

EXHIBIT I - PRELIMINARY TITLE REPORT



First American Title Company of Marin

First Look Checklist

Please call your Escrow Officer if your answer is **YES** to any of the following questions:

- Are your principals dealing with a Trust?
- Have any of the principals recently filed for Bankruptcy protection?
 - Are your principals using a Power of Attorney?
- Are any of the parties in title Incapacitated or Deceased?
- Is there a Mortgage or Deed of Trust which is not shown on the Preliminary Report?
- Has a change in Marital Status occurred for any of the principals?
- Will the property be transferred to a new Partnership, Corporation or Limited Liability Company?
 - Do the sellers of the property reside Out of State?
 - Is the property the subject of an Exchange?

----- ♦ -----
*Remember, all parties signing documents
must have a valid photo I.D. or Drivers License.*
----- ♦ -----

Thank you for helping
First American Title Company of Marin
better serve you



Preliminary Report

First American Title Insurance Company



First American Title Company of Marin

FAX ACCOUNTING * (415) 457-8324

ALL FUNDS SUBMITTED TO CLOSE AN ESCROW WITH

FIRST AMERICAN TITLE COMPANY OF MARIN

MUST BE SUBMITTED IN ONE OF THE TWO FOLLOWING FORMS:

1. CASHIER'S CHECK
2. BY WIRE TO:

UNION BANK OF CALIFORNIA
1980 SATURN STREET
MONTEREY PARK, CA 91755

for the account of:

FIRST AMERICAN TITLE COMPANY OF MARIN * OFFICE 675
ACCOUNT NUMBER 71500 80406
ESCROW NO. 3-044706ME

FEDERAL WIRE ROUTING NO. 1220 00496

Please direct Union Bank to telephone our
ACCOUNTING DEPARTMENT with wire advice.

FUND'S SUBMITTED IN ANY OTHER FORM WILL DELAY YOUR CLOSING

BECAUSE THEY WILL HAVE TO BE CLEARED PRIOR TO RECORDATION.

WE THANK YOU FOR YOUR COOPERATION IN THIS MATTER!



First American Title Company of Marin

350 BON AIR CENTER, SUITE 200 • (415) 461-7570
GREENBRAE, CA 94904

FOR ESCROW INQUIRIES REPLY TO: Myra Hardwick Engelkes, Escrow Officer

Our Order Number: 3-044706ME

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.

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

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 March 7, 2000 at 07:30 am

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

CLTA STANDARD COVERAGE POLICY

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

MOUNT BURDELL ENTERPRISES, a partnership, as to an undivided 50% interest, and BURDELL RANCH PARTNERS, LTD., a California limited partnership, who acquired title as MOUNT BURDELL PARTNERS, LTD., a limited partnership, as to an undivided 50% interest

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

A FEE

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

1. TAXES: General and Special County of Marin taxes for the fiscal year 2000-01, including personal property taxes, if any, now a lien, but not yet due or payable.

2. TAXES: General and Special County of Marin taxes for the fiscal year 1999-2000:

1st Installment: \$2,168.37, Paid.
2nd Installment: \$2,168.37, Open.

Tax Bill No. 125-190-69 Tax Code Area 077-006

3. TAXES: General and Special County of Marin taxes for the fiscal year 1999-2000:

1st Installment: \$154.07, Paid.
2nd Installment: \$154.07, Open.

Tax Bill No. 125-190-71 Tax Code Area 077-006

4. TAXES: General and Special County of Marin taxes for the fiscal year 1999-2000:

1st Installment: \$1,073.88, Paid.
2nd Installment: \$1,073.88, Open.

Tax Bill No. 125-190-72 Tax Code Area 077-006

5. THE LIEN OF SUPPLEMENTAL TAXES ASSESSED, IF ANY, PURSUANT TO CHAPTER 3.5 COMMENCING WITH SECTION 75 OF THE CALIFORNIA REVENUE AND TAXATION CODE.

