corporation, dated July 12, 1892 and recorded December 30, 1892 in Book 44, Page 287 et seq. of Deeds.
8. An easement for the hereinafter specific purpose and incidental purposes, in favor of County of Kern and public in general as per viewers report Volume 7, Page 147 of Minute Books.

Said easement is for public highway purposes and affects any portion of said land lying within the lines of Taft Highway State Hwy 119.
9. An easement for a canal to be known as "James Canal" and incidental purposes, recorded June 25, 1928 in Book 128, Page 252 of Official Records.
In Favor of: James Canal Company
Affects: As described therein
10. The effect of a map purporting to show the land and other property, filed April 9, 1937 in Book 4, Pages 48, 49 and 50 of Record of Surveys.
11. Any easement affecting the portion of said land and for the purposes stated herein, and incidental purposes,
In Favor of: Shell Oil Company, Incorporated, a corporation
For: A pipe line for the transportation of gas
Disclosed by: Notice of Completion
Recorded: August 2, 1949 in Book 1615 Page 499, of Official Records.
12. Terms, provisions, covenants, restrictions and conditions contained in a document executed pursuant to the California Land Conservation Act of 1965 (Williamson Act) and recorded February 28, 1979 as Instrument No. 020167 in Book 5178, Page 2317 of Official Records.
13. An easement for canal purposes and incidental purposes, recorded December 6, 1978 in Book 5159, Page 2217 of Official Records.
In Favor of: North Kern Water Storage District
Affects: As described therein
14. An unrecorded license affecting the portion of said land and for the purposes stated herein, and incidental purposes
In Favor Of: The Norwalk Company
For: Pipeline
Disclosed by: Second Amendment of Pipe Line License Agreement
Recorded: February 23, 1981 in Book 5353 Page 2351, of Official Records.
15. An oil and gas lease executed by Tenneco West, Inc., a Delaware corporation as lessor and Tenneco Oil Company, a Delaware corporation as lessee, recorded August 11, 1988 in Book 6152, Page 132 of Official Records.

(Affects the Southeast quarter and the East half of the Southwest quarter of Section 32 and other property)

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records.

16. Covenants, conditions, restrictions and easements in the document recorded August 31, 1988 in Book 6158, Page 1098 of Official Records, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
17. Covenants, conditions, restrictions and easements in the document recorded August 9, 1996 as Instrument No. 0196102058 of Official Records, but deleting any covenant, condition, or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, familial status, disability, handicap, national origin, genetic information, gender, gender identity, gender expression, source of income (as defined in California Government Code § 12955(p)) or ancestry, to the extent such covenants, conditions or restrictions violation 42 U.S.C. § 3604(c) or California Government Code § 12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
18. The terms and provisions contained in the document entitled Trust Agreement, executed by and between Westside Mutual Water Company, LLC, a California limited liability company and Kern Water Bank Authority, a public entity created pursuant to the Joint Exercise of Powers Act, recorded August 22, 1996, as Instrument No. 0196107584 of Official Records.
19. The terms and provisions contained in the document entitled "Memorandum of Transfer of Water in Storage" recorded August 26, 1996 as Instrument No. 0196108972 of Official Records.
20. The terms and provisions contained in the document entitled Memorandum of Agreement for Pioneer Project Participation Agreement, executed by and between Kern County Water Agency, The Buena Vista Water Storage District, Henry Miller Water District, Kern Delta Water District, Rosedale-Rio Bravo Water Storage District, Wheeler Ridge-Maricopa Water Storage District, Tejon-Castac Water District, Semitropic Water Storage District, Lost Hills Water District, Belridge Water Storage District, Berrenda-Mesa Water District and the Kern County Water Agency on behalf of its improvement District No. 4, recorded June 26, 1998, as Instrument No. 0198085654 of Official Records.
21. The terms and provisions contained in the document entitled Common Use Agreement Between Kern Water Bank Authority, and Buena Vista Water Storage District, executed by and between Kern Water Bank Authority and Buena Vista Water Storage District, recorded March 16, 2000, as Instrument No. 0200030317 of Official Records.

22. An easement for state highway purposes and incidental purposes, recorded August 9, 1996 as Instrument No. 0196101605 of Official Records.

In Favor of: The State of California, acting by and through its Director of
Water Resources

Affects: South 30 feet of said land

23. The effect of a document entitled "Director's Deed", recorded August 9, 1996 as Instrument No. 0196101605 of Official Records.

The recital in said document which recites:

"The Department of Water Resources, State of California, hereby (1) reserves to itself title to one-half of the La Hacienda Program Water and one-half of the Berrenda Mesa Demonstration Program Water; and (2) grants to Kern County Water Agency one-half of the La Hacienda Program Water, one-half of the Berrenda Mesa Demonstration Program Water, all of the 1995 water, and all other water on, in, or under the real property which has not been reserved to the State herein. "Berrenda Mesa Demonstration Program Water" shall mean 2,532 acre feet of groundwater that has not been extracted by the State before the close of escrow on the property as part of the 1990 Berrenda Mesa Demonstration Program. "La Hacienda Program Water" shall mean the 83,127 acre feet of water that has not been extracted before the close of escrow of the 98,005 acre-feet of the groundwater purchased by the State from the Kern County Water Agency, and the Kern County Water Agency from La Hacienda, Inc., in 1991, "1995 Water" shall mean all water on, in, or under the real property upon closing that was delivered to and spread upon the real property at any time during 1995 by or for the Kern County Water Agency or its member units or the members of the Kern Water Bank Authority".

