

207 Waiver
Title
Legal Description
Policy or Appeals
Correspondence Between Legal & Staff
Letter of Authorization

Legal

Affidavit of Authorization to Act for Property Owner



1. This affidavit concerns the following parcel of land:
 - a. Street Address: 125th & Alameda Rd.
 - b. County Tax Assessor's Parcel Number: 217-01-010, 011A, 001C, 011D, 016F, 016H, 016K & 016L
 - c. General Location: 125th & Alameda Rd.
 - d. Parcel Size: 132 AC
 - e. Legal Description: A PORTION OF LAND LYING WITHIN SEC.11, T4N, R5E, OF THE G&SRM, MC, AZ
 (If the land is a platted lot, then write the lot number, subdivision name, and the plat's recording number and date. Otherwise, write "see attached legal description" and attach a legal description.)
2. I am the owner of the land or I am the duly and lawfully appointed agent of the owner of the land and have authority from the owner to sign this affidavit on the owner's behalf. If the land has more than one owner, then I am the agent for all of the owners, and the word "owner" in this affidavit refers to all of them.
3. I have authority from the owner to act for the owner before the City of Scottsdale with regard to any and all reviews, zoning map amendments, general plan amendments, development variances, abandonments, plats, lot splits, lot ties, use permits, building permits and other land use regulatory or related matters of every description involving the land, or involving adjacent or nearby lands in which the owner has (or may acquire) an interest, and all applications, dedications, payments, assurances, decisions, agreements, legal documents, commitments, waivers and other matters relating to any of them.
4. The City of Scottsdale is authorized to rely on my authority as described in this affidavit until three work days after the day the owner delivers to the Director of the Scottsdale Planning & Development Services Department a written statement revoking my authority.
5. I will immediately deliver to the Director of the City of Scottsdale Planning & Development Services Department written notice of any change in the ownership of the land or in my authority to act for the owner.
6. If more than one person signs this affidavit, each of them, acting alone, shall have the authority described in this affidavit, and each of them warrant to the City of Scottsdale the authority of the others.
7. Under penalty of perjury, I warrant and represent to the City of Scottsdale that this affidavit is true and complete. I understand that any error or incomplete information in this affidavit or any applications may invalidate approvals or other actions taken by the City of Scottsdale, may otherwise delay or prevent development of the land, and may expose me and the owner to other liability. I understand that people who have not signed this form may be prohibited from speaking for the owner at public meetings or in other city processes.

Name (printed)	Date	Signature
<u>MARVIN Bailey</u>	<u>12/19</u> , 20 <u>17</u>	<u>[Signature]</u>
_____	_____, 20__	_____
_____	_____, 20__	_____
_____	_____, 20__	_____

Planning and Development Services

7447 E Indian School Road, Suite 105, Scottsdale, AZ 85251 • scottsdaleaz.gov

Owner Certification
Acknowledging Receipt
Of
Notice Of Right To Appeal
Exactions And Dedications

I hereby certify that I am the owner of property located at:

Portion of Sec. 11 (T4N, R5E) of the G&SRBM

(address where development approval, building permits, or city required improvements and dedications are being required)

and hereby certify that I have received a notice that explains my right to appeal all exactions and/or dedications required by the City of Scottsdale as part of my property development on the parcel listed in the above address.

Chris Volney - Toll Brothers Inc.

Signature of Property Owner

Date

12/22/2017

51-DR-2017
12/22/2017



Fidelity National Title Insurance Company

COMMITMENT FOR TITLE INSURANCE

Issued by

Fidelity National Title Insurance Company

Fidelity National Title Insurance Company, a California corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate 6 months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF, Fidelity National Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

Countersigned by:

Natalie Bombardieri

Authorized Signature



By:

Randy Quirk

Randy Quirk, President

Attest:

Michael Gravelle

Michael Gravelle, Secretary

Fidelity National Title Agency, Inc.
60 E. Rio Salado Parkway Suite 1104
Tempe, AZ 85281

SCHEDULE A

Title Officer: **Mike Bennett**
Escrow Officer: **Patti Graham**

Order No.: **39003996-039-PG**
Reference No.:

1. Effective Date: **February 7, 2017** at 7:30 a.m., Amendment Date: **February 14, 2017**, Amendment No.: **3/MB**
2. Policy or Policies to be issued: Amount of Insurance:
ALTA Extended Owners Policy (6-17-06) **\$65,000,000.00**

Proposed Insured:
Toll Brothers AZ Construction Company, an Arizona corporation

None **\$0.00**

Proposed Insured:

None **\$0.00**

Proposed Insured:
3. The estate or interest in the land described or referred to in this Commitment and covered herein is:
A FEE
4. Title to said estate or interest in said land is at the effective date hereof vested in:
MCDOWELL MOUNTAIN BACK BOWL, LLC, an Illinois limited liability company
5. The land referred to in this commitment is described as follows:
See Exhibit A attached hereto and by reference made a part hereof.



EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 1:

Lots 1 through 7, inclusive; Lot 9; Lots 11 through 26, inclusive; Lots 28, 29, 31 and 33; Lots 35 through 40, inclusive; Lots 42, 45 and 46, of SERENO CANYON PHASE 1, according to the plat recorded in [Book 910 of Maps, page 16](#), and Certificate of Correction recorded April 9, 2007 in Recording No. [2007-0413301](#) and Affidavit of Amendment recorded May 24, 2007 in Recording No. [20070603846](#), records of Maricopa County, Arizona;

EXCEPT all minerals in the land, and all uranium, thorium, or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, as reserved to the United States of America in the Patent recorded November 26, 1948 in [Docket 304, page 447](#), records of Maricopa County, Arizona.

PARCEL NO. 2:

Lots 1 through 28, inclusive, of SERENO CANYON PHASE 2, according to the plat recorded in [Book 974 of Maps, page 40](#), records of Maricopa County, Arizona;

EXCEPT all minerals in the land, and all uranium, thorium, or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, as reserved to the United States of America in the Patent recorded November 26, 1948 in [Docket 304, page 447](#), records of Maricopa County, Arizona.

PARCEL NO. 3:

Lots 1 through 22, inclusive, of SERENO CANYON PHASE 3, according to the plat recorded in [Book 974 of Maps, page 41](#), records of Maricopa County, Arizona;

EXCEPT all minerals in the land, and all uranium, thorium, or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, as reserved to the United States of America in the Patent recorded November 26, 1948 in [Docket 304, page 447](#), records of Maricopa County, Arizona.

PARCEL NO. 4:

Lot 27 and Tract F, of LOT 27 OF SERENO CANYON PHASE 1, according to the plat recorded in [Book 1042 of Maps, page 27](#), records of Maricopa County, Arizona;

EXCEPT all minerals in the land, and all uranium, thorium, or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, as reserved to the United States of America in the Patent recorded November 26, 1948 in [Docket 304, page 447](#), records of Maricopa County, Arizona.

PARCEL NO. 5:

27C101 (6/06) ALTA Commitment - 2006

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AMERICAN
LAND TITLE
ASSOCIATION



EXHIBIT A
(Continued)

Parcel No. 1 and a portion of Parcels No. 2 and 7 of THE GOLDIE BROWN PINNACLE PEAK RANCH: UNIT ONE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 191 of maps, page 26, more particularly described as follows:

COMMENCING at the Northeast corner of said Parcel 1, a rebar with cap RLS 17591, from which the Southeast corner of said Parcel 1, being the Southeast corner of said Section, ½ inch rebar with a bent illegible cap bears South 00 degrees 04 minutes 54 seconds East (basis of bearing), a distance of 1321.15 feet, said point being the POINT OF BEGINNING;

thence along the East line of said Parcel 1 and said Section, South 00 degrees 04 minutes 54 seconds East, a distance of 1321.15 feet, to the Southeast corner of said Parcel 1 and said Section;

thence leaving said East line along the South line of said Parcel 1, Parcel 2 and said Section, South 89 degrees 51 minutes 22 seconds West, a distance of 2643.98 feet to the Southwest corner of said Parcel 2, also being the South quarter corner of said Section and the Southeast corner of said SERENO CANYON PHASE 2;

thence leaving the South line of said Parcel 2, along the West line of said parcel 2 and the Easterly line of said SERENO CANYON PHASE 2, North 00 degrees 02 minutes 10 seconds West, a distance of 1321.28 feet to the Northwest corner of said Parcel 2;

thence along the North line of said parcel 2, North 89 degrees 51 minutes 47 seconds East, a distance of 225.90 feet;