6. NOTATION of the Parcel Map (19 PM 23) referred to herein that the State Lands Commission asserts some State Public Trust title in and to Parcels One and Two herein described "by reason of the alleged existence of tidelands and submerged lands therein, the exact nature and extent of which has not been resolved by agreement or Court Decree."

7. RIGHT OF WAY: Right of Way for railroad purposes as contained in the deeds from J. W. Taylor to The San Francisco and Northern Pacific Railway Company, recorded August 30, 1882 in Book X of Deeds, at Page 363; January 18, 1893 in Book 25 of Deeds, at Page 49 and March 13, 1893 in Book 25 of Deeds, at Page 188, Marin County Records.

(Affects the Westerly portion of Parcel One and Two.)

13. NOTES: Notes relating to various easement and rights of way affecting the herein described property, as contained upon the title sheet of that certain Parcel Map entitled "Parcel Map Pashburg Land Division", filed for record April 24, 1981 in Volume 19 of Parcel Maps, at Page 23, Marin County Records, which states:

The following easements of record may affect this property, but were not located:

- A. "California Central Gas & Electric Co. pole line easement "F" Misc. Records, 43."
- B. "Water line easement to Wright, 635 O.R. 22."
- C. "Roadway easement to Wright, 772 O.R. 273."
- D. "County of Marin dike maintenance and drainage easement, 2250 O.R. 177."

14. CONDITIONS: Conditions as set forth on that certain Parcel Map entitled "Parcel Map Pashburg Land Division", filed for record April 24, 1981 in Volume 19 of Parcel Maps, at Page 23, Marin County Records, which state that:

"None of the parcels shown hereon are building sites. Prior to becoming building sites, the following conditions shall be met:

- A. Arrangements shall be made to extend public sewers to serve the property.
- B. The Novato Fire Protection District shall approve hydrants and access as necessary for adequate fire protection.
- C. Arrangements shall be made with North Marin County Water District for extension of water mains and provisions of hydrants.
- D. Arrangements shall be made for extension of all other necessary utilities to serve the property.
- E. A complete drainage study and plan shall be prepared subject to review and approval of the Marin County Flood Control and Water Conservation District."

15. EASEMENT: A perpetual, non-exclusive easement and right of way, 30 feet in width, over the herein described property, for ingress and egress purposes, as contained in the Deed from Mount Burdell Enterprises, a partnership, et al, to The State of California, recorded November 25, 1992 as Recorder's Serial No. 92-94553, Marin County Records.

Terms, provisions, covenants and conditions as contained therein.

(The exact location of said easement cannot be determined from the public record.)

16. PERMIT: Terms and Conditions as contained in that certain Certificate of Inspection - Septic Tank (only) Permit, issued by the County of Marin, recorded October 9, 1996 as Recorder's Serial No. 96-054977, Marin County Records.
17. CONDITIONS: Terms and Conditions as contained in the Deed from Mount Burdell Enterprises, et al, to the County of Marin, recorded December 22, 1997 as Recorder's Serial No. 97-073948, Marin County Records.
(Affects Parcel Four herein described).
18. DEED OF TRUST: A Deed of Trust to secure an indebtedness in the original principal sum of \$500,000.00, and any other amounts and/or obligations secured thereby, recorded January 19, 1999 as Recorder's Serial No. 1999-0003789, Marin County Records.

