

1. PR Checklist



PRELIMINARY REPORT OVERVIEW
Created October 19, 2010

File #: DIV-3634446

Title Officer: Bonnie Stark/Korey Mulvey/MarieCastillo

Property Address: 1600 Torrey Pines Road, La Jolla, CA 92037

APN #: 350-141-16-00

Date of Prelim: October 08, 2010

Prelim Vesting: FULLERTON COMMUNITY BANK, FSB

Taxes:

1st Half Taxes: paid open

2nd Half Taxes: paid open

Supplemental Taxes Due: no yes

Delinquent/Defaulted Taxes Due: no yes

Comments:

- **Liens/Judgments:** Item#: 20, 21, and 22
- **Misc & Infrequent items found:** Item#: 25

2. Preliminary Report - CA

CLTA Preliminary Report Form
(Rev. 11/06)

Order Number: DIV-3634446
Page Number: 1



First American Title Company

**3131 Camino Del Rio North Suite 190
San Diego, CA 92108**

Steve Uhlir
SURE Real Estate Brokerage
3525 Del Mar Heights Road #370
San Diego, CA 92130-2122
Phone: (888)888-4616
Fax: (888)777-3610

Customer Reference:

Order Number: DIV-3634446 (16)

Title Officer: Bonnie Stark/Korey Mulvey/MarieCastillo
Phone: (619)231-4657
Fax No.: (866)503-3866
E-Mail: title16@firstam.com
Property: 1600 Torrey Pines Road
La Jolla, 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 October 08, 2010 at 7:30 A.M.

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

1998 ALTA/CLTA Homeowner's (EAGLE) Policy of Title Insurance if the land described is an improved residential lot or condominium unit on which there is located a one_to_four family residence, or ALTA Standard Owner's Policy 2006 (WRE 06-17-06) if the land described is an unimproved residential lot or condominium unit; ALTA Loan Policy 2006 (06-17-06)

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:

FULLERTON COMMUNITY BANK, FSB

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

A fee as to Parcel(s) A, an easement as to Parcel(s) B and C.

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 2010-2011.

First Installment:	\$6,555.11, PAYABLE
Penalty:	\$0.00
Second Installment:	\$6,555.11, PAYABLE
Penalty:	\$0.00
Tax Rate Area:	08001
A. P. No.:	350-141-16-00
2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
3. Any easements and/or servitudes affecting easement parcel(s) B and C herein described.
4. Any claim that any portion of the land is below the ordinary high water mark where it was located prior to any artificial or avulsive changes in the location of the shoreline.
5. An easement for storm drain and incidental purposes, recorded in Book 881 of Deeds, Page 184.
In Favor of: City of San Diego

- Affects: As described therein
6. An easement for storm drain and incidental purposes, recorded in Book 1029 of Deeds, Page 242.
In Favor of: City of San Diego
Affects: As described therein
 7. An easement for public street and incidental purposes, recorded July 16, 1948 in Book 2875, Page 487 of Official Records.
In Favor of: The City of San Diego
Affects: As described therein
 8. An easement for slope rights over a sufficient area of the land lying Northerly from and immediately adjacent to Torrey Pines Road to permit excavation slopes at a ratio of 1 foot horizontal to one foot vertical and embankment slopes as a ratio of 1 1/2 feet horizontal to one foot vertical for the ultimate highway improvement. Said ultimate excavation and embankment slopes shall start at the official grade to be hereafter established in connection with the proposed improvement at a point not farther from the center line of the highway than the Northerly line of the above described parcel of highway rights of way conveyed by the Deed together with the right to extend drainage structures to the toe of the above embankment slopes where required for the improvement of the public road or highway and incidental purposes, recorded October 25, 1951 in Book 4272 of Official Records, Page 524.
In Favor of: City of San Diego
Affects: As described therein
 9. The terms and provisions contained in the document entitled "Covenant and Agreement" recorded May 31, 1973 as Instrument No. 148212 of Official Records.

