



# Fidelity National Title Company

## PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National 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.*

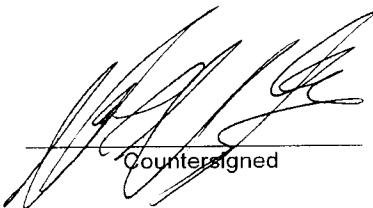
*The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.*

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

*The Policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a California Corporation.*

*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.*

  
\_\_\_\_\_  
Countersigned



**Fidelity National Title Company**

BY



President

ATTEST



Secretary



# Fidelity National Title Company

Major Accounts Division  
1300 Dove Street, Suite 310 • Newport Beach, CA 92660  
(949) 622-4845 • FAX (949) 477-6813

## PRELIMINARY REPORT

TITLE OFFICER: David James

ORDER NO.: 9759521

TO: ReMax Commercial Brokerage  
400 S. Sepulveda Blvd, Suite 100  
Manhattan Beach, CA 90266

LOAN NO.:

ATTN: Brett O'Keefe

YOUR REFERENCE.: 57 Units, Lincoln Heights

SHORT TERM RATE:

**PROPERTY ADDRESS:** 3711 Baldwin Street, Los Angeles, California

**EFFECTIVE DATE:** February 16, 2005, 07:30 A.M.

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

American Land Title Association Loan Policy (10-17-92) with A.L.T.A. Form 1 Coverage

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A CONDOMINIUM, as defined in Sections 783 & 1351(f) of the California Civil Code, in fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

**CONSTANTINO NOVAL, as Trustees of the Constantino Noval Revocable Living Trust**

3. THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

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

\rr 02/22/2005

**EXHIBIT "ONE"**

LOT 1 OF TRACT NO. 50779, IN THE CITY OF LOS ANGELES COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1202 PAGES 3 AND R OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THEREFROM:

PARCEL 1:

THE UNDIVIDED INTEREST AS TENANTS IN COMMON IN AND TO THAT PORTION OF LOT 1 OF TRACT NO. 50779, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 1202 PAGES 3 AND 4 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SHOWN AND DEFINED AS MODULES A & B ON THAT CERTAIN CONDOMINIUM PLAN RECORDED FEBRUARY 23, 1996 AS INSTRUMENT NO. 96-296191, OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 1A:

UNITS 101, 102, 201, 203, 204, 301, 302, 303, 304, 305, 401, 402, 403, 404, 501, 502, 503 & 504 AS SHOWN AND DEFINED ON THE ABOVE REFERENCED CONDOMINIUM PLAN.

PARCEL 1B:

AN EXCLUSIVE EASEMENT FOR BALCONY PURPOSES, OVER THAT PORTION OF THE ASSOCIATION PROPERTY SHOWN AND DEFINED ON THE ABOVE REFERENCED CONDOMINIUM PLAN AS MODULES "A & B" INCLUDED WITHIN THOSE CERTAIN AREA DEFINED AND DELINEATED ON SAID CONDOMINIUM PLAN AS "BALCONIES", "B", WHICH ADJOINS THE UNIT REFERENCED IN THE ABOVE DESCRIBED PARCEL 2.

PARCEL 2:

THE AN UNDIVIDED INTEREST AS TENANT IN COMMON IN AND TO THAT PORTION OF LOT 1 OF TRACT NO. 50779, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 1202, PAGES 3 AND 4 OF MAPS, IN THE OFFICE OF HTE COUNTY RECORDER OF SAID COUNTY, SHOWN AND DEFINED AS MODULE "A & B" ON THAT CERTAIN CONDOMINIUM PLAN RECORDED NOVEMBER 4, 1996 AS INSTRUMENT NO. 96-1789216, OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL 2A:

UNIT 1501, 5012, 1503, 1504, 1601, 1602, 1603, 1604, 1701, 1702, 1703, 1704, 1705, 1801, 1802, 1803, 1804, 1805, 1806, 1807, 1808, 1809, 1810, 1811, 1812, 1901, 1902, 1903, 1904, 1905, AS SHOWN AND DEFINED ON THE ABOVE REFERENCED CONDOMINIUM PLAN.

PARCEL 2B:

AN EXCLUSIVE EASEMENT FOR BALCONY PURPOSES, OVER THOSE PORTIONS OF THE ASSOCIATION PROPERTY SHOWN AND DEFINED ON THE ABOVE REFERENCED CONDOMINIUM PLAN AS MODULES "A & B", INCLUDED WITHIN THOSE CERTAIN AREAS DEFINED AND DELINEATED ON SAID CONDOMINIUM PLAN AS "BALCONIES", "B-1", AND "B-2", WHICH ADJOIN THE UNIT REFERENCED IN THE ABOVE DESCRIBED PARCEL 2.