thence leaving the North line of said Parcel 2, continuing along said Easterly line, North 08 degrees 47 minutes 58 seconds West, a distance of 89.69 feet;

thence North 04 degrees 33 minutes 51 seconds East, a distance of 298.46 feet;

thence North 77 degrees 15 minutes 26 seconds East, a distance of 96.60 feet to the beginning of a curve;

thence Southeasterly along said curve, having a radius of 17.00 feet, concave Southwesterly through a central angle of 92 degrees 50 minutes 31 seconds, a distance of 27.55 feet to a point of reverse curvature;

thence Southeasterly along said curve, having a radius of 208.00 feet, concave Northeasterly through a central angle of 42 degrees 45 minutes 36 seconds, a distance of 155.23 feet to a point of reverse curvature;

thence Southeasterly along said curve, having a radius of 292.00 feet, concave Southwesterly through a central angle of 11 degrees 20 minutes 43 seconds, a distance of 57.82 feet to a point of reverse curvature;

thence Southeasterly along said curve, having a radius of 430.00 feet, concave Northeasterly through a central angle of 15 degrees 53 minutes 39 seconds, a distance of 119.29 feet to a point of reverse curvature;

thence Southerly along said curve, having a radius of 320.00 feet, concave Westerly through a central angle of 74 degrees 42 minutes 29 seconds, a distance of 417.25 feet to a point of reverse curvature;

thence Southerly along said curve, having a radius of 270.00 feet, concave Easterly through a central angle of 31 degrees 57 minutes 31 seconds, a distance of 150.60 feet to a point of intersection with a non-tangent line;

thence South 75 degrees 32 minutes 22 seconds West, a distance of 29.43 feet to the East line of the West half of said Parcel 2;



EXHIBIT A
(Continued)

thence along said East line, continuing along said Easterly line, South 00 degrees 02 minutes 28 seconds East, a distance of 205.00 feet;

thence leaving said East line, continuing along said Easterly line, North 46 degrees 00 minutes 31 seconds East, a distance of 172.81 feet to a point of intersection with a non-tangent curve;

thence Northerly along said curve, having a radius of 230.00 feet, concave Easterly whose radius bears North 46 degrees 00 minutes 31 seconds East, through a central angle of 61 degrees 29 minutes 22 seconds, a distance of 246.83 feet to a point of reverse curvature;

thence Northerly along said curve, having a radius of 360.00 feet, concave Westerly through a central angle of 68 degrees 25 minutes 06 seconds, a distance of 429.88 feet to the Southerly line of said SERENO CANYON PHASE 3 and a point of intersection with a non-tangent line;

thence leaving said Easterly line, along said Southerly line, North 42 degrees 38 minutes 45 seconds East, a distance of 273.39 feet;

thence South 71 degrees 31 minutes 24 seconds East, a distance of 248.68 feet;

thence South 04 degrees 23 minutes 46 seconds East, a distance of 257.96 feet;

thence North 87 degrees 26 minutes 00 seconds East, a distance of 265.80 feet to the East line of said Parcel 7;

thence leaving said Southerly line, along said East line, South 00 degrees 03 minutes 38 seconds East, a distance of 38.04 feet to the Southeast corner of said Parcel 7, being the Northwest corner of said Parcel 1 and a point of intersection with a non-tangent curve;

thence leaving said East line, along the North line of said Parcel 1, Easterly along said curve, having a radius of 468.82 feet, concave Southerly whose radius bears South 09 degrees 20 minutes 04 seconds East, through a central angle of 09 degrees 11 minutes 21 seconds, a distance of 75.19 feet to the curve's end;

thence North 89 degrees 51 minutes 17 seconds East, a distance of 1246.31 feet to the POINT OF BEGINNING;

EXCEPT any portion thereof lying within Parcels No. 1, 2, 3 and 4 above; and

EXCEPT all minerals in the land, and all uranium, thorium, or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, as reserved to the United States of America in the Patent recorded November 26, 1948 in [Docket 304, page 447](#), records of Maricopa County, Arizona.