Dated:	January 15, 1999
Trustor:	Mt. Burdell Enterprises, an Illinois partnership
Trustee:	First American Title Insurance Company
Beneficiary:	Rudolph L. Tulipani and Donna E. Tulipani, Trustees for the Declaration Trust dated June 22, 1995
Beneficiary Address:	P.O. Box 2895, San Rafael, CA 94912
Loan No.	None Shown

19. Any and all unrecorded leases and/or rights of parties in possession which may affect the herein described property.
20. ANY FACTS, rights, interest or claims which a survey of the herein described property would disclose.
21. Prior to the issuance of any policy of title insurance, the Company will require:

With respect to Mount Burdell Enterprises, a general partnership:

- a. That a certified copy of a statement of partnership authority pursuant to Section 16303 of the California Corporations Code (form GP-1), executed by at least two partners, and a certified copy of any amendments to such statement (form GP-7), be recorded in the public records;
- b. A full copy of the partnership agreement and any amendments;
- c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

CHAIN OF TITLE: Title of the Vesteess herein was acquired two years or more preceding the date hereof.

SB/tp

DESCRIPTION

All that certain real property situate in the County of Marin, State of California, described as follows:

PARCEL ONE:

SURVEY NUMBER 55, Swamp and Overflowed Land, Township 4, North Range 6, West, Mount Diablo Meridian Sections Numbered 31, 32 and 33, and more particularly described in the Field Notes of said Survey as follows:

BEGINNING at a stake due West 14 chains from the Southwest corner of Section 32, Township 4 North Range 6 West, Mount Diablo Meridian; thence along the boundary line of Black Rancho as surveyed by the United States, North 04° West 9 chains, North 12° West 31 chains, North 17° 45' East 1 chain; thence thence 98 chains 28 links to Petaluma Creek; thence along said creek, South 22° 15' East 43 chains 14 links; thence West 108 chains 7 links to the place of beginning run by true magnetic variation 16° East.

EXCEPTING THEREFROM that portion described in the Deed from Julia C. Bodkin, to the State of California, dated September 12, 1952 and recorded October 30, 1952 in Book 772 of Official Records, at Page 275, Marin County Records.

ALSO EXCEPTING THEREFROM that portion described in the Deed from Julia C. Bodkin, et con, to the State California, recorded January 14, 1932 in Book 239 of Official Records, at Page 135, Marin County cords.

ALSO EXCEPTING THEREFROM that portion thereof described in the Quitclaim Deed from Homer H. Tooley, trustee, to Rancho Del Patano, Inc., a California corporation recorded May 31, 1962 in Book 1575 of Official Records, at Page 300, Marin County Records, described as follows:

BEGINNING at a point on U.S. Highway 101 designated as Engineer Station A2 247 + 61.47 B.C.; thence North 26° 45' 40" West 204.55 feet, North 3° 26' West 209.37 feet and south 86° 34' West 150.00 feet to the point of beginning, said point being the Westerly corner of the Marin County Farm Bureau Parcel (O.R. 587-228); thence North 43° 30' West 392.80 feet, North 7° 28' 40" West 55.00 feet, North 11° 33' East 34.6 feet, South 39° East 477.5 feet, and South 86° 34' West 18.2 feet, more or less, to the point of beginning.

ALSO EXCEPTING THEREFROM any portion thereof lying Westerly of the Easterly line of the following described properties:

- A. The property described in the Deed to State of California recorded October 30, 1952 in Book 772 of Official Records, at Page 275, Marin County Records.
- B. The property described in the Decree of Distribution in the Matter of the Estate of Antonio F. Silveira, alias, deceased, certified copy recorded July 6, 1953 in Book 814 of Official Records, at Page 187, Marin County Records.

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ALSO EXCEPTING THEREFROM the lands conveyed to the County of Marin by Deed dated April 4, 1968 and recorded April 26, 1968 in Book 2207 of Official Records, at Page 85, Marin County Records.

ALSO EXCEPTING that portion described in the Deed from Alyce Pashburg, et al, to the County of Marin, recorded April 10, 1967 in Book 2120 of Official Records, at Page 406, Marin County Records.

ALSO EXCEPTING THEREFROM the lands conveyed by Mount Burdell Enterprises, a partnership, et al, to The State of California, recorded November 25, 1992 as Recorder's Serial No. 92-094553, Marin County Records.

