



**First American Title Insurance Company
National Commercial Services**

**4380 La Jolla Village Dr., Suite 110
San Diego, CA 92122**

December 22, 2011

Soitec Solar Inc.
4250 Executive Square, Suite 770
La Jolla, CA 92037
Phone:
Fax:

Customer Reference: 2167 McCain Valley Road

Title Officer: Roy Provence
Phone: (858)410-3900
Fax No.: (877)461-2094
E-Mail: rprovence@firstam.com

Buyer:

Property: 2167 McCain Valley Road, 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 December 16, 2011 at 7:30 A.M.

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

To Be Determined

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

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

Lansing Industries, Inc., a California corporation

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

Fee

The Land referred to herein is described as follows:

(See attached Legal Description)

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

- 1. General and special taxes and assessments for the fiscal year 2011-2012.
 - First Installment: \$4,375.93, PAID
 - Penalty: \$0.00
 - Second Installment: \$4,375.93, PAYABLE
 - Penalty: \$0.00
 - Tax Rate Area: 91051
 - A. P. No.: 612-091-13-00

(Affects Parcel 4 and Portion of Parcel 6)

- 2. General and special taxes and assessments for the fiscal year 2011-2012.
 - First Installment: \$315.76, PAID
 - Penalty: \$0.00
 - Second Installment: \$315.76, PAYABLE
 - Penalty: \$0.00
 - Tax Rate Area: 91051
 - A. P. No.: 612-030-18-00

(Affects Parcel 5 and Portion of Parcel 6)

- 3. General and special taxes and assessments for the fiscal year 2011-2012.
 - First Installment: \$1,315.61, PAID
 - Penalty: \$0.00
 - Second Installment: \$1,315.61, PAYABLE
 - Penalty: \$0.00
 - Tax Rate Area: 91051
 - A. P. No.: 613-030-28-00

(Affects Parcel 1)

- 4. General and special taxes and assessments for the fiscal year 2011-2012.
 - First Installment: \$1,338.57, PAID
 - Penalty: \$0.00
 - Second Installment: \$1,338.57, PAYABLE
 - Penalty: \$0.00
 - Tax Rate Area: 91051
 - A. P. No.: 613-030-35-00

(Affects Parcels 2 and 3)

- 5. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
- 6. Rights of parties in possession.

The Following Matters Affect Parcel 1:

- 7. Rights of the public in and to that portion of the land lying within McCain Valley Road.
- 8. An easement for public road, drainage structures, slopes and incidental purposes, recorded December 6, 1935 as Book 454, Page 242 of Official Records.
 - In Favor of: County of San Diego
 - Affects: As described therein
- 9. An easement for public road, drainage structures, slopes and incidental purposes, recorded October 15, 1965 as Instrument No. 188108 of Official Records.
 - In Favor of: County of San Diego
 - Affects: As described therein
- 10. Abutter's rights of ingress and egress to or from California State Highway No. XI-SD-12D have been relinquished in the document recorded DECEMBER 22, 1965 as Instrument No. 229822 of Official Records.
- 11. An easement for poles and wires and incidental purposes, recorded March 11, 1971 as Instrument No. 46688 of Official Records.
 - In Favor of: Mountain Empire Electric Cooperative, Inc., a corporation
 - Affects: As described therein

The location of the easement cannot be determined from record information.

12. A document entitled "Notice of Manufactured Home (Mobilehome) or Commercial Coach, Installation on a Foundation System" recorded JUNE 23, 1997 as Instrument No. 1997-0291411 of Official Records.
13. A Deed of Trust to secure an original indebtedness of \$230,000.00 recorded JANUARY 30, 2006 as Instrument No. 2006-0065089 of Official Records.
 Dated: JANUARY 24, 2006
 Trustor: Janet Toohey, an unmarried woman
 Trustee: Fidelity National Title Insurance Company
 Beneficiary: Wells Fargo Bank, N.A.
14. A Deed of Trust to secure an original indebtedness of \$Not Shown recorded FEBRUARY 02, 2007 as Instrument No. 2007-0074046 of Official Records.
 Dated: JANUARY 29, 2007
 Trustor: Lansing Industries, Inc., a California corporation
 Trustee: First American Title Insurance Company, a California corporation
 Beneficiary: Janet Toohey

The above deed of trust states that it is all-inclusive.