SCHEDULE B – Section I REQUIREMENTS

The following are the requirements to be complied with:

1. Pay the agreed amounts for the interest in the Land and/or the mortgage to be insured.
2. Pay us the premiums, fees and charges for the policy.
3. Documents satisfactory to us creating the interest in the Land and/or the mortgage to be insured must be signed, delivered and recorded.
4. You must tell us in writing the name of anyone not referred to in this commitment who will get an interest in the Land or who will make a loan on the Land. We may then make additional requirements or exceptions.
5. INTENTIONALLY OMITTED
6. Furnish a plat of a ALTA/ACSM Land Title Survey. If the owner of subject property is in possession of a current ALTA/ACSM Land Title Survey, this Company will require that said Survey be submitted for review and approval. Otherwise, a new survey, satisfactory to the Company, must be prepared by a registered land surveyor and supplied to the Company prior to the close of escrow. The Company reserves the right to except additional items and/or make additional requirements after review of such survey.

Said Plat of Survey shall include the recommended certification and at the minimum, also have shown thereon Items 1, 2, 6 through 11, 16, 19, and 20 from Table A thereof.

Note: If an ALTA 3.1 Zoning Endorsement is requested, Items 7a, 7b, 7c and 9 of Table A will also be required. The number and type of parking spaces must be shown on the survey. Property use information must also be provided to Fidelity National Title Insurance Company.

7. The Company will require that an Owner’s Affidavit be completed by the party(s) named below before the issuance of any policy of title insurance.

Party(s): MCDOWELL MOUNTAIN BACK BOWL, LLC, an Illinois limited liability company

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.

8. Furnish evidence that all assessments which are due the owners’ association and/or master association, if any, have been paid in full and are current.

Note: Notice of Association Contact Information

Owners Association:	Sereno Canyon Homeowners Association
Name of Agent/Management Company:	Brown Community Management
Association Address:	7255 E. Hampton Ave., Suite 101, Mesa, AZ 85209
Association Telephone Number:	480-539-1396
Recording Date:	December 31, 2014
Recording No.:	<u>20140857952</u>



SCHEDULE B – Section I
(Continued)

9. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company will require a liability amount and list of requested endorsements prior to submitting the transaction for said approval. Failure to provide this information may result in the closing being delayed.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

10. INTENTIONALLY OMITTED

11. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: MCDOWELL MOUNTAIN BACK BOWL, LLC, an Illinois limited liability company

- a) A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member
- b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps
- c) If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member
- d) If the Limited Liability Company was formed in a foreign jurisdiction, evidence, satisfactory to the Company, that it was validly formed, is in good standing and authorized to do business in the state of origin
- e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

12. INTENTIONALLY OMITTED

13. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.

Upon confirmation by the owner of no open Deeds of Trust or Mortgages encumbering the Land described herein, furnish the Company an owner's Affidavit of no open Deed of Trust(s).

14. Furnish for recordation a deed as set forth below:

Grantor(s): McDowell Mountain Back Bowl, LLC, an Illinois limited liability company
Grantee(s): Toll Brothers AZ Construction Company, an Arizona corporation

Note: ARS 11:1133 may require the completion and filing of an Affidavit of Value.

SCHEDULE B – Section I
(Continued)

15. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below:

Name of Corporation: Toll Brothers AZ Construction Company, an Arizona corporation

- a) A Copy of the corporation By-laws and Articles of Incorporation
- b) An original or certified copy of a resolution authorizing the transaction contemplated herein
- c) If the Articles and/or By-laws require approval by a 'parent' organization, a copy of the Articles and By-laws of the parent
- d) Evidence, satisfactory to the Company that the corporation was validly formed and is in good standing.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

16. If a work of improvement is contemplated, no work is to be commenced or materials delivered to the Land the subject of this transaction prior to the recordation of the loan documents. If work is commenced or materials delivered, the Company reserves the right to add additional items or make further requirements and the closing may be delayed.
17. Notify the title department 3 days prior to the contemplated close of escrow to arrange for a priority inspection of said Land. No work is to be commenced or materials delivered until the mortgage to be insured has been recorded.

The Company reserves the right to add additional items or make further requirements if the inspection of said Land discloses the commencement of work or the delivery of materials and the closing may be delayed.

18. Proper annexation of Lot 22 of Final Plat for Sereno Canyon Phase 3 recorded in Book 974 of Maps, page 41 to Declaration of Covenants, Conditions and Restrictions Sereno Canyon, Maricopa County, Arizona recorded in Recording No. 20070448214.

