AGREEMENT FOR SALE OF REAL PROPERTY

This is an Agreement for the Sale of Real Property by and between the County of Santa Clara, hereinafter referred to as "County," and John Nguyen and Phi Phi Dinh, hereinafter referred to as "Grantee."

It is agreed between the parties hereto as follows:

1. PROPERTY

County agrees to sell, and Grantee agrees to purchase all that certain real property located in the City of San Jose, County of Santa Clara, State of California consisting of approximately 5,000 square feet of land (portion of APN 230-35-098), which property is more particularly described in Exhibit "A" attached hereto and incorporated by reference, and hereinafter referred to as "the Property."

2. PURCHASE PRICE

The purchase price for the Property is Two Hundred Sixty Five Thousand Dollars, ($265,000.00). County acknowledges receipt of Grantee’s refundable earnest money deposit of $10,000.00. The balance of Two Hundred Fifty Five Thousand Dollars ($255,000.00) shall be delivered to County within 60 days of the Board of Supervisors formal acceptance of the Grantee’s highest bid submitted at a meeting where sealed bids and overbids were requested, unless the Board of Supervisors has rejected all bids.

3. EXTENSION OF TIME

Grantee has 60 days from Board acceptance to complete the purchase of the Property and cause the Close of Escrow. All payments shall be applied to or credited against the purchase price in the event the Property transfers. If Grantee fails to complete the purchase of the Property within the foregoing 60 days, the County shall promptly return the deposit and this Agreement shall be null and void.

4. ZONING AND LAND USE AND PROPERTY TAX

It is the responsibility of the Grantee to determine any allowable uses or limitations on the development or use of the Property and to satisfy itself as to the suitability and condition of the Property. Grantee is required to seek all approvals, permits, licenses and the like at Grantee’s expense for any intended development, modification, occupancy, use, or improvement of the Property. Grantee acknowledges that the Property is currently not subject to property taxes since it is owned by the County, which is a public agency, but that upon the transfer of title to the Property to Grantee, the Property may be subject to property taxes. Grantee shall be responsible for determining any and all taxes which may apply to the Property.
5. REPRESENTATIONS AND WARRANTIES

A. Property: Pursuant to California Civil Code Section 1102.2(j), the property is being sold "as is," without express or implied warranty, and shall be subject to all liens, easements and encumbrances, recorded or unrecorded. In addition, County makes no representations with respect to the presence of hazardous materials, the suitability of the property for the uses intended, or with respect to the conformance of the property to any codes, rules, regulations or ordinances, whether local, state or federal. Grantees have been provided a copy of a preliminary title report and Grantees shall, at Grantee's option and expense, arrange for title insurance, without the issuance of such title insurance being a condition precedent to Grantee's obligations under this Agreement. For Grantees' convenience, and not as a representation or warranty as to the condition of title, the County has provided a copy of Preliminary Report No. NCS-473198-SC issued by First American Title Company, Inc., amended July 19, 2011, attached hereto and incorporated herein in Exhibit "B" by reference.

B. Encumbrances: County agrees that during the term of this agreement, or any extension, until the Property is sold to Grantee, County will not encumber the Property in any way.

6. EXPENSES

Grantee shall pay any and all fees and expenses incurred in this transaction, including, but not limited to, recording fees, escrow, transfer tax and title insurance.

7. INDEMNIFICATION

Grantee shall indemnify, defend and hold County and County's officers, agents and employers harmless from any claims (including without limitation third party claims for personal injury or real or personal property damage), actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities (including sums paid in settlement of claims), interest or losses, including attorneys' fees (including any fees and expenses incurred in enforcing this indemnity), consultant fees and expert fees that arise directly or indirectly from or in connection with the condition of the property, including, but not limited to, the presence, suspected presence, release or suspected release of any hazardous substances of any kind. The provisions of this Section 7 shall survive the Close of Escrow.