The Following Matters Affect Parcels 2 through 6:

15. Water rights, claims or title to water, whether or not shown by the public records.
16. Such rights as may have existed in a "Telegraph line from San Diego to Yuma" as shown on Plat of United States Government Survey of Township 17 South, Range 7 East, approved September 6, 1880.
17. An easement for right of way and incidental purposes, recorded JUNE 12, 1913 in Book 505 of Deeds, Page 152.
 In Favor of: County of San Diego
 Affects: Parcels 2 and 3
- The location of the easement cannot be determined from record information.
18. An easement for right of way 40 feet wide and incidental purposes, recorded JUNE 13, 1913 in Book 500 of Deeds, Page 187.
 In Favor of: County of San Diego
 Affects: Parcel 4
19. An easement for a public highway, drainage structures, slopes and incidental purposes, recorded AUGUST 29, 1918 in Book 758, Page 368 and August 29, 1918 in Book 758, Page 371, both of Deeds.
 In Favor of: State of California
 Affects: As described therein

An abandonment of a portion of right of way in San Diego County by the State of California, recorded August 1, 1933 in Book 225, Page 339 of Official Records.

The location of the easement cannot be determined from record information.

20. An easement for a public highway, drainage structures, slopes and incidental purposes, recorded AUGUST 29, 1919 in Book 796 of Deeds, Page 38.

In Favor of: State of California
Affects: Parcels 4 and 6

An abandonment of a portion of right of way in San Diego County by the State of California, recorded August 1, 1933 in Book 225, Page 339 of Official Records.

The location of the easement cannot be determined from record information.

21. Such rights for transmission line purposes as the Pacific Telephone and Telegraph Company may have under the Act of March 4, 1911 in the South half of the Southwest quarter of Section 21 and the Northeast quarter of the Northwest quarter of Section 28 as referred to in United States Patent recorded March 25, 1927 in Book 14, Page 448 of Patents and in the Northwest quarter of the Southeast quarter of Section 27 as referred to in United States Patent recorded February 1, 1923 in Book 14, Page 101 of Patents.

Affects Parcels 2 and 6

22. An easement for poles, anchors, wires and incidental purposes, recorded FEBRUARY 04, 1931 in Book 1867 of Deeds, Page 29.

In Favor of: Southern California Telephone Company
Affects: As described therein

The location of the easement cannot be determined from record information.

23. An easement for a public highway 100.00 feet in width, drainage structures, slopes and incidental purposes, recorded July 15, 1931 as Book 8, Page 126; October 24, 1931 in Book 60, Page 6; October 28, 1931 in Book 49, Page 77 and February 07, 1938 in Book 751, Page 1, all of Official Records.

In Favor of: State of California
Affects: Parcels 2 and 3

24. An easement for state highway and incidental purposes, recorded October 28, 1931 as Book 49, Page 75 of Official Records.

In Favor of: State of California
Affects: Parcels 2 and 3

25. An easement for drainage structures and excavation and embankment slopes and incidental purposes, recorded December 6, 1935 as Book 454, Page 242 of Official Records.

In Favor of: County of San Diego
Affects: As described therein

26. An easement for public road, drainage structures, slopes and incidental purposes, recorded December 6, 1935 as Book 454, Page 244 of Official Records.

In Favor of: County of San Diego
Affects: As described therein

27. An easement to remove brush and keep same removed from a strip of ground 100.00 feet wide, and incidental purposes, recorded February 7, 1941 as Book 1137, Page 71 and re-recorded August 1, 1944 as Instrument No. 56381, both of Official Records.
In Favor of: Southern California Telephone Company
Affects: As described therein

The location of the easement cannot be determined from record information.

28. Abutter's rights of ingress and egress to or from California State Highway 11-SD-8 (Interstate 8), adjacent thereto have been relinquished in the document recorded OCTOBER 13, 1966 as Instrument No. 164322 of Official Records.

(Affects Parcel 3)

29. Abutter's rights of ingress and egress to or from California State Highway 11-SD-8 (Interstate 8), adjacent thereto have been relinquished in the document recorded OCTOBER 13, 1966 as Instrument No. 164412 of Official Records.

(Affects Parcels 4 and 6)

30. Abutter's rights of ingress and egress to or from adjacent state freeway have been relinquished in the document recorded AUGUST 05, 1969 as Instrument No. 69-142094 of Official Records.