Document(s) declaring modifications thereof recorded August 15, 2000 as Instrument No. 00-433952 of Official Records.
 10. The terms and provisions contained in the document entitled "Agreement" recorded September 19, 1984 as Instrument No. 84-354487 of Official Records.
 11. The terms and provisions contained in the document entitled "Declaration of Covenants for Public Improvements" recorded September 27, 1984 as Instrument No. 84-366896 of Official Records.
 12. The terms, provisions and easement(s) contained in the document entitled "Private Driveway Easement" recorded May 21, 2002 as Instrument No. 02-430300 of Official Records.
 13. The terms and provisions contained in the document entitled "Coastal Development Permit No. 10577 Site Development Permit No. 10582 CWS Residence - Project No. 6400 [MMRP] City Council" recorded June 23, 2006 as Instrument No. 06-445223 of Official Records.

Document re-recorded August 23, 2006 as Instrument No. 06-600989 of Official Records.
 14. The terms and provisions contained in the document entitled "Deed Restriction" recorded September 27, 2007 as Instrument No. 07-630063 of Official Records.

15. An easement for drainage easement and incidental purposes, recorded October 5, 2007 as Instrument No. 07-646480 of Official Records.
In Favor of: City of San Diego, a Municipal Corporation
Affects: As described therein
16. The terms and provisions contained in the document entitled "Encroachment Maintenance and Removal Agreement" recorded January 2, 2008 as Instrument No. 08-637 of Official Records.
17. An easement for view corridor easement and incidental purposes, recorded April 13, 2009 as Instrument No. 09-185506 of Official Records.
In Favor of: City of San Diego, a Municipal Corporation
Affects: As described therein
18. A note and/or provision regarding littoral rights is shown or disclosed by the filed or recorded map referred to in the legal description.
19. Water rights, claims or title to water, whether or not shown by the public records.
20. A claim of lien recorded January 27, 2010 as Instrument No. 10-43483 of Official Records.

Lien claimant: Western Foundations & Shoring, Inc.
Amount: \$8,835.00
21. A claim of lien recorded January 28, 2010 as Instrument No. 10-46359 of Official Records.

Lien claimant: Western Foundations & Shoring, Inc.
Amount: \$40,122.11
22. A claim of lien recorded April 20, 2010 as Instrument No. 10-195701 of Official Records.

Lien claimant: Marengo Morton Architects, Inc.
Amount: \$84,228.00
23. Any statutory lien for labor or materials arising by reason of a work of improvement, as disclosed by a document recorded April 20, 2010 as Instrument No. 10-195701 of Official Records.
24. Any right or asserted right of a creditor, trustee or debtor in possession in bankruptcy to avoid that certain conveyancing document which recorded September 20, 2010 as Instrument No. 10-496343 of Official Records of San Diego pursuant to Title 11 U.S.C. (Bankruptcy), Section 548(a) or 549.

NOTE: This exception to Title will not be shown in our policy of Title Insurance based upon a sale to a bona fide purchaser for value.
25. Any irregularity in the foreclosure proceedings leading up to the Trustee's Deed recorded September 20, 2010 as Instrument No. 10-496343 of Official Records.
26. Rights of parties in possession and rights of tenant(s) in the Land, including rights of all parties claiming by, through or under said tenant(s).

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We will require an approved declaration signed by the seller/seller's authorized agent and the buyer prior to close of this transaction.

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. This report is preparatory to the issuance of an ALTA Loan Policy. We have no knowledge of any fact which would preclude the issuance of the policy with CLTA endorsement forms 100 and 116 and if applicable, 115 and 116.2 attached, provided a valid notice of completion is recorded in the public records.

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference a(n) Single Family Residence known as 1600 Torrey Pines Road, La Jolla, California, 92037.

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:

A document recorded September 20, 2010 as Instrument No. 10-496343 of Official Records.