ALSO EXCEPTING THEREFROM the lands conveyed by Mount Burdell Enterprises, a partnership, et al, to the County of Marin, recorded December 22, 1997 as Recorder's Serial No. 97-073948, Marin County Records.

EXCEPTING from the above described property any portion which is or was historically tide lands below the elevation of mean high tide in the natural bed of any tidal slough or creek.

PARCEL TWO:

SURVEY NUMBER 54, Swamp and Overflowed Land, Township 4 North Range 6 West, Mount Diablo Meridian, Section Numbered 31, 32 and 33, containing 361.93 acres, and more particularly described in the Field Notes of said Survey, as follows:

BEGINNING at a stake North 26° West 46 chains from the Southwest corner of Section 32, Township 4 North Range 6 West, Mount Diablo Meridian; thence along the boundary line of Black Rancho, as surveyed by the United States, North 17° 45' East 7 chains and 50 links, North 7° East 20 chains 75 links, North 14° 30' West 9 chains; thence East 86 chains 90 links to Petaluma Creek; thence along said creek, South 9° East 32 chains 75 links, South 22° 15' East 8 chains 93 links; thence West 98 chains 28 links to the point of beginning. Magnetic Variation 16° East.

SAID LANDS being the same tract of land conveyed by the State of California to Victor Seaman, by Patent dated June 29, 1869 and recorded July 6, 1869 in Book A of Patents at Page 270, Marin County Records.

EXCEPTING THEREFROM that portion of the above tract conveyed to Robert Lane, by Deed dated December 5, 1883 and recorded in Book 1 of Deeds, at Page 125, described as follows:

BEGINNING at a point where the Northerly line of Tide Land Survey Number 54 intersects the Southerly line of San Antonio Creek; running thence East along said creek, 572 feet; thence Southwest 1366 feet; thence Northwest 572 feet; thence Northeast 950 feet to the place of beginning and including McDonough's Island.

ALSO EXCEPTING THEREFROM that portion conveyed by Julia C. Bodkin, et con, to Josephine S. Burdell, etc., by Deed recorded September 26, 1939 in Book 387 of Official Records, at Page 72, described as follows:

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A PARCEL of land known as MacDonough's Island described as follows:

BEGINNING at a point due East 435.0 feet from the Southwest corner of Tide Land Survey 209 and running thence along an old fence line, South 63° 05' West for a distance of 1225.0 feet thence North 34° 05' West for a distance of 677.0 feet to the Southerly line of Survey No. 57; thence due East 1479.0 feet to the point of beginning.

ALSO EXCEPTING THEREFROM those portion conveyed by Julia C. Bodkin, et con, to the State of California, by Deed recorded January 14, 1932 in Book 239 of Official Records, at Page 135, Marin County Records.

ALSO EXCEPTING the lands conveyed to the County of Marin, by Deed dated April 4, 1968 and recorded April 26, 1968 in Book 2207 of Official Records, at Page 85, Marin County Records.

ALSO EXCEPTING that portion described in the Deed from Homer H. Tooley, Trustee, to Northwestern Pacific Railroad Co., a corporation, recorded September 28, 1955 in Book 974 of Official Records, at Page 596, Marin County Records.

ALSO EXCEPTING THEREFROM any portion thereof lying Westerly of the Easterly line of the following described properties:

The property described in the Deed to the State of California, recorded October 30, 1952 in Book 772 of Official Records, at Page 275, Marin County Records.

B. The property described in the Decree of Distribution in the Matter of the Estate of Antonio F. Silveira, alias, deceased, certified copy recorded July 6, 1953 in Book 814 of Official Records, at Page 187, Marin County Records.

ALSO EXCEPTING THEREFROM the lands conveyed by Mount Burdell Enterprises, a partnership, et al, to The State of California, recorded November 25, 1992 as Recorder's Serial No. 92-94553, Marin County Records.

