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ACACIA CORPORATE MANAGEMENT, LLC
MICHAEL SCOTT IOANE
108 East John Street
Carson City, Nevada 89706
775-331-1185

ORIGINAL

FILED

SEP 25 2007

CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
BY [Signature]
DEPUTY CLERK

**THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO**

**ACACIA CORPORATE
MANAGEMENT, LLC, MICHAEL
SCOTT IOANE;**

Plaintiffs,

v.

**UNITED STATES OF AMERICA;
STEVEN BOOTH; LOUISE BOOTH;
BAKERSFIELD PROPERTIES AND
TRUST COMPANY; ALPHA
OMEGA TRUST; ALIGNED
ENTERPRISES TRUST,**

Defendants.

CASE NO. 1:07-CV-1129 AWI NEW
(TAG)

**QUIET TITLE PURSUANT TO
BINDING STIPULATED
SETTLEMENT & AGREEMENT
BETWEEN THE PARTIES HEREIN**

I hereby attest and certify on 8/24/07
that the foregoing document is a full, true
and correct copy of the original on file in my
office and in my legal custody.

VICTORIA C. MINOR
CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

By [Signature] Deputy

STIPULATION

The above captioned matter was filed by Acacia Corporate Management, LLC,
and Michael Scott Ioane on August 3, 2007. The parties who are in agreement with this
judgment by stipulation are plaintiffs **ACACIA CORPORATE MANAGEMENT,
LLC, MICHAEL SCOTT IOANE;** and, defendants **STEVEN BOOTH; LOUISE
BOOTH; BAKERSFIELD PROPERTIES AND TRUST COMPANY; ALPHA
OMEGA TRUST; ALIGNED ENTERPRISES TRUST,** hereafter "The Parties". The

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Parties signatory herein below freely and voluntarily consent to this judgment by binding stipulation in its entirety, as set forth below, To Wit –

1. “The Parties” signatory hereto stipulate and agree that they have been properly served with the summons and complaint in this action, or consented to or waived said service pursuant to FRCivP, Rule 4(d). All of “The Parties” consent to the jurisdiction of the Court.

2. “The Parties” expressly recognize Exhibit “A” and Exhibit “B” true and correct copies of an Alliance Title Report Order No. 15192778136 and litigation report provided by Alliance Title Ref No. 15192778 and dated June 8, 2006, respectively. These documents accurately represent the transactions between the plaintiffs and defendants as to the properties which are the subject of this action, To Wit, 1927 21st Street, Bakersfield, CA 93301, APN 003-241-05; 5717 Roundup Way, Bakersfield, CA 93306, APN 386-140-08; 5705 Muirfield Drive, Bakersfield, CA 93306, APN 387-180-06, hereafter “the property.” “The Parties” agree and stipulate to the fact that Plaintiff Michael Scott loane, as an individual, holds 5% ownership in “the property” as of August 2, 2007; and, that Plaintiff Acacia Corporate Management LLC holds 95% ownership interest in “the property.”

3. “The Parties” acknowledge and agree that at the time of each transfer of “the property” reflected in Exhibit “A” and “B” that there existed no government liens against any of “The Parties” or “the property” which would have disturbed, encumbered, impaired, or otherwise interfered with the transfer of “the property” as reflected in Exhibits “A” and “B.”

4. “The Parties” acknowledge and agree that at the time of each transfer

1
2 of "the property", as reflected in the attached exhibits, there were and are certain
3 private liens, encumbrances, and mortgages, not of a governmental nature, which
4 existed and currently exist between the parties and other private interests as noted in
5 the attached exhibits which the parties do not contest and which this action and
6 stipulation neither challenges nor contests.
7

8 5. "The Parties" acknowledge and agree that this is the full contents of
9 the stipulated judgment anything to the contrary notwithstanding.

10 6. By affixing their respective signatures below "The Parties" attest under
11 penalties of perjury that the forgoing is true and correct and that "The Parties"
12 agree to judgment to be entered as stipulated to herein, each party to bear its
13 own costs and attorney fees.
14

15 **QUIET TITLE PURSUANT TO BINDING STIPULATED SETTLEMENT &**
16 **AGREEMENT**
17

18 The above captioned matter came before the Court for consideration by
19 stipulation of "The Parties" based on the stipulated settlement & agreement
20 entered into by "The Parties" signatory hereto, concerning "the property" which is
21 the subject of this matter —
22

23 IT IS HEREBY ORDERED AND DECREED, that:

24 7. This "Quiet Title Pursuant to Binding Stipulated Settlement &
25 Agreement" coming before the Court, and the Court having duly considered the
26 matter – "Quiet Title Pursuant to Binding Stipulated Settlement & Agreement" is
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hereby approved; and,

1. Upon stipulation and agreement by "The Parties" signatory to this "Quiet Title Pursuant to Binding Stipulated Settlement & Agreement" thereon "The Parties" are bound to this agreement in its entirety along with all attachments thereto.

2. The Court further finds, that based upon the exhibits submitted to the Court along with the "Quiet Title Pursuant to Binding Stipulated Settlement & Agreement" that the material facts so stipulated to by "The Parties" are true and correct and not subject to dispute.

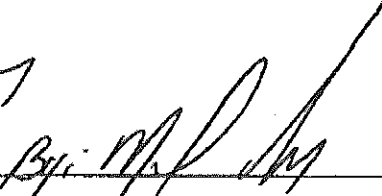
3. IT IS FURTHER ORDERED THAT The Clerk shall file this "Quiet Title Pursuant to Binding Stipulated Settlement & Agreement" and mail conformed copies to all parties.