(Affects Parcel 5)

31. An easement for public utilities and incidental purposes, recorded October 17, 1978 as Instrument No. 78-442058 of Official Records.
In Favor of: San Diego Gas and Electric Company
Affects: Parcel 4

The location of said electrical facilities in purportedly shown on a map attached to said instrument marked "Exhibit A".

The location of the easement cannot be determined from record information.

32. An easement for public road, drainage structures, slopes and incidental purposes, recorded July 13, 1979 as Instrument No. 79-244260 of Official Records.
In Favor of: County of San Diego
Affects: Parcel 4

33. An easement for public utilities and incidental purposes, recorded July 17, 1979 as Instrument No. 79-296173 of Official Records.
In Favor of: San Diego Gas and Electric Company
Affects: Parcels 3 through 6

34. An easement for public road, drainage structures, slopes and incidental purposes, recorded August 2, 1979 as Instrument No. 79-323909 of Official Records.
In Favor of: County of San Diego
Affects: Parcel 4

35. The terms and provisions contained in the document entitled "Covenant of Improvement Requirements" recorded DECEMBER 12, 1979 as Instrument No. 79-520362 of Official Records.
36. The effect of a map purporting to show the land and other property, filed as No. 12960 of Record of Surveys.

(Affects Parcel 2)
37. The effect of a map purporting to show the land and other property, filed as No. 16280 of Record of Surveys.

(Affects Parcel 2)
38. An easement for private road, ingress, egress and utilities and incidental purposes, recorded May 1, 2006 as Instrument No. 2006-0305937 of Official Records.
In Favor of: Jay P. Jackson and Lareda Gatlin
Affects: As described therein
39. A Deed of Trust to secure an original indebtedness of \$1,450,000.00 recorded OCTOBER 13, 2006 as Instrument No. 2006-0729768 of Official Records.
Dated: OCTOBER 13, 2006
Trustor: Lansing Industries, Inc., a California corporation
Trustee: First American Title Company, a California corporation
Beneficiary: John O. Grizzle, Trustee of the John O. Grizzle Separate Property Trust Dated June 24, 1997
40. An easement for perpetual, exclusive easement and right-of-way and incidental purposes, recorded April 16, 2010 as Instrument No. 2010-0188727 of Official Records.
In Favor of: San Diego Gas & Electric Company, a California corporation
Affects: Parcels 2 and 3

INFORMATIONAL NOTES

1. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) Single Family Residence known as 2167 McCain Valley Road, CA.

(Affects Parcel 1)
2. The property covered by this report is vacant land.

(Affects Parcels 2, 3, 4, 5 and 6)
3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None
4. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.
5. Should this report be used to facilitate your transaction, we must be provided with the following prior to the issuance of the policy:
 - A. WITH RESPECT TO A CORPORATION:
 1. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
 2. A certificate copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
 3. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
 - B. WITH RESPECT TO A CALIFORNIA LIMITED PARTNERSHIP:
 1. A certified copy of the certificate of limited partnership (form LP-1) and any amendments thereto (form LP-2) to be recorded in the public records;
 2. A full copy of the partnership agreement and any amendments;
 3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
 4. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
 - C. WITH RESPECT TO A FOREIGN LIMITED PARTNERSHIP:
 1. A certified copy of the application for registration, foreign limited partnership (form LP-5) and any amendments thereto (form LP-6) to be recorded in the public records;
 2. A full copy of the partnership agreement and any amendment;
 3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the

- contemplated transaction;
4. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- D. WITH RESPECT TO A GENERAL PARTNERSHIP:
1. A certified copy of a statement of partnership authority pursuant to Section 16303 of the California Corporation Code (form GP-1), executed by at least two partners, and a certified copy of any amendments to such statement (form GP-7), to be recorded in the public records;
 2. A full copy of the partnership agreement and any amendments;
 3. Requirements which the Company may impose following its review of the above material required herein and other information which the Company may require.
- E. WITH RESPECT TO A LIMITED LIABILITY COMPANY:
1. A copy of its operating agreement and any amendments thereto;
 2. If it is a California limited liability company, a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) to be recorded in the public records;
 3. If it is a foreign limited liability company, a certified copy of its application for registration (LLC-5) to be recorded in the public records;
 4. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, such document or instrument must be executed in accordance with one of the following, as appropriate:
 - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such documents must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
 - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
 5. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- F. WITH RESPECT TO A TRUST:
1. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
 2. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
 3. Other requirements which the Company may impose following its review of the material require herein and other information which the Company may require.
- G. WITH RESPECT TO INDIVIDUALS:
1. A statement of information.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company 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.

