



## Cornerstone Title Company

**Cornerstone Title Company  
20520 Prospect Road #300  
Saratoga, CA 95070  
PH: 408.446.4435 FX: 408.446.4452**

ANNA CAPILLAS  
ANNA MARIE M. CAPILLAS  
501 MURPHY RANCH ROAD #204  
MILPITAS, CA 95035  
Phone:(408)348-1472  
anna@annacapillas.com

Escrow Officer: MELANIE LO  
Email: melanie.lo@cstitleco.com  
Assistant: Jona Do  
Email: jona.do@cstitleco.com

E-Mail Loan Documents to:

saratoga.ctco@cornerstonetitleCO.com

Owner:

MELODY MARIA MILLET, SONNY T MILLET

Property:

247 NORTH CAPITOL AVENUE, #A106  
SAN JOSE, CA 95127

## **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 Thursday, November 10, 2016 at 7:30 A.M.

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

ALTA/CLTA Homeowner's Policy of Title Insurance (2010), if applicable, or  
CLTA/ALTA Standard Owner's Policy 1990; and/or ALTA Loan Policy (2006).

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:

Sonny T. Millet and Melody Maria Millet, husband and wife as community property with right of survivorship

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

A FEE AS TO PARCEL(S) ONE, AND AN EASEMENT AS TO PARCEL(S) TWO.

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/or assessments for the fiscal year 2016 - 2017, as follows:

Assessor's Parcel No.:	<a href="#">484-09-014</a>
TRA:	017-007
1 <sup>st</sup> Installment:	\$1,747.30 OPEN; DUE ON OR BEFORE 12/10/2016
2 <sup>nd</sup> Installment:	\$1,747.30 OPEN; DUE ON OR BEFORE 04/10/2017

2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq. of the Revenue and Taxation Code of the State of California.

3. Matters contained, referred to, or disclosed in an instrument,

Entitled:	REGULATORY AGREEMENT FOR MULTI-FAMILY HOUSING PROJECTS
Executed By:	THE SAN JOSE VENTURE, A LIMITED PARTNERSHIP, ET AL
Recorded:	12/15/1976, <a href="#">Document No. 5499098 Book C 477 Page 323 of Official Records</a>

Modification/Amendment thereof disclosed by an instrument,

Executed By: THE SAN JOSE VENTURE, A LIMITED PARTNERSHIP, ET AL  
Recorded: 12/21/1983, [Document No. 7926217 Book I168 Page 559 of Official Records](#)

4. Matters contained, referred to, or disclosed in an instrument,

Entitled: RESOLUTION NO. 55769  
Executed By: THE CITY COUNCIL OF THE CITY OF SAN JOSE  
Recorded: 09/20/1982, [Document No. 7469817 Book H032 Page 480 of Official Records](#)

5. Easements, recitals, setbacks, and other matters affecting said land for the purposes stated thereon, and incidental purposes therein, as said land is shown in the legal description herein. RECORDED 2/29/1984, [BOOK 525 OF MAPS, PAGE 18.](#)

6. Easements, rights, or interest, and incident purposes thereto, if any, lying within the Common Area.

7. Covenants, Conditions, Restrictions, Provisions, Rights, Easements, Liens and Assessments, but omitting covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, marital status, disability, familial status, national origin, ancestry, source of income, genetic information, gender, gender identity or gender expression unless, and only to the extent, they're (a) exempt under Title 42, Section 3604[c] of the United States Code, or (b) relate to handicap, but does not discriminate against handicapped persons, as provided in an instrument, the cover page of which can be retrieved [here](#), recorded 03/02/1984 as [Document No. 7992979 Book I347 Page 144 of Official Records](#), and any amendments thereto.