Dated: 9-25-07



United States District Court Judge, Anthony Ishii

Stipulated to and entered into by the parties and/or their respective representatives.

Dated: 9/20/2007
MICHAEL SCOTT IOANE 

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Dated: 9/19/2007

For Acacia Corporate Management, LLC,

STEVEN F. STUCKER, DIRECTOR, 

STEVEN BOOTH See attached
1201 24th Street, Bakersfield, CA 93301

Dated: _____

LOUISE BOOTH See attached
1201 24th Street, Bakersfield, CA 93301

Dated: _____

For BAKERSFIELD PROPERTIES AND TRUST COMPANY; ALPHA OMEGA TRUST; ALIGNED ENTERPRISES TRUST,

See attached
Rodney Reed, Trustee

CERTIFICATE OF SERVICE

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Dated: _____

For Acacia Corporate Management, LLC,

STEVEN F. STUCKER, DIRECTOR, ~~9/19/07~~ See attached

STEVEN BOOTH *By: [Signature]*
1201 24th Street, Bakersfield, CA 93301

Dated: 9/19/07

LOUISE BOOTH *By: Louise Booth*
1201 24th Street, Bakersfield, CA 93301

Dated: 9/19/07

For BAKERSFIELD PROPERTIES AND TRUST COMPANY; ALPHA OMEGA TRUST; ALIGNED ENTERPRISES TRUST,

See attached
Rodney Reed, Trustee

CERTIFICATE OF SERVICE

1 Dated: _____

2

3 For Acacia Corporate Management, LLC,

4 STEVEN F. STUCKER, DIRECTOR, See attached

5

6 STEVEN BOOTH See attached
7 1201 24th Street, Bakersfield, CA 93301

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9 Dated: _____

10

11 LOUISE BOOTH See attached
12 1201 24th Street, Bakersfield, CA 93301

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14 Dated: 9-19-07

15

16 For BAKERSFIELD PROPERTIES AND TRUST COMPANY; ALPHA OMEGA
17 TRUST; ALIGNED ENTERPRISES TRUST,

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19 *Rodney Reed, Trustee*

20 Rodney Reed, Trustee

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22 CERTIFICATE OF SERVICE

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It is hereby certified that the attached document was served on the following:
**STIPULATED SETTLEMENT; on September 20, 2007 by depositing true and correct
copies thereof, enclosed in a sealed envelope with postage fully prepaid, in the United States
mail at Bakersfield, California addressed as follows:**

Rodney Reed, Trustee
For Bakersfield Properties; Alpha Omega trust;
Aligned Enterprises trust
1001 N. Beckley, #108-209
Desoto, TX 75115


Steven and Louise Booth
1201 24th Street
Bakersfield, CA 93301

Acacia Corporate Management LLC
108 East John Street
Carson City, NV 89706

Michael S. Ioane
P.O. Box 1403
Morgan Hill, CA 95038

United States Attorney General
Tenth Street & Pennsylvania
Washington, D.C. 20530

Executed on September 20, 2007.

By: 
Shelly Olson

Alliance Title

Branch:
5060 California Ave. 7th Floor
Bakersfield, CA 93309
(661) 321-3388
FAX: (661) 321-3395

PRELIMINARY REPORT

Title Officer: Donald Mushaney /dm3

ORDER NO. 15192778-136

Ref. No: 15192778

Acacia Corporate Management LLC
108 East John Street
Carson City, NV 89706
Attn.: Michael

Property Address:

, CA
APN: 003-241-05-00-3 & 386-140-08-00-8 &
387-180-06-00-1

In response to the above referenced application for a policy of title insurance, this Company 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 herein 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 of said Policy or Policies are set forth in Exhibit B attached.

Please read the exceptions shown or referred to below and the Exceptions and Exclusions set forth in Exhibit B 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 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.

In the event of cancellation or if the transaction has not closed within 90 days from the date hereof, the rate imposed and collectable shall be a minimum of \$360.00, pursuant to Section 12404 of the Insurance code, unless other provisions are made.

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

CLTA Standard Policy issued by First American Title Insurance Company

Dated as of **June 8, 2006** at 7:30 a.m.

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

A Fee

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

Acacia Corporate Management, LLC, a Nevada Limited Liability Company

The land referred to in this Report is situated in the State of California, County of Kern and is described as follows:

(See "Legal Description" Exhibit A attached)

EXHIBIT A

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

THE FOLLOWING ITEMS AFFECTS PARCEL 1:

1. General and special taxes and assessments for the fiscal year 2006-2007, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2005-2006.

First Installment: \$1,682.69 Paid
Second Installment: \$1,682.68 Paid
Tax Rate Area: 001-001
A. P. No.: 003-241-05-00-3

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. Water rights, claims or title to water, whether or not shown by the public records.
5. A deed of trust to secure an original indebtedness of \$240,000.00 recorded October 2, 1996 , as instrument no. 0196128342 of Official Records.

Dated: July 11, 1996
Trutor: Steven Booth, Trustee of the Aligned Enterprises Trust dated June 15, 1995
Trustee: American Title Insurance Company, a corporation
Beneficiary: Reinhilde H. Schwartz, an unmarried woman

According to the public records, by mesne assignment, the beneficial interest under the deed of trust has been assigned to Robert Bell recorded April 12, 2004 , as instrument no. 0204080420 of Official Records

6. A deed of trust to secure an original indebtedness of \$500,000.00 recorded March 7, 2000 , as instrument no. 0200026616 of Official Records.