Tax Note:

Year: 2016

Tax Parcel Nos:

AFFECTS PARCEL NO. 1: 217-01-110 through 217-01-116, inclusive; 217-01-118; 217-01-120 through 217-01-135, inclusive; 217-01-137; 217-01-138; 217-01-140; 217-01-142; 217-01-144 through 217-01-149, inclusive; 217-01-151; 217-01-154 and 217-01-155

AFFECTS PARCEL NO. 2: 217-01-161 through 217-01-188, inclusive

AFFECTS PARCEL NO. 3: 217-01-195 through 217-01-216, inclusive

AFFECTS PARCEL NO. 4: 217-01-239 AND 217-01-240

SCHEDULE B – Section I
(Continued)

AFFECTS PARCEL NO. 5: 217-01-010; 217-01-011A; 217-01-011C; 217-01-011D; 217-01-016F; 217-01-016H;
217-01-016K and 217-01-016L

(See Tax Sheets attached.)

END OF SCHEDULE B – SECTION I

SCHEDULE B – SECTION II

EXCEPTIONS

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

- A. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
- B. Exceptions and Exclusions from coverage which will appear in the policy or policies to be issued as set forth in Attachment One attached.
 - 1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the second half of the year 2016.
 - 2. Reservations contained in the Patent

From: The United States of America
 Recording Date: August 20, 1936
 Recording No: Book 300 of Deeds, page 482

Which among other things recites as follows:

Subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of the courts; and the reservation from the lands hereby granted of a right of way thereon for ditches or canals constructed by the authority of the United States.

(Affects the South half of the South half of Section 11, Township 4 North, Range 5 East)

- 3. Reservations contained in the Patent
 - From: The United States of America
 - Recording Date: November 26, 1948
 - Recording No: Docket 304, page 447

Which among other things recites as follows:

Subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of the courts; and the reservation from the lands hereby granted of a right of way thereon for ditches or canals constructed by the authority of the United States; and the reservation of specific minerals in the land.

(Affects the North half and the North half of the South half of Section 11, Township 4 North, Range 5 East)

- 4. Water rights, claims or title to water, whether or not disclosed by the public records.
- 5. The right of entry to prospect for, mine and remove the minerals excepted from the description of said Land in Schedule A.

SCHEDULE B – Section II
(Continued)

6. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: roadway
Recording Date: February 15, 1977
Recording No: [Docket 12076, page 648](#)
(Affects Parcel No. 5)
7. Easements, covenants, conditions and restrictions as set forth on the recorded plat of THE GOLDIE BROWN PINNACLE PEAK RANCH: UNIT ONE, recorded July 19, 1977 in [Book 191 of Maps, page 26](#).
(Affects Parcel No. 5)
8. Covenants, conditions, restrictions and easements but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document
- Recorded: July 19, 1977 in [Docket 12325, page 538](#)
9. A Resolution FCD 2001R009 in favor of the Flood Control District of Maricopa County
- For: Rio Verde Area Drainage and Floodplain Management
Recording Date: August 30, 2001
Recording No: [2001-0801097](#)
10. INTENTIONALLY OMITTED
11. Matters contained in that certain document
- Entitled: Development Agreement, City of Scottsdale Agreement No. 2006-019-COS
Dated: April 4, 2006
Executed by: McDowell Mountain Back Bowl, LLC, an Illinois limited liability company and the City of Scottsdale, Arizona
Recording Date: April 11, 2006
Recording No: [20060483131](#)
- Reference is hereby made to said document for full particulars.
12. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: City of Scottsdale
Purpose: public utilities
Recording Date: March 6, 2007
Recording No: [20070272035](#)
Affects: said land more particularly described therein

SCHEDULE B – Section II
(Continued)

13. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: City of Scottsdale
 Purpose: public utilities
 Recording Date: March 6, 2007
 Recording No: 20070272191
 Affects: said land more particularly described therein
14. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: City of Scottsdale
 Purpose: public utilities
 Recording Date: March 6, 2007
 Recording No: 20070272195
 Affects: said land more particularly described therein
15. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: City of Scottsdale
 Purpose: multi-use public trail
 Recording Date: March 6, 2007
 Recording No: 20070272197
 Affects: said land more particularly described therein
16. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: City of Scottsdale
 Purpose: sight distance
 Recording Date: March 6, 2007
 Recording No: 20070272198
 Affects: said land more particularly described therein
17. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: City of Scottsdale
 Purpose: drainage and flood control
 Recording Date: March 6, 2007
 Recording No: 20070272199
 Affects: said land more particularly described therein
18. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: City of Scottsdale
 Purpose: drainage and flood control
 Recording Date: March 6, 2007
 Recording No: 20070272204
 Affects: said land more particularly described therein