NOTE: SAID LAND IS ALSO KNOWN AS THE NORTHERLY 297.01 FEET OF LOT 1 OF SAID TRACT.

Assessor's Parcel No: 5211-013-097

**AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:**

1. **Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2005-2006.

2. **Property taxes**, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2004-2005, Assessor's Parcel Number 5211-013-097.

Code Area Number: 0000004  
1st Installment: \$8,878.00 Paid  
2nd Installment: \$8,877.98 Open  
Land: \$1,500,000.00  
Improvements: \$0.00  
Exemption: \$0.00  
Personal Property: \$0.00

Affects: A portion of the land described herein.

3. **Said property has been declared tax defaulted** for non-payment of delinquent taxes for the fiscal year 2003-2004.

APN: 5211-013-035  
Default No.: None Shown  
Default Date: None Shown

Amounts to redeem for the above stated fiscal year (and subsequent years, if any) are:

Amount: \$29,738.26  
By: March 1, 2005

Affects: A portion of the land described herein.

4. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.

5. **Water rights, claims or title to water**, whether or not disclosed by the public records.

6. The right of the city of Los Angeles to regulate and control the sale, and occupancy of said land as a part of said authority's low and moderate income housing program, pursuant to 15 ordinance of said sale, as disclosed by the declaration of covenants, conditions and restrictions recorded December 10, 1991 as Instrument No. 91-1938796 of Official Records.

7. The terms and conditions of a document entitled "Homeownership Development Agreement", executed by State of California, Department of Housing and Community Development and City of View Terraces, a California limited partnership, and subject to provisions as contained therein, recorded December 17, 1992, as Instrument No. 92-2369053, Official Records.

**8. A covenant and agreement** entitled ""

Executed by: City View Terraces, a California limited partnership  
In favor of: City of Los Angeles  
Recorded: April 15, 1993, Instrument No. 93-712460, of Official Records

Which among other things provides:

Reference is hereby made to said document for full particulars.

This covenant and agreement shall run with the land and shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

**9. A covenant and agreement**

Executed by: City View Terraces, a California limited partnership  
In favor of: City of Los Angeles  
Recorded: August 25, 1993, Instrument No. 93-1660853, of Official Records

Reference is hereby made to said document for full particulars.

This covenant and agreement shall run with the land and shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

**10. Easement(s)** for the purposes(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract 50779.

Purpose: Public utilities  
Affects: A portion of said land

**11.** The terms and conditions of document entitled "Condominium Plan", executed by City View Terraces, a California limited partnership, and subject to provisions as contained therein, recorded December 3, 1993 as Instrument No. 93-2370005, Official Records.

Said Condominium Plan was purportedly modified by that certain document entitled "Amended and Restated Condominium Plan Phase II", executed by City View Terraces, a California limited partnership, upon and subject to all the terms and provisions contained therein, recorded February 23, 1996 as Instrument No. 96-296191, Official Records.

**12. The matters** set forth in the document shown below which, among other things, contains or provides for: certain easements; liens and the subordination thereof; provisions relating to partition; restrictions on severability of component parts; and covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin).

Entitled:  
Recorded: December 3, 1993, Instrument No. 93-2370006, of Official Records

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

Recorded: December 3, 1993, Instrument No. 93-2370007, of Official Records

**13. A covenant and agreement**

Executed by: City View Terraces, a California limited partnership  
 In favor of: City View Terrace Condominium Homeowner's Association  
 Recorded: October 5, 1995, Instrument No. 1614316, of Official Records

Reference is hereby made to said document for full particulars.

This covenant and agreement shall run with the land and shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

**14.** The terms and conditions of a document entitled "Model Dwelling Affidavit" executed by City View Terrace, and subject to provisions as contained therein, recorded June 12, 1995 as Instrument No. 95-935204, Official Records.

**15. A covenant and agreement**

Executed by: City View Terraces, a California limited partnership  
 In favor of: City of Los Angeles  
 Recorded: June 21, 1996, Instrument No. 96-1150570, of Official Records

Reference is hereby made to said document for full particulars.

This covenant and agreement shall run with the land and shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

**16. Any invalidity or defect** in the title of the vestees in the event that the trust referred to herein is invalid or fails to grant sufficient powers to the trustee(s) or in the event there is a lack of compliance with the terms and provisions of the trust instrument.