The following information is provided to you in compliance with Senate Bill No. 1148 and Assembly Bill No. 887 enacted by the California Legislature in September 1999 and October 2011 respectively. That legislation requires the following disclosure to our clients receiving copies of recorded documents:

**"If this document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, ancestry, source of income as defined in subdivision (p) of Section 12955, genetic information, gender, gender identity, or gender expression, that restriction violates state and federal fair housing laws and is void. Any person holding an interest in this property may request that the county recorder removes the restrictive covenant language pursuant to subdivision [c] of Section 12956.1 of the Government Code. Furthermore, such restrictions are deleted from this document to the extent such restrictions violate 42 U.S.C. 3604 [c]."**

Modification/Amendment thereof disclosed by an instrument,

Executed By: MISSION GROVE CONDOMINIUMS, Inc. a California corporation  
Recorded: 08/30/1984, [Document No. 8174887 Book I836 Page 578 of Official Records](#)

Modification/Amendment thereof disclosed by an instrument,

Executed By: MISSION GROVE HOMEOWNERS ASSOCIATION  
Recorded: 04/20/2000, [Document No. 15645551 of Official Records](#)

8. Matters contained, referred to, or disclosed in an instrument,

Entitled: GRANT DEED  
Executed By: MISSION GROVE CONDOMINIUMS, INC., A CALIFORNIA CORPORATION  
Recorded: 07/23/1984, [DOCUMENT NO. 8134252, Book 1739, Page 325 OF OFFICIAL RECORDS](#)

9. Easements affecting those portions of said land and for the purposes stated herein and incidental purposes as provided in an instrument,

In favor of: MISSION GROVE CONDOMINIUMS, INC., A CALIFORNIA CORPORATION  
For: ENCROACHMENT, SUPPORT, MAINTENANCE AND REPAIR, INGRESS AND EGRESS DECKS, PATIOS AND CARPORT SPACES. INSTALLATION AND MAINTENANCE OF UTILITIES  
Recorded: 11/15/1985, [DOCUMENT NO. 8597268, BOOK J521, PAGE 961 OF OFFICIAL RECORDS](#)  
Affects: AS DESCRIBED THEREIN

10. A deed of trust to secure an indebtedness or obligation as stated therein, and any other amounts or obligations under the terms thereof.

Dated: 07/03/2006  
Trustor/Borrower: SONNY T. MILLET AND MELODY MARIA MILLET, HUSBAND AND WIFE AS COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP  
Trustee: STEWART TITLE COMPANY OF SAN DIEGO, A CALIFORNIA CORPORATION  
Beneficiary/Lender: MERS AS THE BENEFICIARY AND SOME MORTGAGE BANKERS, INC., A CALIFORNIA CORPORATION AS THE LENDER  
Amount/Obligation: \$239,000.00  
Recorded: 07/13/2006, [Document No. 19013474 of Official Records](#)

Note: This loan appears to be registered with Mortgage Electronic Registration Systems, Inc. (MERS). The name, address and telephone number for loan servicing should be obtained by calling the toll-free number, 1-888-679-MERS, and referring to the Mortgage Identification Number (MIN) 100031800610255527.

11. Easements affecting those portions of said land and for the purposes stated herein and incidental purposes as provided in an instrument,

In favor of: COMCAST OF CALIFORNIA, II, LLC  
For: BROADBAND COMMUNICATIONS  
Recorded: 8/14/2013, [DOCUMENT NO. 22352747 OF OFFICIAL RECORDS](#)  
Affects: AS DESCRIBED THEREIN

12. Easements affecting those portions of said land and for the purposes stated herein and incidental purposes as provided in an instrument,

In favor of: COMCAST OF CALIFORNIA II, LLC  
For: BROADBAND COMMUNICATIONS  
Recorded: 08/01/2016, [DOCUMENT NO. 23387303 OF OFFICIAL RECORDS](#)  
Affects: AS DESCRIBED THEREIN

### INFORMATIONAL NOTES

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

1. This report is preparatory to the issuance of an ALTA Loan Policy. We have no knowledge of any fact which would preclude the issuance of the policy with CLTA endorsement forms 100 and 116 and if applicable, 115 and 116.2 attached.

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference a(n) RESIDENTIAL CONDOMINIUM known as 247 NORTH CAPITOL AVENUE, #A106, SAN JOSE, CA, 95127

2. There are no conveyances affecting said land within two (2) years of the date of this report, except the following:

None.

3. The map attached, if any, may or may not be a survey of the land depicted hereon. Cornerstone Title Company, and its underwriters, 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.