From: Full Service Incorporated

To: Fullerton Community Bank, FSB

3. It appears that a work of improvement is in progress or recently completed on the land. The Company will require various documents and information, including but not limited to a completed mechanics' lien risk analysis, construction contract(s), lien waivers, loan agreement, disbursement information, executed indemnity agreement and current financial information from proposed indemnitors, in order to determine whether mechanics' lien insurance can be issued. Other requirements may be made following the review of such documents and information.

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WIRE INSTRUCTIONS
for
First American Title Company, Demand/Draft Sub-Escrow Deposits
San Diego County, California

First American Trust, FSB

5 First American Way
Santa Ana, CA 92707

ABA 122241255
Credit to First American Title Company
Account No. 3008270000

**Reference Title Order Number 3634446 and Title Officer Bonnie Stark/Korey
Mulvey/MarieCastillo**

Please wire the day before recording.

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 City of La Jolla, County of San Diego, State of California, described as follows:

PARCEL A:

PARCEL 2 OF PARCEL MAP NO. 18446, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, MARCH 24, 2000 AS INSTRUMENT NO. 00-149438 OF OFFICIAL RECORDS, AND CORRECTED BY CERTIFICATE OF CORRECTION RECORDED AUGUST 30, 2002 AS INSTRUMENT NO. 02-743445, OF OFFICIAL RECORDS.

PARCEL B:

EXCLUSIVE USE EASEMENT FOR PRIVATE DRIVEWAY, FOR VEHICULAR, PEDESTRIAN, INGRESS AND EGRESS FOR ACCESS AND UTILITIES AND APPURTENANCES THERETO OVER, UNDER AND UPON ALL THAT PORTION OF PARCEL 1 OF PARCEL MAP NO. 18446, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, MARCH 24, 2000 AS INSTRUMENT NO. 00-149438 OF OFFICIAL RECORDS OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 1;

THENCE CONTINUING ALONG THE EAST LINE OF SAID PARCEL 1, NORTH 14° 11' 38" WEST A DISTANCE OF 24.77 FEET;

THENCE LEAVING SAID LINE AND CONTINUING SOUTH 62° 20' 49" WEST A DISTANCE OF 31.13 FEET;

THENCE ALONG A LINE PARALLEL TO THE EAST LINE OF SAID PARCEL 1, SOUTH 14° 11' 38" EAST A DISTANCE OF 17.21 FEET TO AN INTERSECTION WITH THE SOUTH LINE OF SAID PARCEL 1, SAID POINT BEING LOCATED ON THE ARC OF A 1460.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY, A RADIAL TO SAID LINE BEARS SOUTH 13° 00' 21" EAST;

THENCE CONTINUING IN AN EASTERLY DIRECTION ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 01° 11' 17" AN ARC LENGTH OF 30.28 FEET TO THE POINT OF BEGINNING, ALL AS SPECIFIED IN DOCUMENT ENTITLED "PRIVATE DRIVEWAY EASEMENT" RECORDED MAY 21, 2002 AS INSTRUMENT NO. 02-430300 OF OFFICIAL RECORDS.

PARCEL C:

A NONEXCLUSIVE EASEMENT OF JOINT USE FOR PRIVATE DRIVEWAY FOR REASONABLE VEHICULAR, PEDESTRIAN INGRESS AND EGRESS FOR ACCESS AND UTILITIES AND APPURTENANCES THERETO OVER, UNDER AND UPON ALL THAT PORTION OF PARCEL 1 OF PARCEL MAP NO. 18446, IN THE CITY OF SAN DIEGO, COUNTY OF SAID DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, MARCH 24, 2000 AS INSTRUMENT NO. 00-149438 OF OFFICIAL RECORDS OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 1;

THENCE CONTINUING ALONG THE EAST LINE OF SAID PARCEL 1, NORTH 14° 11' 38" WEST A

DISTANCE OF 24.77 FEET;

THENCE LEAVING SAID LINE AND CONTINUING SOUTH 62° 20' 49" WEST A DISTANCE OF 31.13 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 75° 05' 54" WEST A DISTANCE OF 22.82 FEET;