If title is to be insured in the trustee(s) of a trust, (or if their act is to be insured), this Company will require a **Trust Certification pursuant to California Probate Code Section 18100.5**. The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

**17.** If title is to be insured in the trustee(s) of a trust, (or if their act is to be insured), this Company will require a **Trust Certification pursuant to California Probate Code Section 18100.5**. The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

**18. Any easements** not disclosed by those public records which impart constructive notice as to matters affecting title to real property and which are not visible and apparent from an inspection of the surface of said land.

**19. Matters** which may be disclosed by an inspection and/or by a correct ALTA/ACSM Land Title Survey of said land that is satisfactory to this Company, and/or by inquiry of the parties in possession thereof.

- 20.** This 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. After review of the requested Statement(s) of Information the Company may have additional requirements before the issuance of any policy of title insurance.

Parties: All parties

(Note: The statement of information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed statement of information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the statement of information is essential and will be kept strictly confidential to this file).

### END OF ITEMS

- Note 1.** The only deeds affecting said land, which recorded within twenty-four (24) months of the date of this report, as are follows:
- Grantor: City View Terraces, a California limited partnership by Telacu Affordable Housing, Inc. a California corporation  
 Grantee: Constantino Noval, as Trustee of the Constantino Noval Revocable Living Trust  
 Recorded: July 17, 2003, Instrument No. 03-2038785, of Official Records
- Note 2.** If you are aware of any improvements whatsoever that have been recently completed, that are ongoing, or contemplated prior to closing, this office must be informed of these facts immediately so that your transaction is not delayed.
- Note 3.** Section 12413.1, California Insurance Code became effective January 1, 1990. This legislation deals with the disbursement of funds deposited with any title entity acting in an escrow or subescrow capacity. The law requires that all funds be deposited and collected by the title entity's escrow and/or subescrow account prior to disbursement of any funds. Some methods of funding may subject funds to a holding period which must expire before any funds may be disbursed. In order to avoid any such delays, all fundings should be done through wire transfer, certified check or checks drawn on California financial institutions.
- Note 4.** The charge where an order is cancelled after the issuance of the report of title, will be that amount which in the opinion of the Company is proper compensation for the services rendered or the purpose for which the report is used, but in no event shall said charge be less than the minimum amount required under Section 12404.1 of the Insurance Code of the State of California. If the report cannot be cancelled "no fee" pursuant to the provisions of said Insurance Code, then the minimum cancellation fee shall be that permitted by law.
- Note 5.** California Revenue and Taxation Code Section 18662, effective January 1, 1994 and by amendment effective January 1, 2003, provides that the buyer in all sales of California Real Estate may be required to withhold 3 and 1/3% of the total sales price as California State Income Tax, subject to the various provisions of the law as therein contained.



WIRING INSTRUCTIONS

Senate Bill 1550, which became effective January 1, 1985, requiring the title companies to disburse on collected funds has raised many questions. The following information is provided to assist our customers with the law:

The fastest method for receiving collected funds is by wire transfer of funds credited to your account. The following instructions should be used when funds are being wired to our bank:

EFFECTIVE NOVEMBER 16, 2001

Wire funds through the Federal Reserve Bank to:

Union Bank of California, Los Angeles, CA

ABA No.: 122000496

Credit to: Fidelity National Title, Corona Title Trust Account  
Account No. 9100744500

Title Order No.: 9759521

## NOTICE

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is the subject of your current transaction, you must inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount.

REQUEST FOR \$20.00 DISCOUNT - CA SETTLEMENT  
Use one form for each qualifying property

To: Fidelity National Title

Date:

From:  
(name)

Current Address:

I believe that I am qualified for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs. I have not previously received a cash payment or a discount from another Company on the property described below.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

Address of  
Qualifying property:

Approximate date  
of transaction:

===== THIS SECTION IS FOR TITLE DEPARTMENT USE ONLY.

The above referenced party is entitled to receive a \$20.00 discount on escrow services or title insurance pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs.

OR

The above referenced party does not qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs for the following reason:

The party has previously received credit for the transaction described above.

The transaction described above did not occur in the time period allowed by the stipulated judgments - May 19, 1995 to November 1 2002.