Dated: March 6, 2000
Trutor: Alpha Omega Trust, a Trust Agreement, dated The 16th Day of June 1995, whose Trustees are V. Steven and Louise Booth
Trustee: World Title Co.
Beneficiary: Southern Financial

7. A deed of trust to secure an original indebtedness of \$500,000.00 recorded July 19, 2000, as instrument no. 0200087327 of Official Records.

Dated: March 6, 2000
Trustor: Alpha Omega Trust, a Trust Agreement, dated The 16th Day of June 1995,
whose Trustees are V. Steven and Louise Booth
Trustee: World Title Co.
Beneficiary: Southern Financial

Document(s) declaring modifications thereof recorded December 3, 003 , as instrument no. 0203262906 of Official Records.

According to the public records, the beneficial interest under the deed of trust was assigned to Treble by assignment recorded December 30, 2004 , as instrument no. 0204324067 of Official Records.

8. A federal tax lien in favor of the United States of America, recorded December 22, 2005 , as instrument no. 0205352650 of Official Records.

Serial No.: 265497405
Debtor: Acacia Corporate Management, LLC, a Nevada LLC, as nominee of Bakersfield Properties & Trust Co., as nominee of Aligned Enterprise Trust, as nominee of V. Steven & Louise Q. Booth, as to the parcel of real property described as follows: Parcel 1 of said report
Amount: \$2,009,088.65, and any other amounts due thereunder.

THE FOLLOWING ITEMS AFFECTS PARCEL 2 & 2A:

9. General and special taxes and assessments for the fiscal year 2006-2007, a lien not yet due or payable.
10. General and special taxes and assessments for the fiscal year 2005-006.

First Installment: \$3,177.94 Paid
Second Installment: \$3,177.94 Paid
Tax Rate Area: 001-071
A. P. No.: 386-140-08-00-8
Affects: Lot 29 of Tract No. 3817

11. Supplemental taxes for the fiscal year 2005 assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

First Installment: \$150.93 Paid
Second Installment: \$150.93 delinquent
Penalty: \$25.09
Tax Rate Area: 001-071
A. P. No.: 386-140-08-00-8
Affects: Lot 29 Tract No. 3817 (#05-4004312)

12. Supplemental taxes for the fiscal year 2005 assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

First Installment: \$489.12 Paid
Second Installment: \$489.11 delinquent
Penalty: \$58.91
Tax Rate Area: 386-140-08-00-8
Affects: Lot 29 Tract No. 3817 (#05-4004313)

13. Taxes and assessments levied by the Olcese Water District

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

15. Water rights, claims or title to water, whether or not shown by the public records.

16. An easement for ditches and canals and incidental purposes, recorded June 17, 1892 in Book 3 Page(s) 137 of Deeds.

In Favor of: Geo C. Doherty

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

17. An easement for pipelines and incidental purposes, recorded August 8, 1975 in Book 4908 Page(s) 1456 of Official Records.

In Favor of: Olcese Water District, a California Water District
Affects: reference is made to said document for full particulars

18. An easement shown or dedicated on the Map as referred to in the legal description

For: public utilities, slope, landscape and incidental purposes.
Affects: as shown on the recorded map

19. Covenants, conditions, restrictions and easements in the document recorded December 6, 1976 in Book 4994 Page(s) 84 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

An easement as contained in the above document.

For: entry and access and incidental purposes.

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

20. An easement for facilities and incidental purposes, recorded October 16, 2003 , as instrument no. 0203225641 of Official Records.

In Favor of: Olcese Water District a public agency it's successor's and/or assigns
Affects: reference is made to said document for full particulars

21. A deed of trust to secure an original indebtedness of \$900,000.00 recorded April 28, 2004 , as instrument no. 020495746 of Official Records.

Dated: April 17, 2004
Trustor: Bakersfield Properties and Trust Company
Trustee: CJ Investment Services, Inc., a California Corporation
Beneficiary: Southern Financial

According to the public records, the beneficial interest under the deed of trust was assigned to Treble, LLC, a California Limited Liability Company by assignment recorded June 11, 2004 , as instrument no. 0204135106 of Official Records.

22. A federal tax lien in favor of the United States of America, recorded December 22, 2005 , as instrument no. 0205352649 of Official Records.

Serial No.: 2654969905
Debtor: Acacia Corporate Management, LLC, a Nevada LLC, as nominee of Bakersfield Properties & Trust Co., as nominee of Aligned Enterprise Trust, as nominee of V. Steven & Louise Q. Booth, as to the parcel of real property described as follows: Parcel 1 of said report
Amount: \$2,009,088.65, and any other amounts due thereunder.

THE FOLLOWING ITEMS AFFECTS PARCEL 3 & 3A & 3B:

23. General and special taxes and assessments for the fiscal year 2006-2007, a lien not yet due or payable.

24. General and special taxes and assessments for the fiscal year 2005-2006.

First Installment: \$1,464.76 Paid
Second Installment: \$1,464.75 delinquent
Penalty: \$156.47
Tax Rate Area: 001-071
A. P. No.: 387-180-06-00-1

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

26. Water rights, claims or title to water, whether or not shown by the public records.

27. An easement shown or dedicated on the Map as referred to in the legal description

For: public utilities, storm drain and incidental purposes.
Affects: as shown on the recorded map

28. Covenants, conditions, restrictions, easements, assessments, liens, charges, terms and provisions in the document recorded October 11, 1984 in Book 5701 Page(s) 627 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 28, 1984 in Book 5721 Page(s) 169 of Official Records and October 17, 1997 , as instrument no. 0197138958 of Official Records

29. The terms and provisions contained in the document entitled "Club Membership Purchase Agreement and subject to the terms and conditions therein
Recorded: November 1, 1984 in Book 5707 Page(s) 824 of Official Records

Document(s) declaring modifications thereof recorded March 1, 1988 in Book 6098 Page(s) 1673 of Official Records

Reference is made to said Document for full particulars.