THENCE NORTH 77° 46' 17" WEST A DISTANCE OF 19.10 FEET TO AN INTERSECTION WITH THE WEST LINE OF SAID PARCEL 1, SAID POINT BEING LOCATED ON THE ARC OF A 310.00 FOOT RADIUS CURVE, CONCAVE WESTERLY;

THENCE CONTINUING IN A SOUTHERLY AND EASTERLY DIRECTION ALONG THE WEST AND SOUTH LINE OF SAID PARCEL 1 THE FOLLOWING COURSES AND DISTANCE:

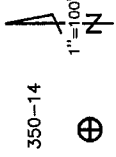
CONTINUING ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 02° 23' 10" AN ARC LENGTH OF 12.91 FEET TO A POINT OF REVERSE CURVATURE WITH A 30.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY, A RADIAL TO SAID POINT BEARS NORTH 60° 11' 07" EAST;

THENCE CONTINUING IN A SOUTHERLY DIRECTION ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 26° 48' 52" AN ARC LENGTH OF 14.04 FEET TO A POINT OF CUSP WITH A 1460.00 FOOT RADIUS CURVE CONCAVE NORTHERLY, A RADIAL TO SAID POINT BEARS SOUTH 11° 50' 59" EAST;

THENCE CONTINUING IN AN EASTERLY DIRECTION ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 01° 09' 22" AN ARC LENGTH OF 29.46 FEET TO A POINT THAT BEARS SOUTH 14° 11' 38" EAST FROM THE TRUE POINT OF BEGINNING, THE RADIAL TO SAID POINT BEARS SOUTH 13° 00' 21" EAST;

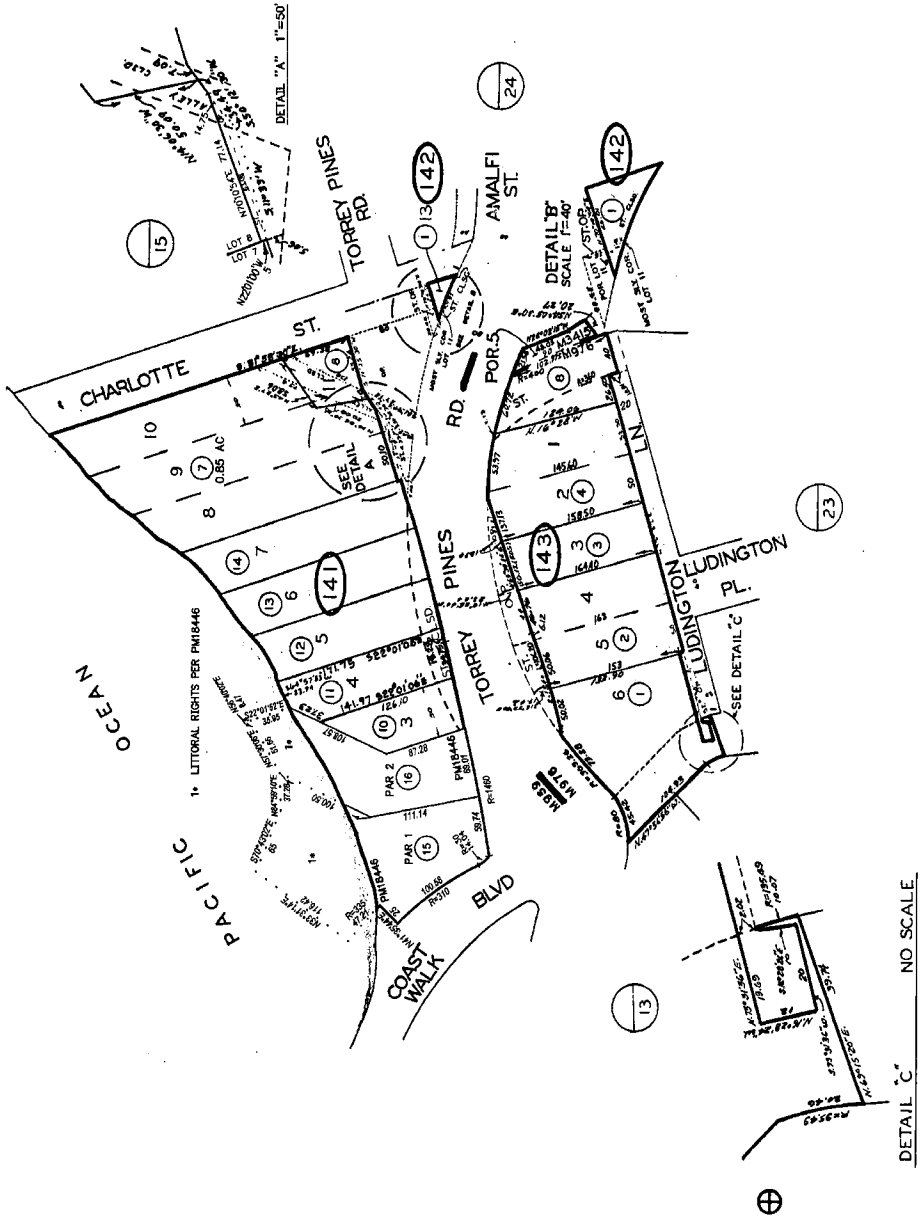
THENCE LEAVING SAID SOUTH LINE, NORTH 14° 11' 38" WEST A DISTANCE OF 17.21 FEET TO THE TRUE POINT OF BEGINNING, ALL AS SPECIFIED IN DOCUMENT ENTITLED "PRIVATE DRIVEWAY EASEMENT" RECORDED MAY 21, 2002 AS INSTRUMENT NO. 02-430300 OF OFFICIAL RECORDS.