8. RELEASE

Release. Except as provided in Section 5, effective from and after the Close of Escrow, Grantee hereby waives, releases, acquits, and forever discharges County, and County's agents, directors, officers, and employees to the maximum extent permitted by law, of and from any and all claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs, expenses, compensation, attorneys' fees, consultants' fees and costs and expert fees (collectively "Claims") whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or that may arise in the future because of or in any way growing out of or connected with the physical condition of Property, including without limitation, the physical and environmental condition of the Property or any law or regulation applicable thereto, including, without limitation, any Claim
Agreement for Sale of Real Property
APN # 230-35-098 (portion)
Page 3

or matter (regardless of when it first appeared) relating to or arising from (i) the presence of any environmental problems, or the use, presence, storage, release, discharge, or migration of Hazardous Materials on, in, under or around the Property regardless of when such Hazardous Materials were first introduced in, on or about the Property, (ii) any patent or latent defects or deficiencies with respect to the Property, (iii) any and all matters related to the Property or any portion thereof, including without limitation, the condition and/or operation of the Property and each part thereof, and (iv) the presence, release and/or remediation of asbestos and asbestos containing materials in, on or about the Property regardless of when such asbestos and asbestos containing materials were first introduced in, on or about the Property. Grantee hereby waives and agrees not to commence any action, legal proceeding, cause of action or suits in law or equity, of whatever kind or nature, including, but not limited to, a private right of action under the federal superfund laws, 42 U.S.C. Sections 9601 et seq. and California Health and Safety Code Sections 25300 et seq. (as such laws and statutes may be amended, supplemented or replaced from time to time), directly or indirectly, against the Sellers or their agents in connection with Claims described above, except matters arising from Seller's fraud or intentional misrepresentation or concealment. GRANTEE EXPRESSLY WAIVES ITS RIGHTS GRANTED UNDER CALIFORNIA CIVIL CODE §1542 AND ANY OTHER PROVISION OF LAW THAT PROVIDES A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT BUYER DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MUST HAVE MATERIALLY AFFECTED ITS AGREEMENT TO RELEASE COUNTY.

Without limiting the foregoing, if Grantee has actual knowledge of: (a) a default in any of the covenants, agreements or obligations to be performed by County under this Agreement and/or (b) any breach or inaccuracy in any representation of Seller made in this Agreement, and Grantee nonetheless elects to proceed to Closing, then, upon the consummation of the Closing, Grantee shall be conclusively deemed to have waived any such default and/or breach or inaccuracy and shall have no Claim against County or hereunder with respect thereto.

Grantee and County have each initialed this Section 8 to further indicate their awareness and acceptance of each and every provision of this Agreement. The provisions of this Section 8 shall survive the Close of Escrow.

County’s Initials: [Initials] Grantee’s Initials: [Initials]

9. **TIME OF ESSENCE**

   Time is of the essence of this Agreement. If the purchase is not completed before the expiration date or of any Extension Period, Grantee shall have no interest whatsoever in the Property, the Agreement may not be revived by any subsequent payment or further action by County and County agrees to deliver to Grantee, at no cost to Grantee, any reports respecting the Property in County’s possession or under County’s control.
10. **RIGHT OF ENTRY**

During the Due Diligence Period, or any extensions, Grantee and its designated agents and independent contractors shall have the right to enter the Property to the extent necessary for the purpose of conducting tests, engineering studies and other studies. Grantee agrees to repair any damages it or its agents or independent contractors shall cause to the Property, keep the property free and clear of any liens, and indemnify and hold County harmless from any and all costs, expenses, losses, attorney’s fees and liabilities (including, but not limited to, claims of mechanics’ liens) incurred or sustained by County as a result of any acts of Grantee, its agents, or independent contractors pursuant to the right granted by this Paragraph. Grantee agrees to submit evidence of insurance acceptable to County prior to entering property.