4. The current vesting was derived from the following documents:

A deed was recorded 07/13/2006 as [Document No. 19013473 of Official Records](#),

Dated: 07/07/2006

Grantor: Melody Marla Millet, who acquired title as a married woman as her sole and separate property

Grantee: Sonny T. Millet and Melody Maria Millet, husband and wife as community property with right of survivorship

5. The Director of the Financial Crimes Enforcement Network ("FinCEN"), US Dept of the Treasury, has issued a Geographic Targeting Order ("Order") requiring title insurance companies to collect and report information about persons involved in certain residential real estate transactions effective August 28, 2016.

Transactions covered by this Order are:

1. The purchase of Residential property of \$2,000,000 or more in San Francisco, San Mateo and Santa Clara counties of California; and
2. Purchase is made without a bank loan or other similar form of external financing; and
3. The Purchaser is a corporation, LLC, partnership or other similar business entity; and
4. Any portion of the purchase price is made by cash, cashier's check, certified check, traveler's check, personal or business check, or money order in any form.

If ALL of the above conditions are in place, the transaction cannot close unless the title insurance company is able to comply with the order. In this event the Purchaser must provide sufficient information to complete FinCEN Form 8300 which includes but is not limited to:

1. The identity of the individual primarily responsible for representing the Purchaser
2. The identity of the individuals who directly or indirectly own 25% or more of interest in the Purchaser (if an LLC the name, address and taxpayer ID number for ALL members must be provided)
3. Copies of identifying information such as drivers license, passport or other similar identification and taxpayer ID numbers for all individuals in 1. And 2. Above.

THIS REQUIREMENT WILL BE REMOVED IF THE TRANSACTION IS FUNDED ENTIRELY BY WIRE TRANSFER OR IF TITLE IS TAKEN IN THE NAME OF A NATURAL PERSON(S) OR A TRUSTEE OF A TRUST.



## LEGAL DESCRIPTION

THE REAL PROPERTY IN THE CITY OF SAN JOSE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

Parcel One:

Unit No. 106, as designated on that Condominium Plan entitled, "Tract No. 7452, Mission Grove Condominiums", which Map and Plan of said Condominium Project was filed for record in the Office of the Recorder of the County of Santa Clara, State of California on February 29, 1984 in Book 525 of Maps, Pages 18 through 35, inclusive.

An undivided 1/380th interest as a tenant in common in and to the Common Area.

Excepting and reserving, however, the following:

- A. Any portion of the common area lying within said unit.
- B. Easements appurtenant to the common area for encroachment upon the air space of the unit by any portions of the common area located within the unit.
- C. Easements through said unit appurtenant to the common area and all other units for support, maintenance and repair of the common area and all other units.

Parcel Two:

The following appurtenant easements, to and for the benefit of Parcel One:

- A. Non-exclusive easements for ingress and egress to and from Parcel One and support of Parcel One through the Common Area and for the maintenance and repair of Parcel One through all other Units and through the Common Area.
- B. An exclusive easement to use Carport Space, CP-A106 and Patio, P-A106 as shown on the Condominium Plan herein referred to.
- C. A non-exclusive easement for the use and enjoyment of the Common Area as provided in the Enabling Declaration executed by Mission Grove Condominiums, Inc., a California Corporation, recorded on March 2, 1984 in Book I347 of Official Records, at Page 144, County of Santa Clara, California.

Excepting and reserving, however, the following:

- A. Non-exclusive easement appurtenant to all units for ingress and egress to and from all units and support, maintenance and repair of all units.
- B. Exclusive easements for Decks, Patios and Carport Spaces and Storage, as shown on the Condominium Plan herein referred to.
- C. Easements for installation and maintenance of utilities.

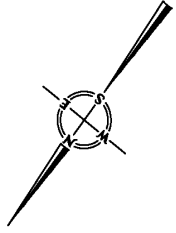
D. Non-exclusive easements for the benefit of unit owners for the use and enjoyment of the Common Area, as provided for in the Enabling Declaration executed by Mission Grove Condominiums, Inc., a California Corporation, recorded on March 2, 1984 in Book I347 of Official Records, at page 144, County of Santa Clara, California.