24. The effect of a document entitled "Deed", recorded August 9, 1996 as Instrument No. 0196101606 of Official Records.

The recital in said deed which recites:

The water described in this reservation, which is not otherwise reserved by Department of Water Resources, is conveyed to the Kern Water Bank Authority.

25. The terms and provisions contained in the document entitled Memorandum of Unrecorded Grant Agreement, executed by and between State of California, by and through the Wildlife Conservation Board ("WCB") and Kern Water Bank Authority ("KWB"), recorded January 25, 2002, as Instrument No. 0202011717 of Official Records.

26. The terms and provisions contained in the document entitled Memorandum of Natural Community Conservation Plan/Habitat Conservation Plan, executed by and between United States Fish and Wildlife Service, ("The Service") and the California Department of Fish and Game, ("The Department") and Kern Water Bank Authority, a California joint powers authority ("KWBA"), recorded September 27, 2002, as Instrument No. 0202160485 of Official Records.

27. A deed of trust to secure the performance of an agreement or other obligation, recorded November 25, 2003 as Instrument No. 0203256936 of Official Records.

Dated: November 1, 2003
Trustor: Kern Water Bank Authority
Trustee: American Securities Company, a corporation
Beneficiary: Wells Fargo Bank, National Association

28. The terms and provisions contained in the document entitled Assignment and Pledge of Water and Water Rights, executed by and between Dudley Ridge Water District ("Dudley Ridge"), Kern County Water Agency ("KWCA"), Semitropic Water Storage District ("Semitropic"), Tejon-Castac Water District ("Tejon-Castac"), Westside Mutual Water Company, LLC ("Westside") and Wheeler Ridge-Maricopa Water Storage District ("Wheeler Ridge-Maricopa") and Kern Water Bank Authority (the "Authority"), recorded March 31, 2004, as Instrument No. 0204070851 of Official Records.
29. An easement for utilities together with ingress and egress and incidental purposes, recorded April 26, 2005 as Instrument No. 0205103812 of Official Records.
In Favor of: Pacific Gas and Electric Company, a California corporation
Affects: As described therein
30. The terms and provisions contained in the document entitled "Notice of Intent to Preserve Mineral Rights" recorded November 17, 2006 as Instrument No. 0206286186 of Official Records.
31. Rights of parties in possession.

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

32. With respect to Kern Water Bank Authority, we will require copies of the articles of organization, bylaws, and other governing documents and any amendments thereto. Other requirements will be made following a review of such documents.

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. The property covered by this report is vacant land.
2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

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

LEGAL DESCRIPTION

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

ALL OF SECTION 32, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE NORTH HALF OF THE NORTHWEST QUARTER, THE NORTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER, THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

APN: 524-140-04-00-2

Order Number: **1503-4366383**
Page Number: 10

NOTICE

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

If you have any questions about the effect of this new law, please contact your local First American Office for more details.

**EXHIBIT A
 LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
 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 those portions of any law or government regulation concerning:
 - (a) building;
 - (b) zoning;
 - (c) land use;
 - (d) improvements on the Land;
 - (e) land division; and
 - (f) environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - (a) that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - (b) that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - (c) that result in no loss to You; or
 - (d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - (b) in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows: For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

**ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
 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:
 - (a) and use
 - (b) improvements on the land
 - (c) and division
 - (d) 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 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:

- (a) a notice of exercising the right appears in the public records on the Policy Date
 - (b) 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:
 - (a) that are created, allowed, or agreed to by you
 - (b) that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
 - (c) that result in no loss to you
 - (d) 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:
 - (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A OR
 - (b) in streets, alleys, or waterways that touch your land
- This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

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

- 1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that 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 an Insured to comply with applicable doing-business laws of the state where the Land is situated.
- 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
- 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

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

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:

- 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.

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

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

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

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:

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.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)
EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that 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 an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.



First American Title

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site. There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive. FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

2. Exhibit A

EXHIBIT 'A'

File No.: **1503-4366383 (NA)**

Property: **Vacant Land, , CA**

ALL OF SECTION 32, TOWNSHIP 30 SOUTH, RANGE 26 EAST, MOUNT DIABLO MERIDIAN, IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THE NORTH HALF OF THE NORTHWEST QUARTER, THE NORTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER, THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER (ALL HEREIN COLLECTIVELY CALLED "MINERALS") NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD AND SHALL INCLUDE, BUT NOT BE LIMITED TO OIL, GAS, OTHER HYDROCARBONS AND ALL OTHER MINERAL SUBSTANCES AND PRODUCTS, BOTH METALLIC AND NON-METALLIC, SOLID, LIQUID, OR GASEOUS), WHICH ARE UPON, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY ALL SALT WATER (WATER CONTAINING OVER 10,000 P.P.M. T.D.S.) WHICH IS IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; TOGETHER WITH THE SPECIFIC RIGHTS ENUMERATED AND MADE A PART OF THEREIN, ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION, IN DEED RECORDED AUGUST 31, 1988 IN BOOK 6158 PAGE 1098, OF OFFICIAL RECORDS.

A.P.N. 524-140-04-00-2