11. **NOTICES**

All notices, demands, requests, and exercises under this Agreement by either party shall be hand-delivered or sent by United States mail, registered or certified, postage prepaid, addressed to the other party as follows:

**County:**
William Sprouse  
Senior Real Estate Agent  
Roads and Airports Dept.  
101 Skyport Drive  
San Jose, CA 95110

**Grantee:**  
Phi Phi Dinh  
335 Colville Drive  
San Jose, CA 95123

12. **ATTORNEY FEES**

In the event any legal action or litigation is undertaken by the County to enforce the provisions of the bid offer or any subsequent written agreement, the successful bidder shall pay reasonable attorney fees incurred by the County.
13. COUNTY TO EXECUTE ALL DOCUMENTS AND COOPERATE IN APPROVALS

County agrees to execute any and all documents or to join in any applications that may be required to obtain approval of any use permits or any development plan proposed by Grantee from any municipal or other agency having jurisdiction. Grantee shall pay all expenses associated with the approval process. Grantee agrees to hold County harmless from any costs and expenses arising in connection with gaining approval of the Grantee's applications.

IN WITNESS WHEREOF, the parties have executed this Agreement as follows:

COUNTY

Date: MAY 22, 2012

George Shirakawa, President
Board of Supervisors

Attest:
LYNN REGADANZ
Interim Clerk of the Board of Supervisors

GRANTEE

Date: 4/16/12

John Nguyen

Date: 4/16/12

Phi Dinh

APPROVED AS TO FORM AND LEGALITY

Miguel Moreno
Deputy County Counsel
EXHIBIT “A”
LEGAL DESCRIPTION
Portion of
A.P.N. 230-35-098
October 3, 2011

All that certain real property in the City of San Jose, County of Santa Clara, State of California, being described as follows:

Being all of Lot Number 279, as shown upon that certain map entitled “Tract No. 259 Rosemary Gardens – Unit No. 1”, which map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on July 2, 1946 in Book 11 of Maps, at Pages 10 and 11.

See Exhibit “A-1” attached hereto and made a part hereof.

This description was prepared by me or under my direction in conformance with the requirements of the Professional Land Surveyors’ Act.

[Signature]
Rick Thompson L.S. #6707
10-03-11
Date

[Seal]
EXHIBIT "B"

First American Title Insurance Company
National Commercial Services
1737 North First Street, Suite 500
San Jose, CA 95112

William Sprouse
County of Santa Clara, Department of Roads and Airports
101 Skyport Drive
San Jose, CA 95112
Phone: (408)573-2409

Escrow Officer: Carol M. Herrera
Phone: (408)451-7629

Owner: County of Santa Clara

Property: 130 Ferrari Drive, San Jose, 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 hereafter 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 Debitable 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 items, 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 04, 2011 at 7:30 A.M.

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

ALTA Standard Owner's Policy 2006 with Western Regional Exceptions (6-17-06)

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:

County of Santa Clara, a political subdivision of the State of California

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

Fee Simple

The Land referred to herein is described as follows:

(See attached Legal Description)

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

1. General and special taxes and assessments for the fiscal year 2011-2012, a lien not yet due or payable.

2. General and special taxes and assessments for the fiscal year 2010-2011 are exempt. If the exempt status is terminated an additional tax may be levied. Account No. 230-35-099

   Affects: The land and other property.

3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

4. An easement shown or dedicated on the map of Track No. 259 Rosemary Gardens Unit No. 1 on file in Book 11, Page 10, of Maps.
   For: Public utility, light, air and incidental purposes.

   Affects as shown on said map

First American Title Insurance Company
5. Covenants, conditions, restrictions and easements in the document recorded September 12, 1946 as Book 1373, Page 425 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Document(s) declaring modifications thereof recorded December 06, 1946 as Book 1382, Page 511 of Official Records.

6. The effect of a map purporting to show the land and other property, filed Book 227, Page 48 of Record of Surveys.

7. Abutter's rights of ingress and egress to or from Freeway 880 have been relinquished in the document recorded June 30, 1970 as Instrument No. 3831422 in Book 8970, Page 207 of Official Records.