30. The terms and provisions contained in the document entitled "Right of Entry Agreement, recorded January 27, 1989 in Book 6204 Page(s) 115 of Official Records
31. A deed of trust to secure an original indebtedness of \$900,000.00 recorded April 28, 2004 , as instrument no. 020495746 of Official Records.

Dated: April 7, 004
Trustor: Bakersfield Properties and Trust Company
Trustee: CJ Investment Services, Inc., a California Corporation
Beneficiary: Southern Financial
Affects: said land and other properties

According to the public records, the beneficial interest under the deed of trust was assigned to Treble, LLC, a California Limited Liability Company by assignment recorded June 11, 2004 , as instrument no. 0204135106 of Official Records.

32. A federal tax lien in favor of the United States of America, recorded December 22, 2005 , as instrument no. 0205352651 of Official Records.

Serial No.: 265496305
Debtor: Acacia Corporate Management, LLC, a Nevada LLC, as nominee of Bakersfield Properties & Trust Co., as nominee of Aligned Enterprise Trust, as nominee of V. Steven & Louise Q. Booth, as to the parcel of real property described as follows: Parcel 1 of said report
Amount: \$2,009,088.65, and any other amounts due thereunder.

REQUIREMENTS:

- A. With respect to Acacia Corporate Management, LLC, a Nevada Limited Liability Company:
- a. A copy of its operating agreement and any amendments thereto;
 - b. If it is a California limited liability company, that 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) be recorded in the public records;
 - c. If it is a foreign limited liability company, that a certified copy of its application for registration (LLC-5) 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, that such document or instrument 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 document 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. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

NOTES:

- a. This report does not reflect requests for notice of default, requests for notice of delinquency, subsequent transfers of easements, and similar matters not germane to the issuance of the policy of title insurance anticipated hereunder.
- b. If this company is requested to disburse funds in connection with this transaction, Chapter 598 of 1989 Mandates of the California Insurance Code requires hold periods for checks deposited to escrow or sub-escrow accounts. Such periods vary depending upon the type of check and anticipated methods of deposit should be discussed with the escrow officer.
- c. No endorsement issued in connection with the policy and relating to covenants, conditions or restrictions provides coverage for environmental protection.
- d. Special recordings: Due to a severe budget shortfall, many county recorders have announced that severe limitations will be placed on the acceptance of "special recordings."
- e. Homeowners association: if the property herein described is subject to membership in a homeowners association, it will become necessary that we be furnished a written statement from the said homeowners association of which said property is a member, which provides that all liens, charges and/or assessments levied on said land have been paid. Said statement should provide clearance up to and including the time of closing. In order to avoid unnecessary delays at the time of closing, we ask that you obtain and forward said statement at your earliest convenience.
- f. Demands: This company requires that all beneficiary demands be current at the time of closing. If the demand has expired and a current demand cannot be obtained it may be necessary to hold money whether payoff is made based on verbal figures or an expired demand.
- g. Line of credit payoffs: If any deed of trust herein secures a line of credit, we will require that the account be frozen and closed and no additional advances be made to the borrower. If the beneficiary is unwilling to freeze the account, we will require you submit to us all unused checks, debit vouchers, and/or credit cards associated with the loan along with a letter (affidavit) signed by the trustor stating that no additional advances will be made under the credit line. If neither of the above is possible, it will be necessary to hold any difference between the demand balance and the maximum available credit.
- h. Maps: The map attached hereto may or may not be a survey of the land depicted thereon. You should not rely upon it for any purpose other than orientation to the general location of the parcel or parcels depicted. Alliance Title Company expressly disclaims any liability for alleged loss or damages which may result from reliance upon this map.

SEE RECORD OWNER GUARANTEE

**Exhibit A
LEGAL DESCRIPTION**

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

Parcel 1: (APN.: 003-241-05) ✓

Lots 11 and 12 in Block 201 of City of Bakersfield, County of Kern, State of California, as per map recorded November 25, 1898 in Book 1 Page(s) 13 and 14 of Maps, in the Office of the County Recorder of said County.

Parcel 2: (APN.: 386-140-08) ✓

Lot 29 of Tract No. 3817, in the City of Bakersfield, County of Kern, State of California, as per map recorded October 25, 1976 in Book 26 Page(s) 151, 152 and 153 of Maps, in the Office of the County Recorder of said County.

Parcel 2A;

A non-exclusive easement to use Lots 52 and 68 as depicted on the map for ingress, egress, open space and drainage purposes.

Except therefrom all oil, gas, minerals and other hydrocarbon substances lying below the surface of said land, but with no right of surface entry, as provided in deeds of record.

Parcel 3: (APN.: 387-180-06)

Lot 4 of Tract No. 4578, Unit B, in the City of Bakersfield, County of Kern, State of California, as per map recorded April 11, 1984 in Book 33 Page(s) 66 and 67 of Maps, in the Office of the County Recorder of said County.