ALSO EXCEPTING THEREFROM the lands conveyed by Mount Burdell Enterprises, a partnership, et al, to the County of Marin, recorded December 22, 1997 as Recorder's Serial No. 97-073948, Marin County Records.

EXCEPTING from the above described property any portion which is or was historically tide lands below the elevation of mean high tide in the natural bed of any tidal slough or creek.

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(PARCEL THREE:

COMMENCING at the intersection of the property line common to the lands now or formerly of Julia C. Bodkin and of W. Quinby Wright, et al, with the Easterly line of the Northwestern Pacific Railroad Company's right of way, said common property line being the Northerly line of Swamp and Overflowed Land Survey No. 56, Patented to Galen Burdell by the State of California and recorded in Book B of Patents, at Page 3; thence from said point of commencement along said Easterly line of the railroad right of way, South 3° 26' East, 487.90 feet, more or less, to a point distant 121.00 feet Easterly, measured at right angles, from Engineer's Station 211 + 55.82 of the Department of Public Works Survey for the State Highway between Ignacio and the North County Boundary, Road IV-Mrn-1-A; thence North 86° 34' East, 50.00 feet to a line parallel with the distant 50 feet Easterly, measured at right angles, from said Easterly railroad right of way line; thence along said parallel line North 3° 26' West, 485.0 feet, more or less, to said common property line; thence along said common property line, South 89° 50' West, 50.08 feet to the point of commencement.

PARCEL FOUR:

EASEMENTS and rights reserved and established by the following instruments:

A. Deed executed by Alyce Pashburg, et al, to the County of Marin, dated April 4, 1968 and recorded April 26, 1968 in Book 2207 of Official Records, at Page 85, Marin County Records.

Deed executed by the County of Marin to Alyce Pashburg, et al, recorded October 24, 1968 in Book 2250 of Official Records, at Page 170, Marin County Records.

C. Deed executed by Mount Burdell Enterprises, a partnership, et al, to the County of Marin, recorded December 22, 1997 as Recorder's Serial No. 97-073948, Marin County Records.

Tax Rate Area

77-006 77-008

10.2.97 115
4-13-91 D.C.
4-14-93 D.P.

10.2.97 A-4

A-1

A-1

Assessor's Map Bk. 125- Pg. 1
County of Marin, Calif.

THIS MAP MAY OR MAY NOT BE A SURVEY OF THE LAND DEPICTED HEREON. YOU SHOULD NOT RELY UPON IT FOR ANY PURPOSE OTHER THAN ORIENTATION TO THE GENERAL LOCATION OF THE PARCEL OR PARCELS DEPICTED. FIRST AMERICAN EXPRESSLY DISCLAIMS ANY LIABILITY FOR ALLEGED LOSS OR DAMAGE WHICH MAY RESULT FROM RELIANCE UPON THIS MAP.



NOTICE

In accordance with Section 18662 and 18668 of the Revenue and Taxation Code, a buyer may be required to withhold an amount equal to three and one-third percent of the sales price in the case of the disposition of California real property interest by either:

1. A seller who is an individual with a last known street address outside of California or when the disbursement instructions authorize the proceeds be sent to a financial intermediary of the seller, OR
2. A corporate seller which has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold an amount equal to the lesser of 10 percent of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sale price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000), OR
2. The seller executes a written certificate, under the penalty of perjury, certifying that the seller is a resident of California, or if a corporation, has a permanent place of business in California, OR
3. The seller, who is an individual, executes a written certificate, under the penalty of perjury, that the California real property being conveyed is the seller's principal residence (as defined in Section 1034 of the Internal Revenue Code).

The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

The California statutes referenced above include provisions which authorize the Franchise Tax Board to grant reduced withholding and waivers from withholding on a case-by-case basis.

The parties to this transaction should seek an attorney's, accountant's, or other tax specialist's opinion concerning the effect of this law on this transaction and should not act on any statements made or omitted by the escrow or closing officer.

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.