Excepting however, the following:

All oil, casinghead gas, asphaltum and other hydrocarbons, all chemical gas, and all minerals, now or hereinafter found, situated or located in all or any part or portion of the land above described, lying more than five hundred (500) feet below the surface thereof, together with the right to slant drill for and remove all or any of said oil, gas, casinghead gas, asphaltum and other hydrocarbons, all chemical gas, and all minerals, lying below a depth of more than five hundred (500) feet below the surface thereof, without any right whatsoever to enter upon the surface of said lands within five hundred (500) feet vertical distance below the surface thereof, as reserved in the Deed from Mission Grove Condominiums, Inc., a California Corporation to Capitol-McKee, a General Partnership, and recorded November 15, 1985 in Booj J521 of Official Records, page 961.

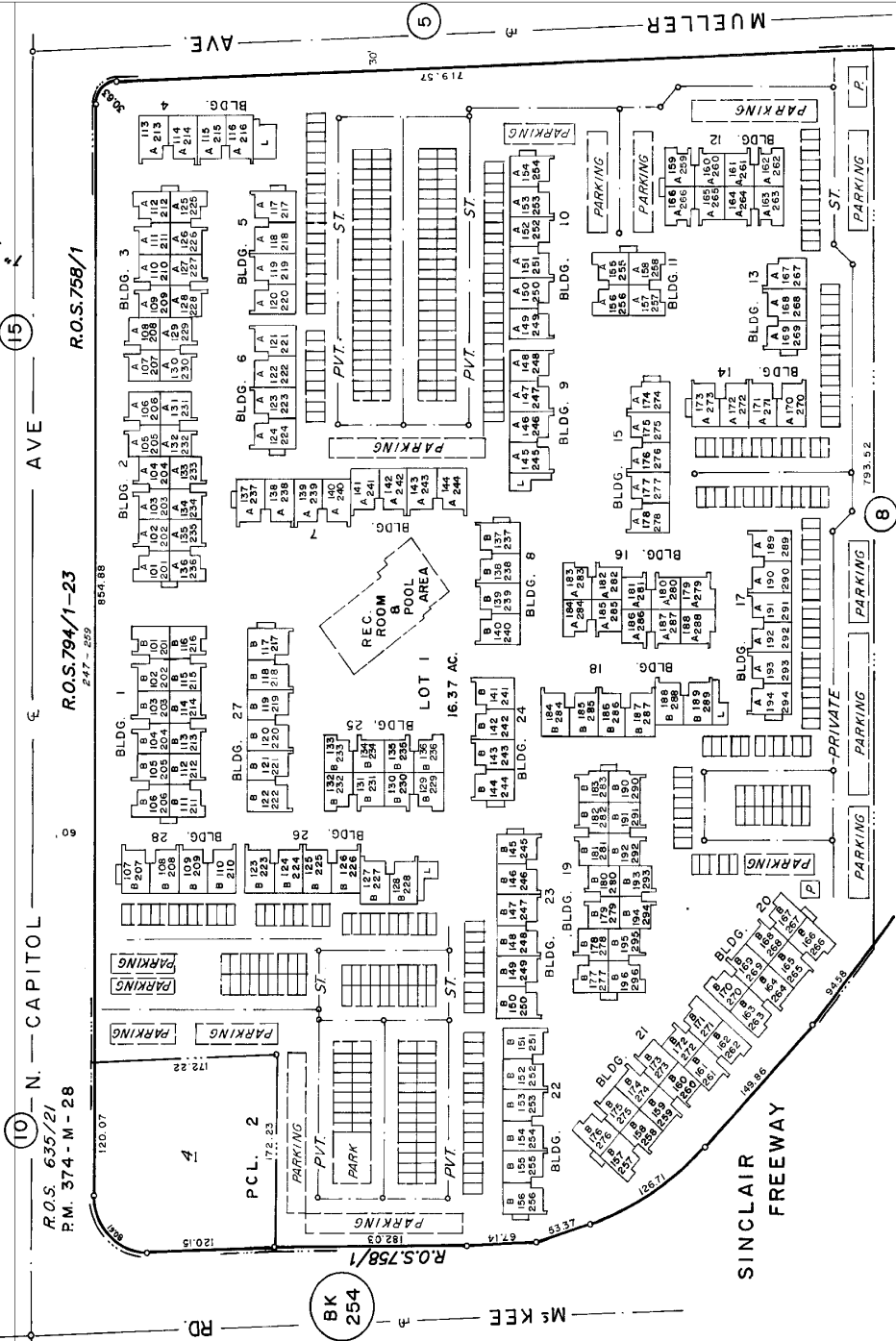
APN: 484-09-014

BOOK **484** PAGE **9**  
LAWRENCE E. STONE - ASSESSOR  
Cadastral map for assessment purposes only.  
Compiled under R. & T. Code, Sec. 327.  
Effective Roll Year 2012-2013  
TIN DET. MAP 124



OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

TRACT N° 7452  
MISSION GROVE CONDOMINIUMS



UNIT	PCL	UNIT	PCL	UNIT	PCL	UNIT	PCL
A.101	101	A.101	101	A.101	101	A.101	101
A.102	102	A.102	102	A.102	102	A.102	102
A.103	103	A.103	103	A.103	103	A.103	103
A.104	104	A.104	104	A.104	104	A.104	104
A.105	105	A.105	105	A.105	105	A.105	105
A.106	106	A.106	106	A.106	106	A.106	106
A.107	107	A.107	107	A.107	107	A.107	107
A.108	108	A.108	108	A.108	108	A.108	108
A.109	109	A.109	109	A.109	109	A.109	109
A.110	110	A.110	110	A.110	110	A.110	110
A.111	111	A.111	111	A.111	111	A.111	111
