



Commonwealth Land Title Company
3480 Vine Street
Suite 100
Riverside, CA 92507
Phone: (951) 774-0825

Commonwealth Land Title Co.
1555 S Palm Canyon Dr
Ste #D101 & D102
Palm Springs, CA 92264

Our File No: 08403398 - 22
Title Officer: Lisa Saly
e-mail: lsaly@landam.com
Phone: (951) 774-0825
Fax: (951) 781-1169

Attn: **Dorothy Grames**

Your Reference No:

Property Address: 68 Royal Saint Georges Court, City of Rancho Mirage, California

PRELIMINARY REPORT

Dated as of July 30, 2008 at 7:30 a.m.

In response to the above referenced application for a policy of title insurance, Commonwealth Land Title 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 B 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 B. 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 B 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.

SCHEDULE A

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

CLTA Homeowner's Policy of Title Insurance

ALTA Loan 2006 Policy (6-17-06)

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

A FEE

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

70 Royal St. Georges LLC, a California Limited Liability Company

The land referred to herein is situated in the County of Riverside, State of California, and is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"

All that certain real property situated in the County of Riverside, State of California, described as follows:

All of Lot 16 of and that portion of Lot 15 of Tract No. 360, in the City of Rancho Mirage, County of Riverside, State of California, as shown by Map on file in Book 360, Pages 18 through 28 of Maps, records of Riverside County, described as a whole as follows:

Beginning at the southwest corner of said Lot 15, thence North $14^{\circ}13'25''$ West a distance of 18.00 feet;
Thence North $89^{\circ}47'53''$ East a distance of 118.70 feet;
Thence North $40^{\circ}24'00''$ East a distance of 58.10 feet to the beginning of a tangent curve concave southerly and having a radius of 46.00 feet;
Thence northeasterly along said curve through a central angle of $76^{\circ}20'00''$ and a length of 61.28 feet to the beginning of a tangent compound curve concave southwesterly and having a radius of 37.00 feet;
Thence southerly along said curve through a central angle of $26^{\circ}05'34''$ and a length of 16.85 feet;
Thence South $37^{\circ}10'26''$ East a distance of 7.40 feet to the beginning of a tangent curve concave northeasterly and having a radius of 17.00 feet;
Thence along said curve through a central angle of $20^{\circ}59'50''$ and a length of 6.23 feet to the beginning of a tangent compound curve concave northerly and having a radius of 19.00 feet;
Thence easterly along said curve through a central angle of $54^{\circ}02'49''$ and a length of 17.92 feet;
Thence South $20^{\circ}00'00''$ East a distance of 9.59 feet to a point on a nontangent curve concave westerly and having a radius of 21.00 feet, a radial bearing passing through said point bears South $88^{\circ}45'53''$ East;
Thence southwesterly along said curve through a central angle of $39^{\circ}30'00''$ and a length of 14.48 feet;
Thence South $58^{\circ}30'00''$ East a distance of 14.95 feet to a point of the westerly line of said Lot 15;
Thence South $20^{\circ}00'00''$ East a distance of 62.32 feet to a point on St. Georges Court, said point being on a non tangent curve concave easterly and having a radius of 45.00 feet, a radial bearing passing through said curve bears North $41^{\circ}26'37''$ West;
Thence southerly along said curve and westerly line of said St. Georges Court through a central angle of $47^{\circ}26'06''$ and a length of 37.26 feet;
The following five courses being along the southerly and westerly lines of said Lot 16;
Thence South $27^{\circ}03'34''$ West a distance of 55.72 feet;
Thence South $89^{\circ}47'35''$ West a distance of 223.08 feet;
Thence North $05^{\circ}19'18''$ West a distance of 26.38 feet to the beginning of a tangent curve concave westerly and having a radius of 103.00 feet;

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Thence northwesterly along said curve through a central angle of $19^{\circ}32'43''$ and a length of 35.14 feet;
Thence North $14^{\circ}13'25''$ West a distance of 60.68 feet to the point of beginning.

EXCEPT therefrom all oil, gas, minerals, and other hydrocarbon substances lying below the surface of said land, but with no right of surface entry, as provided in deeds of record.

SCHEDULE B – Section A

The following exceptions will appear in policies when providing standard coverage as outlined below:

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 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.

SCHEDULE B – Section B

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

- A. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, to be levied for the fiscal year 2008 – 2009 which are a lien not yet payable.
- B. The lien of any special assessment or tax resulting from the inclusion of the property in a special assessment district or Mello-Roos Community Facilities District, which may exist by virtue of assessment maps or notices filed and/or recorded by any such district. Assessments, if any, arising from such assessment districts may be collected with the regular real property taxes.
- C. Supplemental or escaped assessments of property taxes, if any, assessed pursuant to the Revenue and Taxation Code of the State of California.