APN: 350-141-16-00



350-14

5/22/2000 SM		CHANGES	
BLK	OLD	NEW	CUT
141	1-6	7-14	63 3341
143	5	6	69 3459
143	7	79	10030
143	8	80	10041
143	9	81	10050
143	10	82	10059
143	11	83	10068
143	12	84	10077
143	13	85	10086
143	14	86	10095
143	15	87	10104
143	16	88	10113
143	17	89	10122
143	18	90	10131
143	19	91	10140
143	20	92	10149
143	21	93	10158
143	22	94	10167
143	23	95	10176
143	24	96	10185
143	25	97	10194
143	26	98	10203
143	27	99	10212
143	28	100	10221
143	29	101	10230
143	30	102	10239
143	31	103	10248
143	32	104	10257
143	33	105	10266
143	34	106	10275
143	35	107	10284
143	36	108	10293
143	37	109	10302
143	38	110	10311
143	39	111	10320
143	40	112	10329
143	41	113	10338
143	42	114	10347
143	43	115	10356
143	44	116	10365
143	45	117	10374
143	46	118	10383
143	47	119	10392
143	48	120	10401
143	49	121	10410
143	50	122	10419
143	51	123	10428
143	52	124	10437
143	53	125	10446
143	54	126	10455
143	55	127	10464
143	56	128	10473
143	57	129	10482
143	58	130	10491
143	59	131	10500
143	60	132	10509
143	61	133	10518
143	62	134	10527
143	63	135	10536
143	64	136	10545
143	65	137	10554
143	66	138	10563
143	67	139	10572
143	68	140	10581
143	69	141	10590
143	70	142	10599
143	71	143	10608
143	72	144	10617
143	73	145	10626
143	74	146	10635
143	75	147	10644
143	76	148	10653
143	77	149	10662
143	78	150	10671
143	79	151	10680
143	80	152	10689
143	81	153	10698
143	82	154	10707
143	83	155	10716
143	84	156	10725
143	85	157	10734
143	86	158	10743
143	87	159	10752
143	88	160	10761
143	89	161	10770
143	90	162	10779
143	91	163	10788
143	92	164	10797
143	93	165	10806
143	94	166	10815
143	95	167	10824
143	96	168	10833
143	97	169	10842
143	98	170	10851
143	99	171	10860
143	100	172	10869
143	101	173	10878
143	102	174	10887
143	103	175	10896
143	104	176	10905
143	105	177	10914
143	106	178	10923
143	107	179	10932
143	108	180	10941
143	109	181	10950
143	110	182	10959
143	111	183	10968
143	112	184	10977
143	113	185	10986
143	114	186	10995
143	115	187	11004
143	116	188	11013
143	117	189	11022
143	118	190	11031
143	119	191	11040
143	120	192	11049
143	121	193	11058
143	122	194	11067
143	123	195	11076
143	124	196	11085
143	125	197	11094
143	126	198	11103
143	127	199	11112
143	128	200	11121