SCHEDULE B – Section II
(Continued)

19. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Scottsdale
Purpose: drainage and flood control
Recording Date: March 6, 2007
Recording No: 20070272205
Affects: said land more particularly described therein

20. Matters contained in that certain document

Entitled: Well and Landscape Easement Declaration
Dated: February 1, 2007
Executed by: McDowell Mountain Back Bowl, LLC, an Illinois limited liability company and Sereno Canyon Homeowners Association
Recording Date: March 8, 2007
Recording No: 20070280468

Reference is hereby made to said document for full particulars.

21. Matters contained in that certain document

Entitled: Private Drainage Easement Declaration
Dated: February 1, 2007
Executed by: McDowell Mountain Back Bowl, LLC, an Illinois limited liability company
Recording Date: March 8, 2007
Recording No: 20070280519

Reference is hereby made to said document for full particulars.

22. Matters contained in that certain document

Entitled: Private Drainage Easement Declaration
Dated: February 1, 2007
Executed by: McDowell Mountain Back Bowl, LLC, an Illinois limited liability company
Recording Date: March 8, 2007
Recording No: 20070280520

Reference is hereby made to said document for full particulars.

23. Matters contained in that certain document

Entitled: Private Drainage Easement Declaration
Dated: February 1, 2007
Executed by: McDowell Mountain Back Bowl, LLC, an Illinois limited liability company
Recording Date: March 8, 2007
Recording No: 20070280524

Reference is hereby made to said document for full particulars.

SCHEDULE B – Section II
(Continued)

24. INTENTIONALLY OMITTED

25. Easements, covenants, conditions and restrictions as set forth on the recorded plat of SERENO CANYON PHASE I, recorded March 29, 2007 in Book 910 of Maps, page 16 and Certificate of Correction recorded April 9, 2007 in Recording No. 2007-0413301 and Affidavit of Amendment recorded May 24, 2007 in Recording No. 20070603846.

26. Covenants, conditions, restrictions and easements but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recorded: April 17, 2007 in Recording No. 20070448214

The provisions of said covenants, conditions and restrictions were extended to include Parcel No. 2 by document recorded February 29, 2008 in Recording No. 2008-0181258;

The provisions of said covenants, conditions and restrictions were extended to include Parcel No. 3 by document recorded February 29, 2008 in Recording No. 2008-0181259;

Liens and charges as set forth in the above mentioned declaration,

Payable to: Sereno Canyon Homeowners Association

27. Matters contained in that certain document

Entitled: Easement Agreement
Executed by: McDowell Mountain Back Bowl, LLC, an Illinois limited liability company and Benjamin B. Boles and Carol Boles, Trustees of The Benjamin and Carol Boles Living Family Trust dated June 22, 1999
Recording Date: April 23, 2007
Recording No: 20070470890

Reference is hereby made to said document for full particulars.

28. Matters contained in that certain document

Entitled: Easement Agreement
Executed by: McDowell Mountain Back Bowl, L.L.C., an Illinois limited liability company and I. Jack Fisher, a married man dealing with his sole and separate property, also known as Irvin Jack Fisher
Recording Date: April 23, 2007
Recording No: 20070470892

Reference is hereby made to said document for full particulars.

SCHEDULE B – Section II
(Continued)

29. Matters contained in that certain document

Entitled: Easement Agreement
 Executed by: McDowell Mountain Back Bowl, L.L.C., an Illinois limited liability company and Sandra Fisher, a single woman dealing with her sole and separate property
 Recording Date: April 23, 2007
 Recording No: 20070470894

Reference is hereby made to said document for full particulars.

30. Matters contained in that certain document

Entitled: Easement Agreement
 Executed by: McDowell Mountain Back Bowl, L.L.C., an Illinois limited liability company and Harry E. Nadin and Peggy J. Nadin, husband and wife
 Recording Date: April 23, 2007
 Recording No: 20070470896

Reference is hereby made to said document for full particulars.