- 1. Easements over said land for public roads, rights of way, and rights incidental thereto; also private easements over said land for roads, pipelines, ditches, and rights incidental thereto, for purposes of ingress and egress and for conveying irrigating and domestic water,

In favor of: Coachella Valley County Water District and the Public

- 2. An easement for the purposes shown below and rights incidental thereto as shown or as offered for dedication on the recorded map of said tract.

Purpose: Public utilities
Affects: As shown on said Map

- 3. A declaration of covenants, conditions and restrictions which, among other things, may contain or provide for easements; assessments, liens and the subordination thereof; said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

Recorded: September 18, 1987 as Instrument No. 87-271673, of Official Records

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

Said instrument also provides for the levy of assessments, the liens of which are stated to be subordinate to the lien of any mortgage or deed of trust made in good faith and for value.

Among other things, said document provides for:

Easements over a portion of said land for the purpose therein shown, and rights incidental thereto.

Modification(s) of said covenants, conditions and restrictions
Recorded: February 23, 1998 as Instrument No. 98-62098, of Official Records

Modification(s) of said covenants, conditions and restrictions
Recorded: February 23, 1998 as Instrument No. 98-62100, of Official Records

Modification(s) of said covenants, conditions and restrictions
Recorded: May 24, 1999 as Instrument No. 99-225007, of Official Records

Modification(s) of said covenants, conditions and restrictions
Recorded: August 06, 2004 as Instrument No. 04-615624, of Official Records

The provisions of said covenants, conditions and restrictions were extended to include the herein-described land by an instrument

Recorded: November 08, 1999 as Instrument No. 99-493816, of Official Records

4. The matters contained in a document entitled "Restrictions and Reservations of Rights and Easements" recorded December 29, 1989 as Instrument No. 89-458151, of Official Records.

Reference is made to said document for full particulars.

5. The matters contained in a document entitled "Declaration of Reservations, Rights and Easements" recorded July 28, 1995 as Instrument No. 95-246056, of Official Records.

Reference is made to said document for full particulars.

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

Granted to: Southern California Edison Company, a Corporation

Purpose: Public utilities

Recorded: February 26, 2004 as Instrument No. 04-131664, of Official Records

Affects: said land more particularly described therein.

7. The fact that said land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document.

Redevelopment Agency: Rancho Mirage Merged Redevelopment Project Area

Recorded: February 27, 2004 as Instrument No. 04-134828, of Official Records

8. A declaration of covenants, conditions and restrictions which, among other things, may contain or provide for easements; assessments, liens and the subordination thereof; said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

Recorded: July 29, 2004 as Instrument No. 04-586381, of Official Records

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

Said instrument also provides for the levy of assessments, the liens of which are stated to be subordinate to the lien of any mortgage or deed of trust made in good faith and for value.

Among other things, said document provides for:

Easements over a portion of said land for the purpose therein shown, and rights incidental thereto.

9. The matters contained in a document entitled "Private and Common Area and Landscape and Improvement Maintenance Covenant" recorded July 29, 2004 as Instrument No. 04-586382, of Official Records.

Reference is made to said document for full particulars.

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

Granted to: GTE California Incorporated, a Corporation
Purpose: Public utilities
Recorded: October 20, 2004 as Instrument No. 2004-0829709, of Official Records
Affects: said land more particularly described therein.

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

Granted to: Verizon California Inc., a Corporation
Purpose: Public utilities
Recorded: October 20, 2004 as Instrument No. 2004-0829711, of Official Records
Affects: said land more particularly described therein.

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

Granted to: Verizon California Inc., a Corporation
Purpose: Public utilities
Recorded: December 22, 2004 as Instrument No. 2004-1012550, of Official Records
Affects: said land more particularly described therein.

13. An easement for the purpose shown below and rights incidental thereto as set forth in a document
- | | |
|-------------|---|
| Granted to: | Southern California Edison Company, a Corporation |
| Purpose: | Public utilities |
| Recorded: | June 28, 2006 as Instrument No. 2006-0467913, of Official Records |
| Affects: | said land more particularly described therein. |

14. Easement, for ingress, egress, pipeline, or public utilities, and incidental purposes, as disclosed by instruments of record, affecting only the "Common Area."

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

Amount:	\$3,120,000.00
Dated:	June 18, 2007
Trustor:	Frank A. Eder, a married man as his sole and separate property
Trustee:	LandSafe Title of California, Inc.
Beneficiary:	Wall Street Mortgage Bankers, Ltd, D/B/A Power Express
Recorded:	June 26, 2007 as Instrument No. 2007-0415505, of Official Records
Loan No.:	313314-PERM

SAID DEED OF TRUST AFFECTS THE HEREIN DESCRIBED LAND AND OTHER LAND.