Except therefrom all oil, gas, minerals and other hydrocarbon substances lying below the surface of said land, but with no right of surface entry, as provided in deeds of record.

Parcel 3A:

A non-exclusive easement for ingress, egress and road purpose on, over and across the following described property:

All that portion of Section 14, Township 29 South, Range 29 East, Mount Diablo Base and Meridian, in the City of Bakersfield, County of Kern, State of California, according to the Official Plat thereof, being more particularly described as follows:

Commencing at the Northwest corner of said Section 14; Thence South $00^{\circ}03'20''$ West on and along the West line of said Section 14, a distance of 2490.34 feet; Thence South $79^{\circ}20'56''$ East, 24.18 feet; Thence North $42^{\circ}12'28''$ East, 18.18 feet; Thence North $08^{\circ}27'33''$ East, 4.50 feet to the true point of beginning ; Thence (1) South $81^{\circ}32'27''$ East, 35.81 feet; Thence (2) South $36^{\circ}32'27''$ East, 5.66 feet; Thence (3) South $81^{\circ}32'27''$ East, 26.00 feet; Thence (4) South $36^{\circ}32'27''$ East; Thence (5) South $81^{\circ}32'27''$ East, 45.00 feet; Thence (6) North $53^{\circ}27'33''$ East, 16.97 feet; Thence (7) South $81^{\circ}32'27''$ East, 108.01 feet to the beginning of a tangent Curve concave to the South having a radius of 100.00 feet; Thence (8) Easterly on and along said curve through a central angle of $13^{\circ}25'55''$, an arc distance of 23.44 feet to the beginning of a tangent reverse curve concave to the North having a radius of 766.00 feet; Thence (9) Easterly on and along said curve through a central angle of $36^{\circ}24'58''$, an arc distance of 486.86 feet; Thence (10) North $75^{\circ}28'58''$ East, 4603 feet to the beginning of a tangent curve concave to the South having a radius of 384.00 feet; Thence (11) Easterly on and along said curve through a central angle of $28^{\circ}41'30''$, an arc distance of 192.29 feet; Thence (12) South $75^{\circ}50'00''$ East, 46.04 feet to the beginning of a tangent curve concave to the Southwest having a radius of 334.00 feet; Thence (13) Southeasterly on and along said curve through a central angle of $77^{\circ}22'30''$, an arc distance of 451.05 feet; Thence (14) South $01^{\circ}32'30''$ West, 175.00 feet to the beginning of a tangent curve concave to the Northeast having a radius of 916.00 feet; Thence (15) Southeasterly on and along said curve through a central angle of $29^{\circ}13'30''$, an arc distance of 467.23 feet; Thence (16) South $27^{\circ}41'00''$ East, 107.84 feet to the beginning of a tangent curve concave to the Northeast having a radius of 416.00 feet ; Thence (17) Southwesterly on and along said curve through a central angle of $54^{\circ}26'35''$, an arc distance of 395.29 feet; Thence (18) South $82^{\circ}07'35''$ East, 326.44 feet to the beginning of a tangent curve concave to the North having a radius of 291.00 feet; Thence (19) Southeasterly on and along said curve through a central angle of $43^{\circ}20'39''$, an arc distance of 220.14 feet; Thence (20) North $54^{\circ}31'46''$, 46.86 feet to the beginning of a tangent curve concave to the Southeast having a radius of 257.00 feet; Thence (21) Northeasterly on and along said curve through a central angle of $08^{\circ}58'27''$, an arc distance of 40.25 feet to the beginning of a tangent reverse curve concave to the Northwest having a radius of 600.00 feet; Thence (22) Northeasterly on and along said curve through a central angle of $01^{\circ}03'14''$, an arc distance of 11.04 feet to the beginning of a tangent reverse curve concave to the Southeast having a radius of 200.00 feet; Thence (23) Easterly on and along said curve through a central angle of $15^{\circ}29'49''$, an arc distance of 54.09 feet to the beginning of a compound curve concave to the South having a radius of 259.00 feet; Thence (24) Easterly on and along said curve through a central angle of $41^{\circ}50'06''$, an arc distance of 189.11 feet to the beginning of a compound curve concave to the Southwest having a radius of 200.00 feet; Thence (25) Southeasterly on and along said curve through a central angle of $15^{\circ}29'49''$, an arc distance of 54.09 feet to the beginning of a reverse curve concave to the Northeast having a radius of 600.00 feet; Thence (26) Southeasterly on and along said curve through a central angle $01^{\circ}03'14''$, an arc distance of 11.04 feet to the beginning of reverse curve concave to the Southwest having a radius of 257.00 feet; Thence (27) Southeasterly on and along said curve through a central angle of $05^{\circ}25'01''$, an arc distance of 24.30 feet; Thence (28) South $40^{\circ}21'30''$ East, 5.85 feet to the beginning of a tangent curve concave to the West having a radius of 20.00 feet; Thence (29) Southerly on and along said curve through a central angle $84^{\circ}41'42''$, an arc distance of 29.59 feet to a point of cusp with a curve concave to the Southeast having a radius of 391.00 feet and to which point a radial line bears North $45^{\circ}39'48''$ West; Thence (30) Northeasterly on and along said curve through a central angle of $05^{\circ}18'18''$, an arc distance of 36.20 feet; Thence (31) North $49^{\circ}38'30''$ East, 38.00 feet to a point of cusp with a curve concave to the North having a radius of 20.00 feet and to which point a radial line radial line bears North $40^{\circ}21'30''$ West; Thence (32) Northeasterly on and along said curve through a central angle of