TITLE DEPARTMENT  
PLEASE FAX YOUR RESPONSE TO:

Escrow No. \_\_\_\_\_

Escrow Officer: \_\_\_\_\_

Fax Number: \_\_\_\_\_

## Fidelity National Financial Group of Companies' Privacy Statement

July 1, 2001

We recognize and respect the privacy expectations of today's consumers and the requirements of applicable federal and state privacy laws. We believe that making you aware of how we use your non-public personal information ("Personal Information"), and to whom it is disclosed, will form the basis for a relationship of trust between us and the public that we serve. This Privacy Statement provides that explanation. We reserve the right to change this Privacy Statement from time to time consistent with applicable privacy laws.

**In the course of our business, we may collect Personal Information about you from the following sources:**

- From applications or other forms we receive from you or your authorized representative;
- From your transactions with, or from the services being performed by, us, our affiliates, or others;
- From our internet web sites;
- From the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others; and
- From consumer or other reporting agencies.

### **Our Policies Regarding the Protection of the Confidentiality and Security of Your Personal Information**

We maintain physical, electronic and procedural safeguards to protect your Personal Information from unauthorized access or intrusion. We limit access to the Personal Information only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

### **Our Policies and Practices Regarding the Sharing of Your Personal Information**

We may share your Personal Information with our affiliates, such as insurance companies, agents, and other real estate settlement service providers. We also may disclose your Personal Information:

- to agents, brokers or representatives to provide you with services you have requested;
- to third-party contractors or service providers who provide services or perform marketing or other functions on our behalf; and
- to others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest.

In addition, we will disclose your Personal Information when you direct or give us permission, when we are required by law to do so, or when we suspect fraudulent or criminal activities. We also may disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

One of the important responsibilities of some of our affiliated companies is to record documents in the public domain. Such documents may contain your Personal Information.

### **Right to Access Your Personal Information and Ability to Correct Errors or Request Changes or Deletion**

Certain states afford you the right to access your Personal Information and, under certain circumstances, to find out to whom your Personal Information has been disclosed. Also, certain states afford you the right to request correction, amendment or deletion of your Personal Information. We reserve the right, where permitted by law, to charge a reasonable fee to cover the costs incurred in responding to such requests.

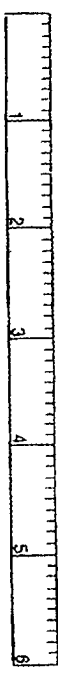
All requests must be made in writing to the following address:

Privacy Compliance Officer  
Fidelity National Financial, Inc.  
601 Riverside Avenue  
Jacksonville, FL 32204

### **Multiple Products or Services**

If we provide you with more than one financial product or service, you may receive more than one privacy notice from us. We apologize for any inconvenience this may cause you.

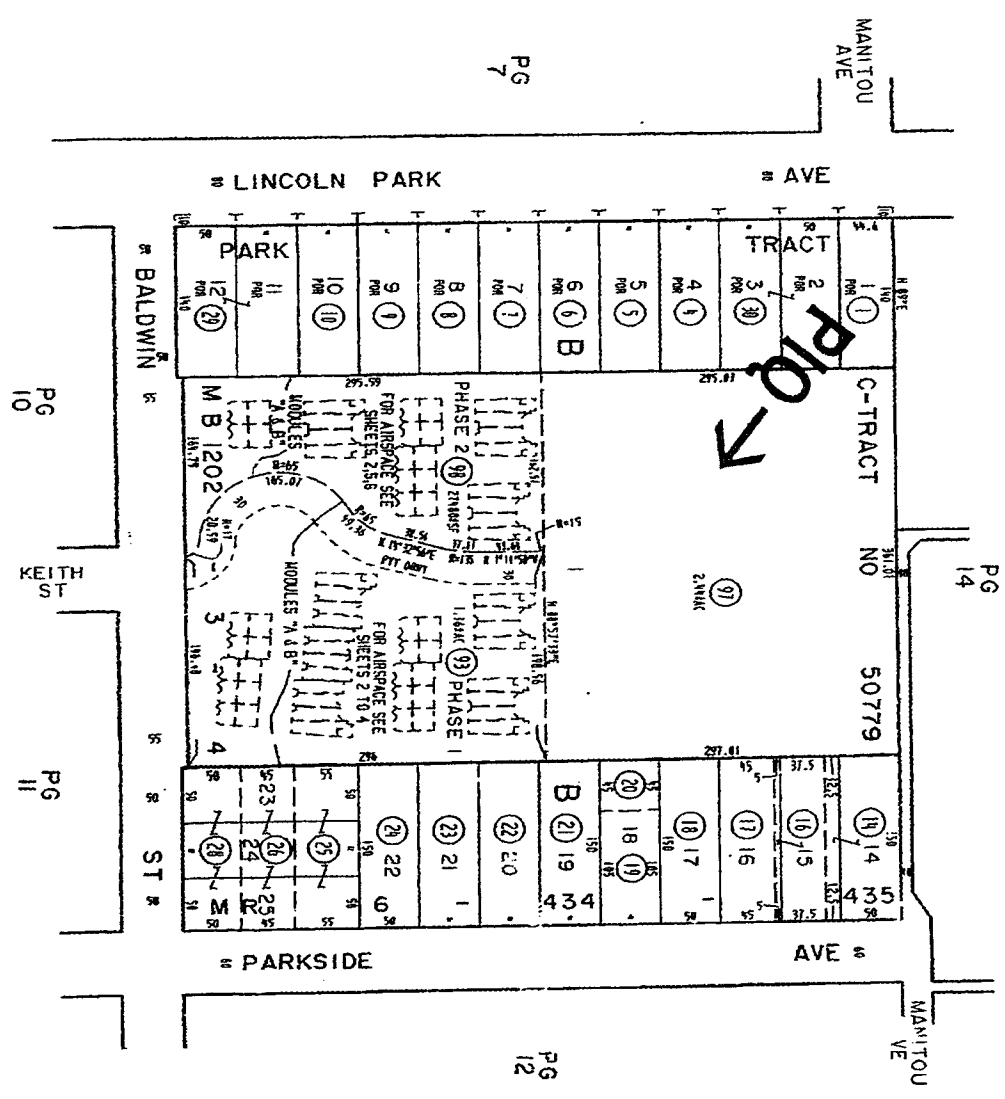
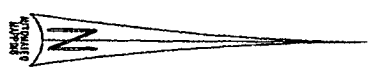
1-800-345-7334