YOU HAVE ANY QUESTION ABOUT THE EFFECT OF THIS NEW LAW, PLEASE CONTACT YOUR LOCAL FIRST AMERICAN OFFICE FOR MORE DETAILS.

NOTE: THIS REPORT IS SUBJECT TO A CANCELLATION CHARGE AS REQUIRED BY SECTIONS 12404, ET SEQ., OF THE INSURANCE CODE OF THE STATE OF CALIFORNIA AND RULE NO. 2 OF DEPARTMENT OF INSURANCE BULLETIN NO. NS. 35 E.

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

Company 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, dimension 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

resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.

4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.

5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.

6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by 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 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 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 OWNERS POLICY FORM B - 1970
WITH REGIONAL EXCEPTIONS

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

SCHEDULE B

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

Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.

3. Easements, claims of easement or encumbrances which are not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.

5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.

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

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

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.

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.

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).

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

SCHEDULE B

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

Part One:

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.

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.

Easements, claims of easement or encumbrances which are not shown by the public records.

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.

Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.

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:

(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.

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.

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.

Defects, liens, encumbrances, adverse claims or other matters:

(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or 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.

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.

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.

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.

Any claim, which arises out of the transaction creating the interest of the mortgagor 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 mortgagor being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the subordination of the interest of the insured mortgagor as a result of the application of the doctrine of equitable subordination; or
(iii) the transaction creating the interest of the insured mortgagor 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 known 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 POLICY - 1992 WITH REGIONAL EXCEPTIONS

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

SCHEDULE B

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

Part One:

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

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

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the policy date and is binding on you if you bought the land without knowing of the taking.

3. Title Risks:
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - that result in no loss to you
 - that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in item 8 of Covered Title Risks

Failure to pay value for your title.

5. Lack of a right:
 - to any land outside the area specifically described and referred to in item 3 of Schedule A, or
 - in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in item 6 of Covered Title Risks.

**ADDENDUM TO EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (By Policy Type)**

11. EAGLE PROTECTION OWNER'S POLICY

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998

EXCLUSIONS

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. land use
 - d. improvements on the Land
 - e. land division
 - f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.

6. Lack of a Right:
to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
in streets, alleys, or waterways that touch the Land.
This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

**12. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY-1992 WITH A.L.T.A. ENDORSEMENT
FORM 1 COVERAGE WITH EAGLE PROTECTION ADDED**

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. This exclusion does not limit the coverage provided under insuring provisions 14, 15, 16 and 24 of this policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under insuring provisions 14, 15, 16 and 24 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (this paragraph (d) does not limit the coverage provided under insuring provisions 7, 8, 16, 17, 19, 20, 21, 23, 24 and 25); or
 - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.

5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage, and is based upon:

- usury, except as provided under insuring provision 10 of this policy; or
- any consumer credit protection or truth in lending law.

6. Taxes or assessments of any taxing or assessment authority which become a lien on the Land subsequent to Date of Policy.

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:

- the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
- the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
- the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - to timely record the instrument of transfer; or
 - of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

8. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided under insuring provision 7.

9. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting title, the existence of which are Known to the Insured at:

- The time of the advance; or
- The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification.

This exclusion does not limit the coverage provided under insuring provision 7.

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. Environmental protection liens provided for by the following existing statutes, which liens will have priority over the lien of the Insured Mortgage when they arise: NONE.

13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH EAGLE PROTECTION ADDED WITH REGIONAL EXCEPTIONS

When the American Land Title Association loan policy with EAGLE Protection Added is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 12 above are used and the following exceptions to coverage appear in the policy:

SCHEDULE B

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

Part One:

- 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.
- 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.
- Easements, claims of easement or encumbrances which are not shown by the public records.
- 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.
- Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
- 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.

Part Two:

1. Environmental protection liens provided for by the following existing statutes, which liens will have priority over the lien of the Insured Mortgage when they arise: NONE.