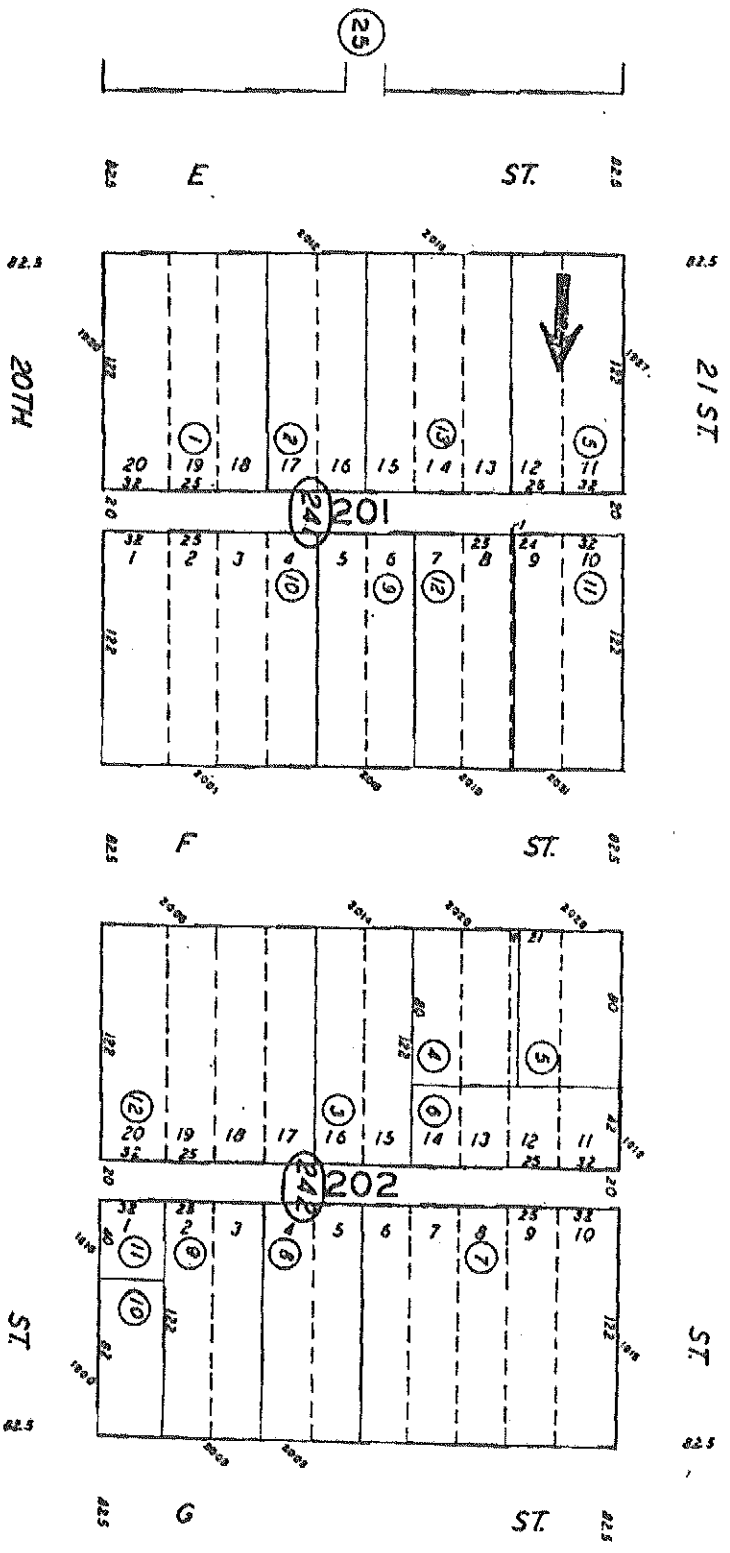
90°00'00", an arc distance of 31.42 feet; Thence (33) North 40121'30" West, 4.09 feet to the beginning of a tangent curve concave to the Southwest having a radius of 293.00 feet; Thence (34) Northwesterly on and along said curve through a central angle of 05°25'01", an arc distance of 27.70 feet to the beginning of a compound curve to the Southwest having a radius of 200.00 feet; Thence (35) Northwesterly on and along said curve through a central angle of 12°34'21", an arc distance of 43.89 feet to the beginning of a tangent reverse curve concave to the Northeast having a radius of 600.00 feet whose radial bears North 31°39'08" East; Thence (36) Northeasterly on and along said curve through a central angle of 01°18'07", an arc distance of 13.63 feet to the beginning of a tangent reverse concave to the Southwest having a radius of 291.00 feet; Thence (37) Northwesterly on and along said curve through a central angle of 05°25'56", an arc distance of 27.59 feet; Thence (38) North 27°31'19" East, 0.50 feet to the beginning of a non-tangent curve concave to the Southwest having a radius of 291.50 feet whose radial bears South 27°31'19" West; Thence (39) Northwesterly on and along said curve through a central angle of 28°50'11", an arc distance of 146.71 feet; Thence (40) South 85°19'12" West, 15.07 feet to the beginning of a non-tangent curve concave to the Southwest having a radius of 291.00 feet whose radial bears South 04°16'41" East; Thence (41) Westerly on and along said curve through a central angle of 10°56'52", an arc distance of 55.00 feet to the beginning of a tangent reverse curve concave to the Northwest having a radius of 600.00 feet; Thence (42) Southwesterly on and along said curve through a central angle of 01°18'07", an arc distance of 13.63 feet to the beginning of a tangent reverse curve concave to the Southeast having a radius of 200.00 feet; Thence (43) Southwesterly on and along said curve through a central angle of 12°34'21", an arc distance of 43.89 feet to the beginning of a compound curve concave to the Southeast having a radius of 293.00 feet; Thence (44) Southwesterly on and along said curve through a central angle of 15°30'47", an arc distance of 79.33 feet to the beginning of a tangent reverse curve concave to the Northeast having a radius of 201.54 feet; Thence (45) Southwesterly on and along said curve through a central angle of 16°00'34", an arc distance of 56.31 feet to the beginning of a compound curve concave to the Northwest having a radius of 259.00 feet whose radial bears South 26°00'00" East; Thence (46) Westerly on and along said curve through a central angle of 33°52'25", an arc distance of 153.12 feet; Thence (47) North 82°07'35" West, 326.44 feet to the beginning of a tangent curve concave to the Northeast having a radius of 384.00 feet; Thence (48) Northwesterly on and along said curve through a central angle of 54°26'35", an arc distance of 364.88 feet; Thence (49) North 27°41'00" West, 107.84 feet to the beginning of a tangent curve concave to the Northeast having a radius of 884.00 feet; Thence (50) Northwesterly on and along said curve through a central angle of 29°13'30", an arc distance of 450.00 feet; Thence (51) North 01°32'30" East, 175.00 feet to the beginning of a tangent curve concave to the Southwest having a radius of 366.00 feet; Thence (52) Northwesterly on and along said curve through a central angle 77°22'30", an arc distance of 494.26 feet; Thence (53) North 75°50'00" West, 46.04 feet to the beginning of a tangent curve concave to the South having a radius of 416.00 feet; Thence (54) Westerly on and along said curve through a central angle of 28°41'30", an arc distance of 208.32 feet; Thence (55) South 75°28'30" West, 46.04 feet to the beginning of a tangent curve concave to the North having a radius of 734.00 feet; Thence (56) Westerly on and along said curve through a central angle of 37°57'55", an arc distance of 486.36 feet; Thence (57) North 66°33'35" West, 74.82 feet to the beginning of a tangent curve to the Southwest having a radius of 100.00 feet; Thence (58) Westerly on and along said curve through a central angle of 14°58'52", an arc distance of 26.15 feet; Thence (59) North 81°32'27" West, 21.31 feet; Thence (60) North 36°32'27" West, 16.97 feet; Thence (61) North 81°32'27" West, 45.00 feet; Thence (62) South 53°27'33" West, 11.31 feet; Thence (63) North 81°32'27" West, 26.00 feet; Thence (64) South

