

February 16, 2017
Update



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

4380 La Jolla Village Drive, Suite 110
San Diego, CA 92122

February 16, 2017

Patrick Miller
Lee & Associates
1900 Wright Pl Ste 200
Carlsbad , CA 92008
Phone: (760)929-9700
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Customer Reference: Live Oak Ranch

Title Officer: Vince Tocco/ Linda Slavik
Phone: (858)410-3886
Fax No.: (877)461-2094
E-Mail: vtocco@firstam.com

Buyer:

Owner: Charles Frank

Property: Situs Unavailable, San Diego, 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 February 09, 2017 at 7:30 A.M.

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

ALTA Standard Owner Policy

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:

CHARLES J. FRANK, TRUSTEE OF THE RESTATED REVOCABLE LIVING TRUST OF CHARLES J. FRANK, DATED 6/23/2000

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 2017-2018, a lien not yet due or payable.

1A. General and special taxes and assessments for the fiscal year 2016-2017.

First Installment:	\$1,891.23, PAID
Penalty:	\$0.00
Second Installment:	\$1,891.23, OPEN
Penalty:	\$0.00
Tax Rate Area:	94075
A. P. No.:	189-030-06-00

(Affects Portion of Parcel 1)

1B. General and special taxes and assessments for the fiscal year 2016-2017.

First Installment:	\$3,684.11, PAID
Penalty:	\$0.00
Second Installment:	\$3,684.11, OPEN
Penalty:	\$0.00
Tax Rate Area:	94075
A. P. No.:	189-030-17-00

(Affects Portion of Parcel 1)

1C. General and special taxes and assessments for the fiscal year 2016-2017.

First Installment:	\$3,922.57, PAID
Penalty:	\$0.00
Second Installment:	\$3,922.57, OPEN
Penalty:	\$0.00
Tax Rate Area:	94075
A. P. No.:	189-031-11-00

(Affects Portion of Parcel 1)

1D. General and special taxes and assessments for the fiscal year 2016-2017.

First Installment:	\$225.66, PAID
Penalty:	\$0.00
Second Installment:	\$225.66, OPEN
Penalty:	\$0.00
Tax Rate Area:	94075
A. P. No.:	189-040-05-00

(Affects Portion of Parcel 1)

1E. General and special taxes and assessments for the fiscal year 2016-2017.

First Installment:	\$2,595.45, PAID
Penalty:	\$0.00
Second Installment:	\$2,595.45, OPEN
Penalty:	\$0.00
Tax Rate Area:	94075
A. P. No.:	189-040-08-00

(Affects Portion of Parcel 1)

1F. General and special taxes and assessments for the fiscal year 2016-2017.

First Installment:	\$1,496.63, PAID
Penalty:	\$0.00
Second Installment:	\$1,496.63, OPEN
Penalty:	\$0.00
Tax Rate Area:	94075
A. P. No.:	189-032-18-00

(Affects Portion of Parcel 2)

1G. General and special taxes and assessments for the fiscal year 2016-2017.

First Installment:	\$1,666.89, PAID
Penalty:	\$0.00
Second Installment:	\$1,666.89, OPEN
Penalty:	\$0.00
Tax Rate Area:	94075
A. P. No.:	189-032-21-00

(Affects Portion of Parcel 2)

2. The lien of special tax for the following community facilities district, which tax is collected with the county taxes.
District: Valley Center FPD CFD #2000-1

(Affects 189-030-06-00; 189-030-17-00; 189-031-11-00; 189-040-05-00; 189-040-08-00 and 189-032-18-00)
3. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 91-1, as disclosed by Notice of Special Tax Lien recorded January 16, 1992 as Instrument No. [1992-0025423](#) of Official Records.
4. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
5. An easement for public utilities, ingress and egress and incidental purposes, recorded March 21, 1935 in [Book 377, Page 467](#) of Official Records.
In Favor of: San Diego Gas & Electric Company
Affects: As described therein
6. An easement for public utilities, ingress and egress and incidental purposes, recorded August 4, 1941 as Instrument No. 45662, in [Book 1220, Page 171](#) of Official Records.
In Favor of: San Diego Gas & Electric Company
Affects: As described therein
7. An easement for public utilities, ingress and egress and incidental purposes, recorded April 11, 1951 as Instrument No. 45637, in [Book 4049, Page 07](#) of Official Records.
In Favor of: San Diego Gas & Electric Company
Affects: As described therein
8. An easement for road and utility and incidental purposes, recorded February 11, 1958 as Instrument No. [21785](#), in [Book 6945, Page 237](#) of Official Records.
In Favor of: Francis O. Highley and Alyne Highley, husband and wife, as joint tenants
Affects: As described therein
9. An easement for road and public utility and incidental purposes, recorded August 8, 1958 in [Book 7205, Page 25](#) of Official Records.
In Favor of: Troy M. Cobb and Violet E. Cobb, his wife
Affects: As described therein