MAP 3415- TORREY HEIGHTS - POR- LOT 5
 MAP 976 - LA JOLLA PARK VILLA TRACT - BLK 72
 MAP 959 - AMALFI - BLK 1
 POS 12173, 13188, 14019
 JUL 7 2000

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCELS MAY NOT CORRELATE WITH LOCAL SUBMISSION OR BUILDING ORDINANCES.

SAN DIEGO COUNTY ASSESSOR'S MAP BR 350 PG 14

08

350-14

DETAIL C NO SCALE

NOTICE

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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)

1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
SCHEDULE B

EXCEPTIONS FROM COVERAGE

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

**3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
WITH REGIONAL EXCEPTIONS**

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

SCHEDULE B

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

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

**5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH REGIONAL EXCEPTIONS**

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

SCHEDULE B

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy;
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH REGIONAL EXCEPTIONS**

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

SCHEDULE B

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance

resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
WITH REGIONAL EXCEPTIONS**

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

SCHEDULE B

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

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

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

* land use	* land division
* improvements on the land	* 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 notice of exercising the right appears in the public records on the Policy Date
 - * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
 - * that are created, allowed, or agreed to by you
 - * that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - * that result in no loss to you
 - * that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - * to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
 - * in streets, alleys, or waterways that touch your land

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

11. EAGLE PROTECTION OWNER'S POLICY

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 2008
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 2008**

Covered Risks 16 (Subdivision Law Violation). 18 (Building Permit). 19 (Zoning) and 21 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

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
 - 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

LIMITATIONS ON COVERED RISKS

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

<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16: 1% of Policy Amount or \$5,000.00 (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

12. THIRD GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (1/01/08)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, 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 which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of 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.

13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006

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).

14. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006

WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 13 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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

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.

**15. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance, 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 Risks 9 and 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.

**16. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 15 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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

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.
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First American

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

The 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

The 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

3. Exhibit A

EXHIBIT 'A'

File No.: **DIV-3634446 (16)**
Property: **1600 Torrey Pines Road, La Jolla, CA 92037**

PARCEL A:

PARCEL 2 OF PARCEL MAP NO. 18446, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, MARCH 24, 2000 AS INSTRUMENT NO. 00-149438 OF OFFICIAL RECORDS, AND CORRECTED BY CERTIFICATE OF CORRECTION RECORDED AUGUST 30, 2002 AS INSTRUMENT NO. 02-743445, OF OFFICIAL RECORDS.

PARCEL B:

EXCLUSIVE USE EASEMENT FOR PRIVATE DRIVEWAY, FOR VEHICULAR, PEDESTRIAN, INGRESS AND EGRESS FOR ACCESS AND UTILITIES AND APPURTENANCES THERETO OVER, UNDER AND UPON ALL THAT PORTION OF PARCEL 1 OF PARCEL MAP NO. 18446, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, MARCH 24, 2000 AS INSTRUMENT NO. 00-149438 OF OFFICIAL RECORDS OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 1;

TENCE CONTINUING ALONG THE EAST LINE OF SAID PARCEL 1, NORTH 14° 11' 38" WEST A DISTANCE OF 24.77 FEET;

TENCE LEAVING SAID LINE AND CONTINUING SOUTH 62° 20' 49" WEST A DISTANCE OF 31.13 FEET;