8. Rights of parties in possession.

First American Title Insurance Company
1. 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

2. 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:
   a. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
   b. 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.
   c. 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:
   a. 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;
   b. A full copy of the partnership agreement and any amendments;
   c. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
   d. 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:
   a. 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;
   b. A full copy of the partnership agreement and any amendment;
   c. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;

First American Title Insurance Company
d. 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:
   a. 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;
   b. A full copy of the partnership agreement and any amendments;
   c. 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:
   a. A copy of its operating agreement and any amendments thereto;
   b. 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;
   c. 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;
   d. 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.
   e. 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:
   a. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
b. 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.

c. 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:
   a. 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.
LEGAL DESCRIPTION

Real property in the City of San Jose, County of Santa Clara, State of California, described as follows:

ALL OF LOT 279, AS SHOWN UPON THAT CERTAIN MAP ENTITLED, "TRACT NO. 259 ROSEMARY GARDENS UNIT NO. 1" WHICH MAP WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, ON JULY 02, 1946 IN BOOK 11 OF MAPS AT PAGES 10 AND 11.

APN: 230-35-098 (portion); ARB: 230-35-023

First American Title Insurance Company
NOTICE I

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

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

NOTICE II

As of January 1, 1991, if the transaction which is the subject of this report will be a sale, you as a party to the transaction, may have certain tax reporting and withholding obligations pursuant to the state law referred to below.

In accordance with Sections 18662 and 18662 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 greater 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 sales 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 1634 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.

The Seller May Request a Waiver by Contacting:
Franchise Tax Board
Withheld at Source Unit
P.O. Box 651
Sacramento, CA 95812-0651
(916) 845-6800

First American Title Insurance 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.

First American Title Insurance Company
EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1980
SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay loss, 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 ascertained by persons in possession thereof.
3. Encroachments, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortages 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 titles to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. 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.
3. 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.
4. Defects, liens, encumbrances, adverse claims or other matters:
   (a) which were not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
   (b) which were 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;
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.

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 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 to the insured claimant prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or
created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

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

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

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:
Part One
1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Encumbrances, claims of easement or encroachments 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 herebefore or hereafter furnished, imposed by law and not shown by the public records.

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

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

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

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

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:
Part One
1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Encumbrances, claims of easement or encroachments 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 herebefore or hereafter furnished, imposed by law and not shown by the public records.

First American Title Insurance Company
6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH A.T.A. ENDORSEMENT FOR COVERAGE
EXCLUSIONS FROM COVERAGE

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

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

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

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

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:
1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims, reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or titles 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

First American Title Insurance Company
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 to the insured claimant;

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:
(a) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
(b) 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:
(i) to timely record the instrument of transfer; or
(ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

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

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

SCHEDULE B

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

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

10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY - 1997
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:

First American Title Insurance Company
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 appear 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.

11. EAGLE PROTECTION OWNER'S POLICY

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 19 (Encroachment of boundary walls or fences) are subject to Durable Amounts and Minimum Dollar Limits of Liability

EXCLUSIONS

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

1. Governmental police power, and the existence or violation of 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. Rules:
   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;
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8, 9, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
   a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.
   This exclusion does not limit the coverage described in Covered Risk 11 or 18.

12. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH A.L.T.A. ENFORCEMENT 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. 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 First American Title Insurance Company
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, 24 and 25 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 a loss or damage to the Insured Claimant;
   d. attached or created subsequent to Date of Policy (but this paragraph (d) does not limit the coverage provided under insuring provisions 7, 8, 15, 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 statutes or do business laws of the state in which the Land is situated.

5. Unenforced 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:
   a. usury, except as provided under insuring provision 10 of this policy; or
   b. 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 that might be the resulting of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based upon:
   a. the transaction creating the interest of the mortgagee that becomes a fraudulent conveyance or fraudulent transfer; or
   b. the subordination of the interest of the Insured Mortgage as a result of the application of the doctrine of equitable subordination.

8. The transaction creating the interest of the mortgagee that becomes 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 impair notice to a purchaser for value or a judgment lien creditor.

9. 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 vaster 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.

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

This exclusion does not limit the coverage provided 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 laws provided for by the following existing statutes, which laws will have priority over the lien of the Insured Mortgage when they arise: NONE.