The location of the easement cannot be determined from record information.
10. An easement for water distribution lines and their appurtenances, together with the right of ingress and egress for such purposes and incidental purposes, recorded December 8, 1959 in [Book 8033, Page 453](#) of Official Records.
In Favor of: Valley Center Municipal Water District
Affects: As described therein

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

11. The terms and provisions contained in the document entitled "Agreement" recorded April 7, 1960 as Instrument No. [72057](#) of Official Records.
12. An easement for road and utility and incidental purposes, recorded May 5, 1960 as Instrument No. [93278](#) of Official Records.
In Favor of: Walter Good and Mary H. Good, husband and wife, as joint tenants
Affects: As described therein
13. The public rights to fish as reserved by the State of California in instrument recorded December 29, 1960 as Instrument No. [249579](#), Official Records.
14. An easement for public utilities, ingress and egress and incidental purposes, recorded August 28, 1961 as Instrument No. [149576](#) of Official Records.
In Favor of: San Diego Gas & Electric Company
Affects: As described therein
15. An easement for public utilities, ingress and egress and incidental purposes, recorded August 5, 1963 as Instrument No. [136711](#) of Official Records.
In Favor of: San Diego Gas & Electric Company
Affects: As described therein
16. An easement for public utilities, ingress and egress and incidental purposes, recorded September 23, 1963 as Instrument No. [169817](#) of Official Records.
In Favor of: San Diego Gas & Electric Company
Affects: As described therein
17. An easement for public utilities, ingress and egress and incidental purposes, recorded July 1, 1966 as Instrument No. [108551](#) of Official Records.
In Favor of: San Diego Gas & Electric Company
Affects: As described therein
18. An easement for public utilities, ingress and egress and incidental purposes, recorded April 22, 1968 as Instrument No. [66991](#) of Official Records.
In Favor of: San Diego Gas & Electric Company
Affects: As described therein
19. An easement for pipe line or pipe lines and all fixtures and appurtenances incidental thereto together with the right of ingress thereto and egress therefrom and incidental purposes, recorded September 10, 1968 as Instrument No. [155522](#) of Official Records.
In Favor of: Valley Center Municipal Water District
Affects: As described therein

20. An easement for public utilities, ingress and egress and incidental purposes, recorded March 31, 1971 as Instrument No. [62781](#) of Official Records.
In Favor of: The Pacific Telephone and Telegraph Company
Affects: As described therein
21. An easement for public utilities and incidental purposes, recorded June 28, 2006 as Instrument No. [2006-0456933](#) of Official Records.
In Favor of: San Diego Gas & Electric Company
Affects: As described therein
22. The terms and provisions contained in the document entitled "Private Road Maintenance Agreement" recorded December 22, 2006 as Instrument No. [2006-0908321](#) of Official Records.
23. An easement for public utilities and incidental purposes, recorded March 23, 2007 as Instrument No. [2007-0197012](#) of Official Records.
In Favor of: San Diego Gas & Electric Company
Affects: As described therein
24. An easement for public utilities and incidental purposes, recorded February 4, 2009 as Instrument No. [2009-0054413](#) of Official Records.
In Favor of: San Diego Gas & Electric Company, a Corporation
Affects: As described therein
25. A deed of trust to secure the performance of an agreement or other obligation, recorded August 17, 2012 as Instrument No. [2012-0491562](#) of Official Records.
Dated: July 25 (no year stated)
Trustor: The Frank Trust dated January 12, 1987
Trustee: SureTec Information Systems, Inc.
Beneficiary: SureTec Insurance Company
26. Any defects, liens, encumbrances or other matters which name parties with the same or similar names as Charles J. Frank (2 matters). The name search necessary to ascertain the existence of such matters has not been completed. In order to complete this preliminary report or commitment, we will require a statement of information.
27. Rights of the public in and to that portion of the land lying within Any road, street and/or highway.
28. Any claim that the Title is subject to a trust or lien created under The Perishable Agricultural Commodities Act, 1930 (7 U.S.C. §§499a, et seq.) or the Packers and Stockyards Act (7 U.S.C. §§181 et seq.) or under similar state laws.

(Affects 189-030-06-00; 189-030-17-00; 189-031-11-00 and 189-040-08-00)
29. Water rights, claims or title to water, whether or not shown by the public records.
30. Rights of parties in possession.