******To obtain wire instructions for deposit of funds to your escrow file please contact your Escrow Officer.******

LEGAL DESCRIPTION

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

PARCEL 1:

ALL THAT PORTION OF THE NORTH HALF OF THE NORTHWEST QUARTER AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 17 SOUTH, RANGE 7 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY BOUNDARY OF THE STATE HIGHWAY XI-SD-12G, AS GRANTED TO THE STATE OF CALIFORNIA, RECORDED DECEMBER 22, 1965 AS FILE NO. 229822 OF OFFICIAL RECORDS. (CALIFORNIA HIGHWAY 11-SD-8).

PARCEL 2:

THOSE PORTIONS OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHEAST $\frac{1}{4}$ AND OF THE NORTHEAST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SECTION 27, TOWNSHIP 17 SOUTH, RANGE 7 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE CENTER LINE OF CALIFORNIA STATE HIGHWAY(OLD HIGHWAY 80) AS SHOWN ON MISCELLANEOUS MAP NO. 118, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY.

PARCEL 3:

ALL OF THE SOUTH $\frac{1}{2}$ OF THE NORTH $\frac{1}{2}$ OF SECTION 27, TOWNSHIP 17 SOUTH, RANGE 7 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM THAT PORTION OF THE SOUTH $\frac{1}{2}$ OF THE NORTHEAST $\frac{1}{4}$ OF SAID SECTION 27, LYING NORTHERLY OF THE SOUTHWESTERLY BOUNDARY OF THAT PART OF CALIFORNIA STATE HIGHWAY 11-SD-8 (INTERSTATE 8), AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED OCTOBER 13, 1966 AS FILE NO. 164332 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THOSE PORTIONS OF THE SOUTH $\frac{1}{2}$ OF THE NORTHWEST $\frac{1}{4}$ OF SAID SECTION 27, LYING SOUTHERLY OF THE SOUTHERLY BOUNDARY OF THAT 100.00 FOOT WIDE CALIFORNIA STATE HIGHWAY (OLD HIGHWAY 80) AS SHOWN ON MISCELLANEOUS MAP NO. 118, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY.

ALSO EXCEPTING THEREFROM THE SOUTHEAST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ OF SAID SECTION 27.

PARCEL 4:

THAT PORTION OF THE NORTHEAST $\frac{1}{4}$ OF SECTION 28, TOWNSHIP 17 SOUTH, RANGE 7 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF LYING NORTHERLY OF THE NORTHERLY BOUNDARY OF THAT 100.00 FOOT WIDE CALIFORNIA STATE HIGHWAY (OLD HIGHWAY 80) AS SHOWN ON MISCELLANEOUS MAP NO. 118, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY.

EXCEPTING THEREFROM THAT PORTION LYING EASTERLY AND NORTHEASTERLY OF A LINE DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 28; THENCE ALONG THE EASTERLY LINE OF SAID SECTION 28, SOUTH 00° 17' 17" WEST, 1070.15 FEET TO THE TRUE-POINT-OF-BEGINNING; THENCE SOUTH 80° 20' 50" WEST, 24.68 FEET; THENCE NORTH 08° 22' 50" WEST, 181.52 FEET; THENCE NORTH 00° 36' 49" EAST, 298.26 FEET; THENCE NORTH 03° 30' 06" WEST, 417.46 FEET; THENCE NORTH 71° 24' 00" WEST, 578.85 FEET TO A POINT OF THE NORTHERLY LINE OF SAID SECTION 28, DISTANT THEREON NORTH 89° 33' 20" WEST, 627.09 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 28.

ALSO EXCEPTING FROM THE NORTHEAST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 28, THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT ENGINEER'S STATION 164-64-11 ON THE CENTER LINE OF SAID OLD HIGHWAY 80 (100.00 FEET WIDE); THENCE ALONG SAID CENTER LINE, NORTH 68° 33' 00" EAST, 53.10 FEET; THENCE NORTH 43° 05' 58" EAST, 91.15 FEET TO THE NORTHERLY BOUNDARY OF SAID STATE HIGHWAY; THENCE EASTERLY ALONG SAID NORTHERLY BOUNDARY, A DISTANCE OF 167.00 FEET TO THE TRUE-POINT-OF-BEGINNING; THENCE CONTINUING EASTERLY ALONG SAID NORTHERLY BOUNDARY, A DISTANCE OF 200.00 FEET; THENCE NORTH 143.00 FEET; THENCE WEST, 129.00 FEET; THENCE SOUTHWESTERLY ALONG A STRAIGHT LINE TO THE TRUE-POINT-OF-BEGINNING.