An assignment of the beneficial interest under said deed of trust which names

As Assignee:	IndyMac Bank, F.S.B.
Recorded:	June 26, 2007 as Instrument No. 2007-0415506, of Official Records

16. Any claims for mechanic's liens on said land that may be recorded by reason of a work of improvement that is disclosed by a Notice of Completion

Recorded:	July 29, 2008 as Instrument No. 2008-0412098, of Official Records
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17. A lien for unsecured property taxes filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County:	Riverside
Fiscal Year:	2004-2005
Taxpayer:	70 Royal St Georges
County ID No.:	052205104-3
Amount:	\$145.91, plus penalty and costs
Recorded:	April 30, 2008 as Instrument No. 2008-0221011, of Official Records

END OF SCHEDULE B EXCEPTIONS

PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH FOLLOWS FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION

REQUIREMENTS SECTION:

REQ NO.1: The Company will require a statement of information from the parties named below in order to complete this report, based on the effect of documents, proceedings, liens, decrees, or other matters which do not specifically describe said land, but which, if any do exist, may affect the title or impose liens or encumbrances thereon.

Parties	Buyers/Sellers
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REQ NO.2: The Company will require that it be furnished a written statement from the Homeowners' Association of which said property owner is a member, which will provide that all liens, charges and/or assessments levied on said land have been paid. Said statement should provide clearance up to and including the time of closing. In order to avoid unnecessary delays at the time of closing, we ask that you obtain and forward said statement at your earliest convenience.

INFORMATIONAL NOTES SECTION

NOTE NO. 1: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.

NOTE NO. 2: California insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.

WIRING INSTRUCTIONS FOR THIS OFFICE ARE:

Union Bank of California
1980 Saturn Street
Monterey Park, CA 91755
Phone: (800) 218-6466
ABA #122-000-496
Credit To: Commonwealth Land Title Company – Inland Empire
Account #9100194640

RE: 08403398 811 - DG4

PLEASE INDICATE COMMONWEALTH LAND TITLE COMPANY ESCROW OR TITLE ORDER NUMBER

NOTE NO. 3: The charges which the company will make for next day messenger services (i.e. Federal Express, UPS, DHL, Airborne, Express mail, etc.) Are \$15.00 per letter, standard overnight service, and \$25.00 for larger size packages and/or priority delivery services. Such charges include the cost of such messenger service and the company's expenses for arranging such messenger service and its overhead and profit. Special messenger services will be billed at the cost of such services. There will be no additional charge for pick-up or delivery of packages via the company's regularly scheduled messenger runs.

NOTE NO. 4. The charge for a policy of title insurance, when issued through this title order, will be based on the Short Term Rate.

NOTE NO. 5. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an ALTA Loan Policy, when issued.

NOTE NO. 6. The following information will be included in the CLTA Form 116 or ALTA Form 22-06 Endorsement to be issued pursuant to this order:

There is located on said land: A single family residence
Known as: 68 Royal Saint Georges Court, City of Rancho Mirage, California

NOTE NO. 7. THIS COMPANY REQUIRES CURRENT BENEFICIARY DEMANDS PRIOR TO CLOSING. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:

- (a) If this Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.
- (b) If this Company cannot obtain a verbal update on the demand, we will either pay off the expired demand, or wait for the amended demand, at our discretion.
- (c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).

NOTE NO. 8: The only conveyances affecting said land, which recorded within 24 months of the date of this report, are as follows

Grantor: Kimberly Lynne Bauer (spouse of grantee)
Grantee: Frank A. Eder, a married man as his sole and separate property
Recorded: June 26, 2007 as Instrument No. 415503, of Official Records

Grantor: 70 Royal St. Georges, LLC, a California limited liability company
Grantee: Frank A. Eder, a married man as his sole and separate property
Recorded: June 26, 2007 as Instrument No. 2007-0415504, of Official Records

Grantor: Frank A. Eder, a married man as his sole and separate property
Grantee: 70 Royal St. Georges, LLC
Recorded: November 28, 2007 as Instrument No. 2007-0715023, of Official Records

Grantor: 70 Royal St. Georges, LLC a California limited liability company
Grantee: Frank A. Eder, a married man as his sole and separate property
Recorded: March 19, 2008 as Instrument No. 2008-0133835, of Official Records

Grantor: Frank A. Eder, a married man as his sole and separate property
Grantee: 70 Royal St. Georges, LLC a California Limited Liability Company
Recorded: August 18, 2008 as instrument no. 0455448 Official Records

NOTE NO. 9: Association Assessments are periodically due from holders of title to said land to the Homeowner's Association and transfer fees may be due whenever there is a transfer of title of any of the units. In order to ascertain seller's/buyer's association assessments and transfer fee requirements prior to transfer of a unit, Escrow companies are requested to contact said Homeowner's Association.