A.112	112	A.112	112	A.112	112	A.112	112
A.113	113	A.113	113	A.113	113	A.113	113
A.114	114	A.114	114	A.114	114	A.114	114
A.115	115	A.115	115	A.115	115	A.115	115
A.116	116	A.116	116	A.116	116	A.116	116
A.117	117	A.117	117	A.117	117	A.117	117
A.118	118	A.118	118	A.118	118	A.118	118
A.119	119	A.119	119	A.119	119	A.119	119
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A.122	122	A.122	122	A.122	122	A.122	122
A.123	123	A.123	123	A.123	123	A.123	123
A.124	124	A.124	124	A.124	124	A.124	124
A.125	125	A.125	125	A.125	125	A.125	125
A.126	126	A.126	126	A.126	126	A.126	126
A.127	127	A.127	127	A.127	127	A.127	127
A.128	128	A.128	128	A.128	128	A.128	128
A.129	129	A.129	129	A.129	129	A.129	129
A.130	130	A.130	130	A.130	130	A.130	130
A.131	131	A.131	131	A.131	131	A.131	131
A.132	132	A.132	132	A.132	132	A.132	132
A.133	133	A.133	133	A.133	133	A.133	133
A.134	134	A.134	134	A.134	134	A.134	134
A.135	135	A.135	135	A.135	135	A.135	135
A.136	136	A.136	136	A.136	136	A.136	136
A.137	137	A.137	137	A.137	137	A.137	137
A.138	138	A.138	138	A.138	138	A.138	138
A.139	139	A.139	139	A.139	139	A.139	139
A.140	140	A.140	140	A.140	140	A.140	140
A.141	141	A.141	141	A.141	141	A.141	141
A.142	142	A.142	142	A.142	142	A.142	142
A.143	143	A.143	143	A.143	143	A.143	143
A.144	144	A.144	144	A.144	144	A.144	144
A.145	145	A.145	145	A.145	145	A.145	145
A.146	146	A.146	146	A.146	146	A.146	146
A.147	147	A.147	147	A.147	147	A.147	147
A.148	148	A.148	148	A.148	148	A.148	148
A.149	149	A.149	149	A.149	149	A.149	149
A.150	150	A.150	150	A.150	150	A.150	150
A.151	151	A.151	151	A.151	151	A.151	151
A.152	152	A.152	152	A.152	152	A.152	152
A.153	153	A.153	153	A.153	153	A.153	153
A.154	154	A.154	154	A.154	154	A.154	154
A.155	155	A.155	155	A.155	155	A.155	155