TENCE ALONG A LINE PARALLEL TO THE EAST LINE OF SAID PARCEL 1, SOUTH 14° 11' 38" EAST A DISTANCE OF 17.21 FEET TO AN INTERSECTION WITH THE SOUTH LINE OF SAID PARCEL 1, SAID POINT BEING LOCATED ON THE ARC OF A 1460.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY, A RADIAL TO SAID LINE BEARS SOUTH 13° 00' 21" EAST;

TENCE CONTINUING IN AN EASTERLY DIRECTION ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 01° 11' 17" AN ARC LENGTH OF 30.28 FEET TO THE POINT OF BEGINNING, ALL AS SPECIFIED IN DOCUMENT ENTITLED "PRIVATE DRIVEWAY EASEMENT" RECORDED MAY 21, 2002 AS INSTRUMENT NO. 02-430300 OF OFFICIAL RECORDS.

PARCEL C:

A NONEXCLUSIVE EASEMENT OF JOINT USE FOR PRIVATE DRIVEWAY FOR REASONABLE VEHICULAR, PEDESTRIAN INGRESS AND EGRESS FOR ACCESS AND UTILITIES AND APPURTENANCES THERETO OVER, UNDER AND UPON ALL THAT PORTION OF PARCEL 1 OF PARCEL MAP NO. 18446, IN THE CITY OF SAN DIEGO, COUNTY OF SAID DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, MARCH 24, 2000 AS INSTRUMENT NO. 00-149438 OF OFFICIAL RECORDS OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 1;

THENCE CONTINUING ALONG THE EAST LINE OF SAID PARCEL 1, NORTH 14° 11' 38" WEST A DISTANCE OF 24.77 FEET;

THENCE LEAVING SAID LINE AND CONTINUING SOUTH 62° 20' 49" WEST A DISTANCE OF 31.13 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 75° 05' 54" WEST A DISTANCE OF 22.82 FEET;

THENCE NORTH 77° 46' 17" WEST A DISTANCE OF 19.10 FEET TO AN INTERSECTION WITH THE WEST LINE OF SAID PARCEL 1, SAID POINT BEING LOCATED ON THE ARC OF A 310.00 FOOT RADIUS CURVE, CONCAVE WESTERLY;

THENCE CONTINUING IN A SOUTHERLY AND EASTERLY DIRECTION ALONG THE WEST AND SOUTH LINE OF SAID PARCEL 1 THE FOLLOWING COURSES AND DISTANCE:

CONTINUING ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 02° 23' 10" AN ARC LENGTH OF 12.91 FEET TO A POINT OF REVERSE CURVATURE WITH A 30.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY, A RADIAL TO SAID POINT BEARS NORTH 60° 11' 07" EAST;

THENCE CONTINUING IN A SOUTHERLY DIRECTION ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 26° 48' 52" AN ARC LENGTH OF 14.04 FEET TO A POINT OF CUSP WITH A 1460.00 FOOT RADIUS CURVE CONCAVE NORTHERLY, A RADIAL TO SAID POINT BEARS SOUTH 11° 50' 59" EAST;

THENCE CONTINUING IN AN EASTERLY DIRECTION ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 01° 09' 22" AN ARC LENGTH OF 29.46 FEET TO A POINT THAT BEARS SOUTH 14° 11' 38" EAST FROM THE TRUE POINT OF BEGINNING, THE RADIAL TO SAID POINT BEARS SOUTH 13° 00' 21" EAST;

THENCE LEAVING SAID SOUTH LINE, NORTH 14° 11' 38" WEST A DISTANCE OF 17.21 FEET TO THE TRUE POINT OF BEGINNING, ALL AS SPECIFIED IN DOCUMENT ENTITLED "PRIVATE DRIVEWAY EASEMENT" RECORDED MAY 21, 2002 AS INSTRUMENT NO. 02-430300 OF OFFICIAL RECORDS.

A.P.N. 350-141-16-00