SCALE IN 1/10 OF AN INCH

5211 13 SCALE 1" = 100' TRACT  
 SHEET 1 P.A. 5-24  
 OFFICE OF ASSESSOR COUNTY OF LOS ANGELES COPYRIGHT © 1993  
 REVISED 9-04/44002003-04 9-04/44002003-04  
 3/12/91/0003001-04 9805/44001002-04  
 3/04/44002001-04 9805/44001004-04

1999



THIS MAP IS FURNISHED AS A MATTER OF ACCOMMODATION ONLY.  
 AND NO LIABILITY IS ASSUMED BY ITS ATTACHMENT TO THE  
 POLICY OF TITLE INSURANCE OF  
 FIDELITY NATIONAL TITLE INSURANCE COMPANY

MAY 21 1999

## EXHIBIT A

### AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
  - land use
  - improvements on the land
  - land division
  - environmental protectionThis exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
  - a notice of exercising the right appears in the public records on the Policy Date
  - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking

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

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.

3. Title Risks:
  - that are created, allowed, or agreed to by you
  - that are known to you, but not to us, on the Policy Date-unless they appeared in the public records
  - that result in no loss to you
  - that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title
5. Lack of a right:
  - to any land outside the area specifically described and referred to in Item 3 of Schedule A or
  - in streets, alleys, or waterways that touch your landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in item 12 of Covered Title Risks
4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

### CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990 EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay: loss of 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 (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 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 claim, which arises out of the transaction vesting in the insured the estate or interest insured by this 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.

### SCHEDULE B, PART I 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:

#### PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public 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.

**EXHIBIT A**  
(CONTINUED)

**AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)**  
**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) 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 to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid

- value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgage 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 judgement or lien creditor.

**AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)**  
**EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
  - (a) created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the value of the estate or interest insured by this 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 judgement or lien creditor.

The above ALTA policy forms, dated 10-17-92, may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following General Exceptions.

**EXCEPTIONS FROM COVERAGE**

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of 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.

**EXHIBIT A**  
**(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (6-2-98)**  
**ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-17-98)**  
**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 ordinances, laws and regulations concerning:
    - a. building
    - b. zoning
    - c. Land use
    - d. improvements on Land
    - e. Land division
    - f. environmental protection
- This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
- This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
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 apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
  3. The right to take the Land by condemning it, unless:
    - a. notice of exercising the right appears in the Public Records at the Policy Date, or
    - b. the taking happened before the Policy Date and is binding on You if You bought the Land without knowing of the taking.

4. Risks:
    - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
    - b. that are Known to You at the Policy Date, but not to Us, unless they appear 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 d, 22, 23, 24 or 25.
  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 18.

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)**  
**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 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 improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas 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. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this 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. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this 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 damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (this paragraph does limit the coverage provided under Covered Risks 9, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
  - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. 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 limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
  - (a) The time of the advance; or
  - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.