53°27'33" West, 5.66 feet; Thence (65) North 81°32'27" West, 35.81 feet; Thence (66) South 08°27'33" West, 56.00 feet to the true point of beginning

Parcel No. 3B:

A non-exclusive easement appurtenant to Parcel 3 for access, side yard, encroachment, repairs, replacement, maintenance, overhang, drainage, landscaping, recreation and similar purposes, as defined in Section 2 of the "Declaration of Covenants, Conditions and Restrictions Establishing A Planned Residential Development for Rio Bravo Fairway, Tract 4578", recorded October 11, 1984 in Book 5701 Page(s) 627 of Official Records

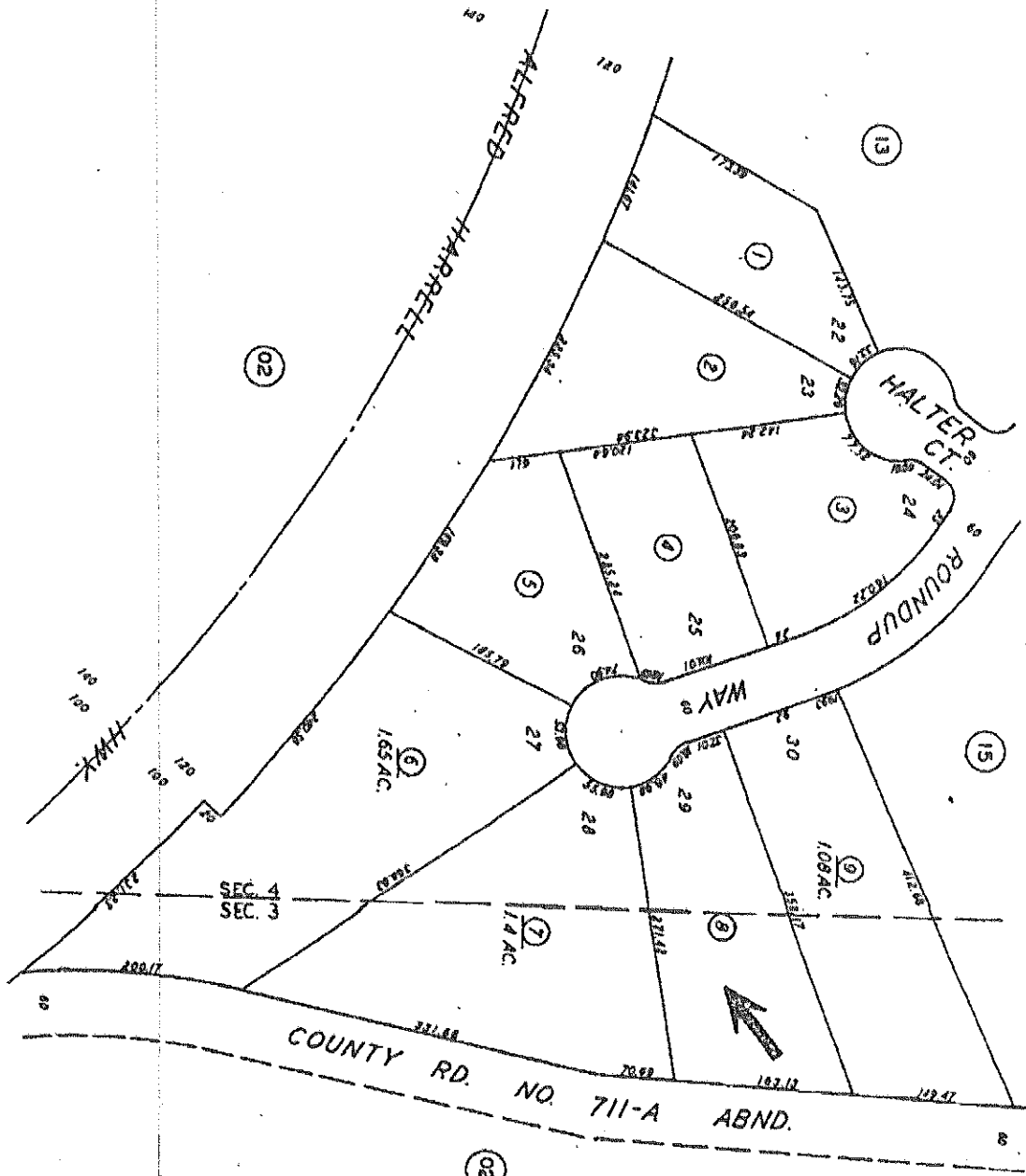
APN No: 003-241-05-00-3 386-140-08-00-8 387-180-06-00-1