A.156	156	A.156	156	A.156	156	A.156	156
A.157	157	A.157	157	A.157	157	A.157	157
A.158	158	A.158	158	A.158	158	A.158	158
A.159	159	A.159	159	A.159	159	A.159	159
A.160	160	A.160	160	A.160	160	A.160	160
A.161	161	A.161	161	A.161	161	A.161	161
A.162	162	A.162	162	A.162	162	A.162	162
A.163	163	A.163	163	A.163	163	A.163	163
A.164	164	A.164	164	A.164	164	A.164	164
A.165	165	A.165	165	A.165	165	A.165	165
A.166	166	A.166	166	A.166	166	A.166	166
A.167	167	A.167	167	A.167	167	A.167	167
A.168	168	A.168	168	A.168	168	A.168	168
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A.172	172	A.172	172	A.172	172	A.172	172
A.173	173	A.173	173	A.173	173	A.173	173
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A.175	175	A.175	175	A.175	175	A.175	175
A.176	176	A.176	176	A.176	176	A.176	176
A.177	177	A.177	177	A.177	177	A.177	177
A.178	178	A.178	178	A.178	178	A.178	178
A.179	179	A.179	179	A.179	179	A.179	179
A.180	180	A.180	180	A.180	180	A.180	180
A.181	181	A.181	181	A.181	181	A.181	181
A.182	182	A.182	182	A.182	182	A.182	182
A.183	183	A.183	183	A.183	183	A.183	183
A.184	184	A.184	184	A.184	184	A.184	184
A.185	185	A.185	185	A.185	185	A.185	185
A.186	186	A.186	186	A.186	186	A.186	186
A.187	187	A.187	187	A.187	187	A.187	187
A.188	188	A.188	188	A.188	188	A.188	188
A.189	189	A.189	189	A.189	189	A.189	189
A.190	190	A.190	190	A.190	190	A.190	190
A.191	191	A.191	191	A.191	191	A.191	191
A.192	192	A.192	192	A.192	192	A.192	192
A.193	193	A.193	193	A.193	193	A.193	193
A.194	194	A.194	194	A.194	194	A.194	194
A.195	195	A.195	195	A.195	195	A.195	195
A.196	196	A.196	196	A.196	196	A.196	196
A.197	197	A.197	197	A.197	197	A.197	197
A.198	198	A.198	198	A.198	198	A.198	198
A.199	199	A.199	199	A.199	199	A.199	199
A.200	200	A.200	200	A.200	200	A.200	200