(Affects 189-030-06-00; 189-030-17-00; 189-031-11-00; 189-040-05-00; 189-040-08-00 and 189-032-21-00)

INFORMATIONAL NOTES

NOTE to proposed insured lender only: No Private transfer fee covenant, as defined in Federal Housing Finance Agency Final Rule 12 CFR Part 1228, that was created and first appears in the Public Records on or after February 8, 2011, encumbers the Title except as follows: None

(Affects 189-032-18-00; 189-032-21-00 and 189-040-05-00)

1. The property covered by this report is vacant land.

(Affects 189-030-06-00; 189-030-17-00; 189-031-11-00; 189-040-05-00; 189-040-08-00 and 189-032-21-00)

2. 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 Situs Unavailable, San Diego, CA.

(Affects 189-032-18-00)

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. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
4. 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. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
 5. 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. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
 5. 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. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
 6. 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:

THE EAST HALF OF THE NORTHWEST QUARTER; THE SOUTH HALF OF THE NORTHEAST QUARTER; THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND THE NORTH HALF OF THE SOUTHWEST QUARTER, ALL IN SECTION SIXTEEN, TOWNSHIP ELEVEN SOUTH, RANGE ONE WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY.

EXCEPTING FROM SAID EAST HALF OF THE NORTHWEST QUARTER THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID NORTHWEST QUARTER; THENCE SOUTH 0° 02' 30" EAST ALONG THE EAST LINE THEREOF, 25.00 FEET TO THE TRUE POINT OF BEGINNING BEING THE NORTHEAST CORNER OF THE LAND DESCRIBED IN DEED TO FRANCIS B HIGHLEY ET UX, RECORDED FEBRUARY 11, 1958 AS INSTRUMENT NO. [21785](#) OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE BOUNDARY OF SAID LAND AS FOLLOWS:

PARALLEL WITH THE NORTH LINE OF SAID SECTION 16, NORTH 89° 48' 20" WEST 491.55 FEET TO A POINT IN A 25 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY, A RADIAL BEARS NORTH 0° 11' 20" EAST TO SAID POINT; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 53' 20" A DISTANCE OF 39.22 FEET; THENCE TANGENT TO SAID CURVE AND CONTINUING ALONG THE BOUNDARY OF SAID HIGHLEY LAND, SOUTH 0° 18' WEST 678.39 FEET TO A TANGENT 1330.00 FOOT RADIUS CURVE, CONCAVE WESTERLY; THENCE SOUTHERLY ALONG SAID CURVE 396.75 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 17° 23' 30" WEST 215.66 FEET TO A POINT "A" OF THIS DESCRIPTION; THENCE CONTINUING ALONG SAID BOUNDARY SOUTH 86° 41' EAST 447.61 FEET; THENCE SOUTH 70° 58' EAST 211.18 FEET TO THE EAST LINE OF SAID NORTHWEST QUARTER; THENCE ALONG SAID EAST LINE, NORTH 0° 02' 30" WEST 1392.28 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING FROM SAID EAST HALF OF THE NORTHWEST QUARTER OF THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER OF SAID SECTION 16; THENCE ALONG THE EAST LINE OF SAID NORTHWEST QUARTER, BEING ALSO THE NORTH AND SOUTH CENTER LINE OF SAID SECTION 16, NORTH 0° 02' 30" WEST, 660.74 FEET; THENCE LEAVING SAID EAST LINE OF SAID NORTHWEST QUARTER, SOUTH 88° 42' WEST 590.20 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 45° 05' 40" WEST, 237.47 FEET; THENCE NORTH 7° 57' 30" WEST 202.61 FEET TO THE BEGINNING OF A TANGENT 270.00 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 25° 21" A DISTANCE OF 119.46 FEET TO THE POINT OF TANGENCY; THENCE NORTH 17° 23' 30" EAST 55.83 FEET; THENCE SOUTH 87° 40' 30" EAST, 196.40 FEET; THENCE CONTINUING NORTH 87° 40' 30" EAST 25 FEET MORE OR LESS TO THE NORTHEASTERLY CORNER OF THE LAND DESCRIBED IN DEED TO FRANCIS O. HIGHLEY ET UX, RECORDED JANUARY 7, 1959 AS INSTRUMENT NO. [2706](#) OF OFFICIAL RECORDS OF SAID COUNTY, THENCE ALONG THE EASTERLY BOUNDARY OF SAID LAND, SOUTH 0° 52' 30" WEST 406.00 FEET MORE OR LESS, TO AN ANGLE POINT THEREIN AND SOUTH 9° 08' 10" WEST 127.00 FEET MORE OR LESS, TO A LINE WHICH BEARS NORTH 88° 42' EAST FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 88° 42' WEST TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING FROM SAID EAST HALF OF THE NORTHWEST QUARTER AND FROM SAID NORTH HALF OF THE SOUTHWEST QUARTER, THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 16; THENCE NORTH 0° 16" EAST ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, A DISTANCE OF 190 FEET; THENCE SOUTH 89° 28' 00" EAST PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, A DISTANCE OF 574.54 FEET TO A POINT IN THE SOUTHERLY PROLONGATION OF THE CENTER LINE OF THAT CERTAIN 60 FOOT EASEMENT DESCRIBED IN EASEMENT PARCEL "A" OF THE DEED TO JOSEPH FRED GRANT, ET UX, RECORDED JANUARY 7, 1959 IN [BOOK 7431, PAGE 369](#) OF OFFICIAL RECORDS; THENCE ALONG SAID PROLONGATION SOUTH 1° 37' 15" EAST, 330.13 FEET TO THE BEGINNING OF A TANGENT 211.56 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY; THENCE SOUTHERLY AND SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 53° 40' 15" A DISTANCE OF 198.18 FEET TO THE POINT OF TANGENCY; THENCE SOUTH 52° 03' 00" WEST 135.99 FEET; THENCE NORTH 46° 48' 45" WEST; 543 FEET MORE OR LESS, TO THE SOUTHERLY PROLONGATION OF THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER; THENCE NORTH 0° 10' 16" EAST ALONG SAID PROLONGATION A DISTANCE OF 30.16 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