NOTE: This map is for assessment purposes only. It is not to be construed as providing legal description or divisions of land for purposes of zoning or subdivision law.

ASSESSORS MAP NO. 3-24
COUNTY OF KERN





ASSESSORS MAP NO. 386-14
 COUNTY OF KERN

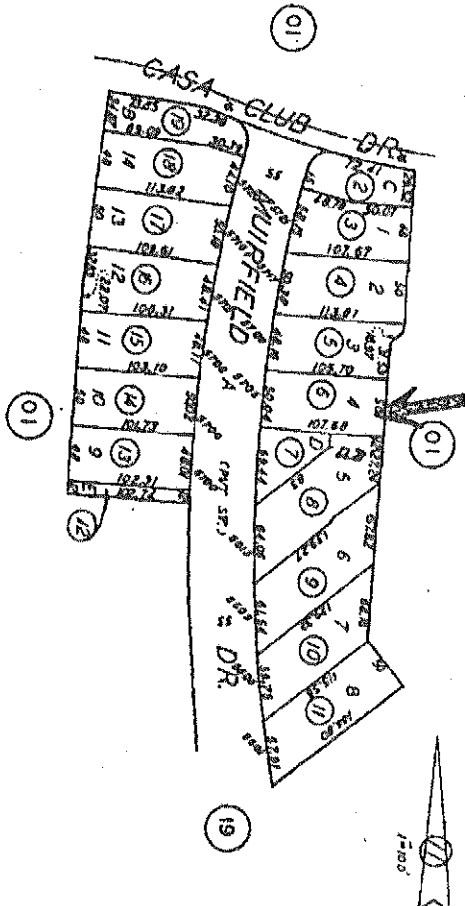
Note: This map is for assessment purposes only. It is not to be construed as portraying legal ownership or divisions of land for purposes of zoning or subdivision law.

387-18

TRACT 4578 UN A
PTN. W1/2 OF SEC. 14 T. 29S. R. 29E.

SCHOOL DIST. 1-71

387-18



Filed: April 11, 1984

Note: This map is for assessment purposes only. It is not to be construed as providing legal ownership or evidence of title for purposes of selling or subdivision law.

ASSESSORS MAP NO. 387-18
COUNTY OF KERN

EXHIBIT B
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (By Policy Type)

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

EXCEPTIONS FROM COVERAGE

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

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

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land, (ii) the character, dimensions or location of any improvement now or hereafter erected on the land, (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part, or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant,
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy,
 - (c) resulting in no loss or damage to the insured claimant,
 - (d) attaching or created subsequent to Date of Policy, or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with 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 OWNER'S POLICY FORM B - 1970
WITH REGIONAL EXCEPTIONS

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

SCHEDULE B

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

Part One:

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

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

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

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

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

SCHEDULE B

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

Part One:

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

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

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

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

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

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

SCHEDULE B

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

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

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

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

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

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

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

SCHEDULE B

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

Part One:

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

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

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

- land use
- land division
- improvements on the land
- environmental protection

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

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

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - that result in no loss to you
 - that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

failure to pay value for your title.

Lack of a right:

- to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
- in streets, alleys, or waterways that touch your land

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

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

11. EAGLE PROTECTION OWNER'S POLICY

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998
ALTA 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:
 - 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 LandThis 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

resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

1. 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.
3. 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:
 - (a) usury, except as provided under insuring provision 10 of this policy; or
 - (b) any consumer credit protection or truth in lending law.
5. 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:
 - (a) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (c) the transaction creating the interest of the insured mortgagee 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.
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:
 - (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 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:

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.
5. 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