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



**NOTICE**

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

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

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

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

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

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

**EXCLUSIONS FROM COVERAGE**

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

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

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

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.

3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or

created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

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

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

**SCHEDULE B**

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

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

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

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

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

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

**SCHEDULE B**

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.

5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

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

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

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

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

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

**SCHEDULE B**

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.



3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

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

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
  - (a) created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
  - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
    - (a) to timely record the instrument of transfer; or
    - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

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

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

**SCHEDULE B**

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

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

6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

### 10. 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>Limit of Liability</u>	<u>Our Maximum Dollar</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

### 11. THIRD GENERATION 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.

## 12. 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:

(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).

## 13. 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.

**14. 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.

**15. 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.

**CORNERSTONE TITLE COMPANY****PRIVACY POLICY**

Rev 2/19/15

**FACTS****WHAT DOES Cornerstone Title Company DO WITH YOUR PERSONAL INFORMATION?****Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?**

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and account balances
- payment history and credit card or other debt
- checking account information and wire transfer instructions

**How?**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Cornerstone Title Company chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does TRG share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

**Questions?**

Call (888) 485-3791

Who we are	
Who is providing this notice?	Cornerstone Title Company
What we do	
How does Cornerstone Title Company protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Cornerstone Title Company collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>■ apply for insurance or pay insurance premiums</li> <li>■ provide your mortgage information or show your driver's license</li> <li>■ give us your contact information</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<ul style="list-style-type: none"> <li>■ Why can't I limit all sharing?</li> </ul>	<ul style="list-style-type: none"> <li>■ Federal law gives you the right to limit only</li> <li>■ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for nonaffiliates to market to you</li> <li>■ State laws and individual companies may give you additional rights to limit sharing.</li> </ul>
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account—unless you tell us otherwise.
Definitions	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ Our affiliates include companies that are owned in whole or in part by Realogy Holdings Corp., such as Better Homes and Gardens® Real Estate, CENTURY 21®, Coldwell Banker®, Coldwell Banker Commercial®, The Corcoran Group®, ERA®, Sotheby's International Realty®, ZipRealty®, NRT LLC, Cartus and Title Resource Group.</li> </ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ Cornerstone Title Company does not share with nonaffiliates so they can market to you</li> </ul>
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>■ Cornerstone Title Company does not share with nonaffiliated financial companies for joint marketing purposes</li> </ul>



### Mail-in Form

**If you have a joint account, your choice(s) will apply to everyone on your account unless you mark below**

**Apply my choices only to me**

Mark any/all you want to limit:

- Do not share information about my creditworthiness with your affiliates for their everyday business purposes.
- Do not allow your affiliates to use my personal information to market to me.

**Name**

**Address**

**City, State, Zip**

**[Account #]**

**Mail to:**

Title Resource Group  
3001 Leadenhall Rd  
Mail Stop-TRG-LGL  
Mount Laurel NJ 08054

## Exhibit A

THE REAL PROPERTY IN THE CITY OF SAN JOSE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA,  
DESCRIBED AS FOLLOWS:

Parcel One:

Unit No. 106, as designated on that Condominium Plan entitled, "Tract No. 7452, Mission Grove Condominiums", which Map and Plan of said Condominium Project was filed for record in the Office of the Recorder of the County of Santa Clara, State of California on February 29, 1984 in Book 525 of Maps, Pages 18 through 35, inclusive.

An undivided 1/380th interest as a tenant in common in and to the Common Area.

Excepting and reserving, however, the following:

- A. Any portion of the common area lying within said unit.
- B. Easements appurtenant to the common area for encroachment upon the air space of the unit by any portions of the common area located within the unit.
- C. Easements through said unit appurtenant to the common area and all other units for support, maintenance and repair of the common area and all other units.

Parcel Two:

The following appurtenant easements, to and for the benefit of Parcel One:

- A. Non-exclusive easements for ingress and egress to and from Parcel One and support of Parcel One through the Common Area and for the maintenance and repair of Parcel One through all other Units and through the Common Area.
- B. An exclusive easement to use Carport Space, CP-A106 and Patio, P-A106 as shown on the Condominium Plan herein referred to.
- C. A non-exclusive easement for the use and enjoyment of the Common Area as provided in the Enabling Declaration executed by Mission Grove Condominiums, Inc., a California Corporation, recorded on March 2, 1984 in Book I347 of Official Records, at Page 144, County of Santa Clara, California.

Excepting and reserving, however, the following:

- A. Non-exclusive easement appurtenant to all units for ingress and egress to and from all units and support, maintenance and repair of all units.
- B. Exclusive easements for Decks, Patios and Carport Spaces and Storage, as shown on the Condominium Plan herein referred to.
- C. Easements for installation and maintenance of utilities.
- D. Non-exclusive easements for the benefit of unit owners for the use and enjoyment of the Common Area, as provided for in the Enabling Declaration executed by Mission Grove Condominiums, Inc., a California Corporation, recorded on March 2, 1984 in Book I347 of Official Records, at page 144, County of Santa Clara, California.



Excepting however, the following:

All oil, casinghead gas, asphaltum and other hydrocarbons, all chemical gas, and all minerals, now or hereinafter found, situated or located in all or any part or portion of the land above described, lying more than five hundred (500) feet below the surface thereof, together with the right to slant drill for and remove all or any of said oil, gas, casinghead gas, asphaltum and other hydrocarbons, all chemical gas, and all minerals, lying below a depth of more than five hundred (500) feet below the surface thereof, without any right whatsoever to enter upon the surface of said lands within five hundred (500) feet vertical distance below the surface thereof, as reserved in the Deed from Mission Grove Condominiums, Inc., a California Corporation to Capitol-McKee, a General Partnership, and recorded November 15, 1985 in Booj J521 of Official Records, page 961.

APN: 484-09-014