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NOTE NO. 10: Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, for the fiscal year shown below, are paid. For proration purposes the amounts are:

Fiscal year	2007 - 2008
1st Installment:	\$4,236.39
2nd Installment:	\$4,236.39
Exemption:	\$0.00
Code Area:	017-006
Assessment No.:	673-800-007-7

NOTE NO. 11: Property taxes, including general and special taxes, personal property taxes, if any, And any assessments collected with taxes, for the fiscal year shown below, are paid. For proration Purposes the amounts are:

Fiscal Year	2007-2008
1 st Installment:	\$4,244.80
2 nd Installment:	\$4,244.80
Exemption:	\$0.00
Code Area:	017-006
Assessment No:	673-800-006-6

Typist: 777

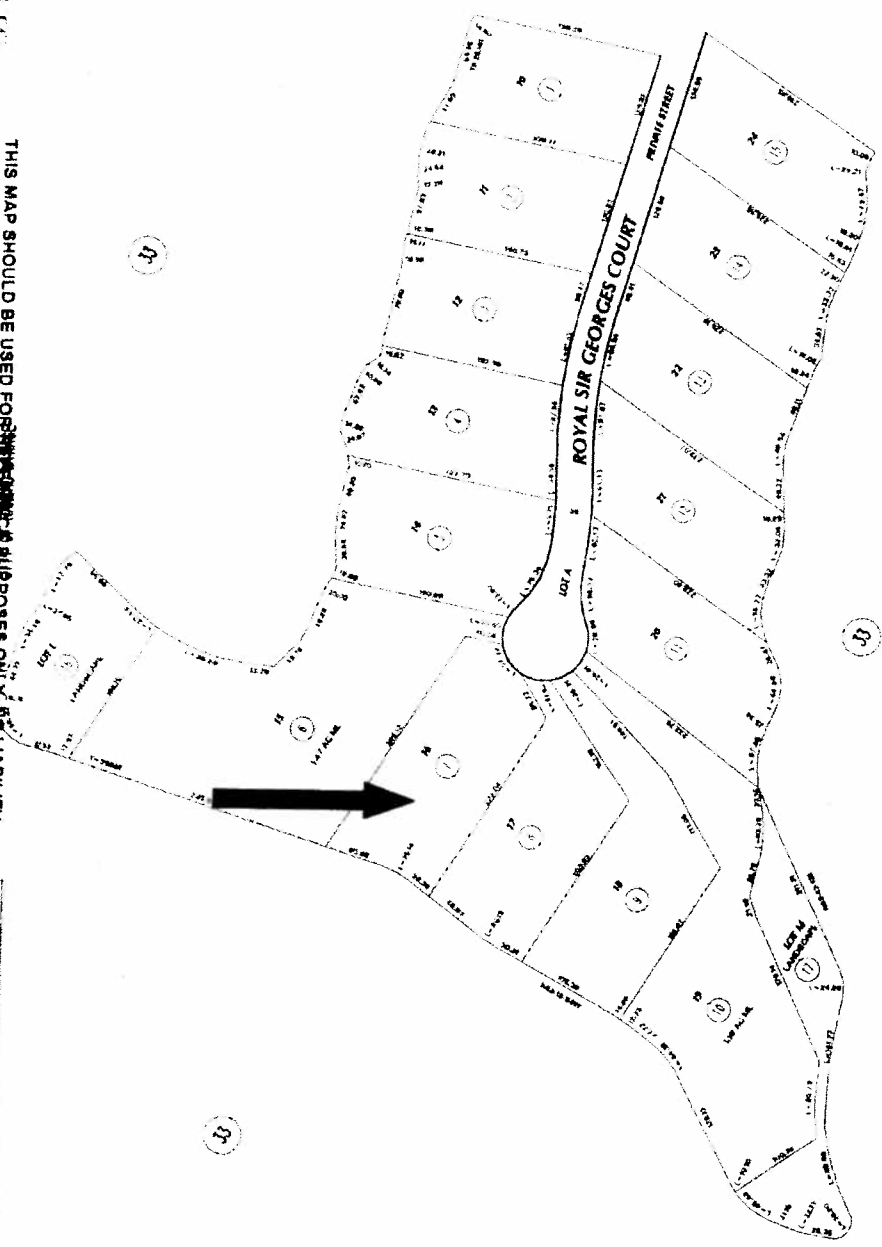
Date Typed: August 6, 2008

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THIS MAP SHOULD BE USED FOR INFORMATIONAL PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.

THIS MAP IS THE PROPERTY OF THE COUNTY OF ALAMEDA AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE COUNTY OF ALAMEDA.



ASSESSOR'S MAP 84873 PG. 04
Alameda County, Calif.

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