11. EAGLE PROTECTION OWNER'S POLICY

CLTA HOMEOWNERS' POLICY OF TITLE INSURANCE - 2008
ALTA HOMEOWNERS' POLICY OF TITLE INSURANCE - 2008

Covered Risks 16 (Subdivision Law Violation), 18 (Building Permit), 19 (Zoning) and 21 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

EXCLUSIONS

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

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
   a. building
   b. zoning
   c. land use
   d. improvements on the land
   e. land division
   f. environmental protection

This Exclusion does not limit the coverage described in Covered Risk 8.a, 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.

3. The right to take the Land by condemnation. 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;

First American Title Insurance Company
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, 25, 26, 27 or 28.

5. Failure to pay value for your title.

6. Lack of a right:

   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and

   b. In streets, alleys, or waterways that touch the land.

This exclusion does not limit the coverage described in covered Risk 11 or 21

**Limitations on Covered Risks**

Your insurance for the following covered risks is limited on the owner's coverage statement as follows: covered Risk 16, 18, 19 and 21, your deductable amount and our maximum dollar limit of liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

<table>
<thead>
<tr>
<th>Risk</th>
<th>Deductible Amount</th>
<th>Our Maximum Dollar Limit of Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covered Risk 16: 1% of policy amount or $5,000.00 (whichever is less)</td>
<td>$10,000.00</td>
<td></td>
</tr>
<tr>
<td>Covered Risk 18: 1% of policy amount or $5,000.00 (whichever is less)</td>
<td>$25,000.00</td>
<td></td>
</tr>
<tr>
<td>Covered Risk 19: 1% of policy amount or $5,000.00 (whichever is less)</td>
<td>$25,000.00</td>
<td></td>
</tr>
<tr>
<td>Covered Risk 21: 1% of policy amount or $2,000.00 (whichever is less)</td>
<td>$5,000.00</td>
<td></td>
</tr>
</tbody>
</table>

**Third Generation Eagle Loan Policy American Land Title Association Expanded Coverage Residential Loan Policy (1/01/08)**

**Exclusions from Coverage**

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to the occupancy, use, or enjoyment of the land; (b) the character, dimensions, or location of any improvement erected on the land; (c) the occupancy, use, or enjoyment of the land; (d) 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(e), 13(h), 14 or 16.

2. (b) Any governmental police power. This exclusion 1(b) does not modify or limit the coverage provided under covered Risk 5, 6, 13(e), 13(h), 14 or 16.

3. Rights of eminent domain. This exclusion does not modify or limit the coverage provided under covered Risk 7 or 8.

4. Defects, liens, encumbrances, adverse claims, or other matters created, suffered, assumed, or agreed to by the insured claimant.

5. (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.

6. (c) resulting in no loss or damage to the insured claimant;

7. (d) arising or created subsequent to date of policy (however, this does not modify or limit the coverage provided under covered Risk 11, 16, 17, 18, 20, 21, 22, 23, 24, 27 or 28; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured Mortgage.

8. Unenforceability of the lien of the insured Mortgage because of the inability or failure of an insured to comply with applicable building laws of the state where the Land is situated.

9. Forfeiture 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 insolvency, or any consumer credit protection or truth-in-lending law. This exclusion does not modify or limit the coverage provided in covered Risk 26.

10. Any claim of eligibility, 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 value 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.

11. 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 12(b) or 25.

12. The failure of the residential structure, or any portion of it, to have been constructed before, or after date of policy in accordance with applicable building codes. This exclusion does not modify or limit the coverage provided in covered Risk 3 or 6.

**First American Title Insurance Company**
13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006
EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Detracts, 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, 12, or 13); 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 12(b) of this policy.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

14. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006
WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 13 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or 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 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.

First American Title Insurance Company
15. AMERICAN LAND TITLE ASSOCIATION OWNER’S POLICY - 2006

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection, or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5.

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, advances 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 to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.

5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

16. AMERICAN LAND TITLE ASSOCIATION OWNER’S POLICY – 2006

WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 15 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or 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 that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be ascertained 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) Unapproved mining claim; (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.

First American Title Insurance Company