PARCEL 5:

THAT PORTION OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF SECTION 21, TOWNSHIP 17 SOUTH, RANGE 7 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF, LYING SOUTHWESTERLY OF A LINE DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH ¼ CORNER OF SAID SECTION 21; THENCE ALONG THE WESTERLY LINE OF THE SOUTHEAST ¼ OF SAID SECTION 21, NORTH 01° 41' 18" EAST, 636.68 FEET TO THE MOST NORTHERLY CORNER OF LAND DESCRIBED IN DIRECTOR'S DEED TO JAMES C. FUQUAY, ET UX, RECORDED AUGUST 5, 1969 AS FILE NO. 142094 OF OFFICIAL RECORDS, AND BEING THE TRUE-POINT-OF-BEGINNING;

THENCE ALONG THE NORTHEASTERLY BOUNDARY OF SAID FUQUAY'S LAND AS FOLLOWS:

SOUTH 71° 24' 00" EAST, 972.19 FEET TO AN ANGLE POINT THEREIN, SOUTH 72° 49' 56" EAST, 800.25 FEET AND SOUTH 71° 24' 00" EAST, 331.61 FEET TO THE SOUTHERLY LINE OF SAID SECTION 21.

PARCEL 6:

THOSE PORTIONS OF THE EAST ½ OF THE SOUTHWEST ¼ OF SECTION 21 AND OF THE EAST ½ OF THE NORTHWEST ¼ OF SECTION 28 IN TOWNSHIP 17 SOUTH, RANGE 7 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICIAL PLAT THEREOF, LYING SOUTHERLY OF THE SOUTHWESTERLY LINE OF THAT PART OF CALIFORNIA STATE HIGHWAY 11-SD-8 (INTERSTATE 8) AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED OCTOBER 13, 1966 AS FILE NO. 164412 OF OFFICIAL RECORDS AND LYING NORTHERLY OF THE NORTHERLY BOUNDARY OF THAT 100.00 FOOT WIDE CALIFORNIA STATE HIGHWAY (OLD HIGHWAY 80) AS SHOWN ON MISCELLANEOUS MAP NO. 118, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY

EXCEPTING THEREFROM THOSE PORTIONS LYING WESTERLY OF A LINE DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE EAST ½ OF THE NORTHWEST ¼ OF SAID SECTION 28; THENCE ALONG THE WESTERLY LINE OF SAID EAST ½, SOUTH 01° 00' 58" WEST, 1836.13 FEET TO THE NORTHERLY BOUNDARY OF SAID OLD HIGHWAY 80 (100 FEET WIDE); THENCE ALONG SAID NORTHERLY BOUNDARY, SOUTH 66° 29' 06" EAST (RECORD - SOUTH 66° 29' 00" EAST), 371.93 FEET TO THE TRUE-POINT-OF-BEGINNING; THENCE PARALLEL WITH THE WESTERLY LINE OF SAID EAST ½ OF THE NORTHWEST ¼ AND THE NORTHERLY PROLONGATION THEREOF, NORTH 01° 00' 58" EAST, 2737.17 FEET TO THE SOUTHWESTERLY BOUNDARY OF SAID INTERSTATE 8 HEREINABOVE REFERRED TO.

ALSO EXCEPTING THEREFROM THE WESTERLY 36 ACRES.

THE ABOVE PARCELS 2 THROUGH 6 BEING DESCRIBED AS PARCELS 1 THROUGH 5 OF PARCEL A RESPECTIVELY IN A CERTIFICATE OF COMPLIANCE RECORDED ON AUGUST 16, 2002 AS INSTRUMENT NO. 2002-0696123 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.

APN: 613-030-28 and 613-030-35 and 612-030-18-00 and 612-091-13-00

The First American Corporation
First American Title Company
Privacy Policy

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 parent company, The First American Corporation, 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 which 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, a copy of which can be found on our website at www.firstam.com.

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.

**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:

Part One

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

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
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:

Part One

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

Part One:

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