LOT 7 (THE SOUTHWEST QUARTER OF THE SOUTHWEST) QUARTER OF SECTION 16, TOWNSHIP 11 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA.

EXCEPTING THEREFROM THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 16, TOWNSHIP 11 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHERLY LINE OF SECTION 16 THAT IS DISTANT NORTH 86° 39' 35" EAST 774.40 FEET ALONG SAID LINE FROM THE SOUTHWEST CORNER OF SAID SECTION 16; THENCE NORTH 24° 21' 40" WEST 77.16 FEET; THENCE NORTH 06° 00' 30" EAST 51.10 FEET; THENCE NORTH 15° 10' 20" EAST 50.86 FEET; THENCE NORTH 44° 57' 10" EAST 89.93 FEET; THENCE NORTH 65° 52' 40" EAST 79.83 FEET; THENCE NORTH 70° 12' 00" EAST 91.60 FEET; THENCE NORTH 77° 49' 10" EAST 100.61 FEET; THENCE NORTH 81° 01' 00" EAST 68.09 FEET; THENCE SOUTH 84° 41' 40" EAST 71.56 FEET; THENCE SOUTH 59° 08' 20" EAST 123.79 FEET; THENCE SOUTH 02° 35' 05" EAST 237.04 FEET TO THE SOUTH LINE OF SAID SECTION 16; THENCE SOUTH 88° 39' 35" WEST 566.17 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 16, TOWNSHIP 11 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHERLY LINE OF SECTION 16 THAT IS DISTANT NORTH 88° 39' 35" EAST 1340.57 FEET ALONG SAID LINE FROM THE SOUTHWEST CORNER OF SAID SECTION 16; THENCE NORTH 02° 35' 05" WEST 237.04 FEET; THENCE SOUTH 33° 10' 00" EAST 95.33 FEET; THENCE SOUTH 09° 11' 20" WEST 158.65 FEET TO THE SOUTH LINE OF SAID SECTION 16; THENCE SOUTH 88° 39' 35" WEST 16.13 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LAND CONVEYED TO VALLEY CENTER MUNICIPAL WATER DISTRICT BY GRANT DEED RECORDED NOVEMBER 6, 2006 AS DOCUMENT NO. [2006-0787578](#) OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ONE-SIXTEENTH OF ALL COAL, OIL, GAS AND OTHER MINERAL DEPOSITS CONTAINED IN SAID LAND AS RESERVED IN PATENT RECORDED DECEMBER 29, 1960 AS INSTRUMENT NO. [249579](#) OF OFFICIAL RECORDS.

APN: 189-030-06-00 (Portion of Parcel 1)

189-030-17-00 (Portion of Parcel 1)

189-031-11-00 (Portion of Parcel 1)

189-040-05-00 (Portion of Parcel 1)

189-040-08-00 (Portion of Parcel 1)

189-032-18-00 (Portion of Parcel 2) and

189-032-21-00 (Portion of Parcel 2)

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.

**CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
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; and
 - (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.
- 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

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

<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16: 1% of Policy Amount or \$2,500.00 (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

**ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
EXCLUSIONS**

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

- 1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - (a) and use
 - (b) improvements on the land
 - (c) and division
 - (d) 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) a notice of exercising the right appears in the public records on the Policy Date
 - (b) 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:
 - (a) that are created, allowed, or agreed to by you
 - (b) that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
 - (c) that result in no loss to you
 - (d) 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:
 - (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A OR
 - (b) in streets, alleys, or waterways that touch your land

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

2006 ALTA LOAN POLICY (06-17-06)
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).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that 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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06)
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).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that 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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)
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, 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 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. 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.
9. 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 27(b) of this policy.