31. A Resolution No. 7190 in favor of the City of Scottsdale

For: abandoning a public right of way
 Recording Date: July 9, 2007
 Recording No: 20070780189

32. Easements, covenants, conditions and restrictions as set forth on the recorded plat of SERENO CANYON PHASE 2, recorded February 25, 2008 in Book 974 of Maps, page 40.33. Easements, covenants, conditions and restrictions as set forth on the recorded plat of SERENO CANYON PHASE 3, recorded February 25, 2008 in Book 974 of Maps, page 41.

34. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Scottsdale
 Purpose: temporary construction
 Recording Date: April 27, 2009
 Recording No: 20090366865
 Affects: said land more particularly described therein

35. Easements, covenants, conditions and restrictions as set forth on the recorded plat of LOT 27 OF SERENO CANYON PHASE 1, recorded November 9, 2009 in Book 1042 of Maps, page 27.

SCHEDULE B – Section II
(Continued)

36. Matters contained in that certain document

Entitled: Developer Water Line Payback Agreement
 Dated: June 24, 2010
 Executed by: The City of Scottsdale and GBD 40, LLC
 Recording Date: July 7, 2010
 Recording No: 20100572914

Reference is hereby made to said document for full particulars.

37. Matters contained in that certain document

Entitled: Facility Payback Agreement for Sewer System Improvements in the Sereno Canyon Service Area
 Dated: December 14, 2010
 Executed by: The City of Scottsdale and McDowell Mountain Back Bowl, LLC, an Illinois limited liability company
 Recording Date: December 21, 2010
 Recording No: 20101110660, and
 Recording No: 20101110859

Reference is hereby made to said documents for full particulars.

38. INTENTIONALLY OMITTED

39. INTENTIONALLY OMITTED

40. Matters contained in that certain document

Entitled: Restriction Agreement (Sonoran Crest)
 Dated: February 28, 2013
 Executed by: McDowell Mountain Back Bowl, LLC, an Illinois limited liability company; Sereno Canyon Homeowners Association, an Arizona non-profit corporation and Sonoran Crest Homeowners Association
 Recording Date: March 18, 2013
 Recording No: 20130244151

Reference is hereby made to said document for full particulars.

41. Matters contained in that certain document

Entitled: Restriction Agreement
 Dated: February 21, 2013
 Executed by: McDowell Mountain Back Bowl, LLC, an Illinois limited liability company and Roland Geretti and Janet Geretti, as Trustee of The Furlan Family Trust
 Recording Date: March 18, 2013
 Recording No: 20130244152

Reference is hereby made to said document for full particulars.



SCHEDULE B – Section II
(Continued)

42. Matters contained in that certain document

Entitled: Restriction Agreement
Dated: January 19, 2013
Executed by: McDowell Mountain Back Bowl, LLC, an Illinois limited liability company and Mehrdad and Jean Filburn Vahabzadeh-Hagh, as Trustee of The Mehrdad Vahabzadeh-Hagh and Jean Filburn Vahabzadeh-Hagh Living Trust dated March 12, 2012
Recording Date: April 4, 2013
Recording No: 20130307871

Reference is hereby made to said document for full particulars.

43. INTENTIONALLY OMITTED

44. INTENTIONALLY OMITTED

45. Matters which may be disclosed by an inspection and/or by a correct ALTA/ACSM Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

46. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2017.

47. Matters contained in that certain document

Entitled: Easement Agreement
Dated: March 15, 2013
Executed by: McDowell Mountain Back Bowl, LLC, an Illinois limited liability company, Sereno Canyon Homeowners Association, an Arizona non-profit corporation and GBD 40, LLC, an Arizona limited liability company
Recording Date: March 18, 2013
Recording No: 20130244150

Reference is hereby made to said document for full particulars.

First Amendment to Easement Agreement

Recording Date: November 28, 2016
Recording No: 20160872522

Assignment & Assumption of Easement Agreement

Recording Date: November 28, 2016
Recording No: 20160872525

END OF SCHEDULE B – SECTION II

SCHEDULE B – Section II
(Continued)

CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. *The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <<http://www.alta.org/>>.*

Fidelity National Title Agency, Inc.**DISCLOSURE NOTICES****Good Funds Law**

Arizona Revised Statutes Section 6-843 regulates the disbursement of escrow funds by an escrow agent. The law requires that funds be deposited in the escrow agent's escrow account and available for withdrawal prior to disbursement. Funds deposited with the Company by wire transfer may be disbursed upon receipt. Funds deposited with the Company in the form of cashier's checks, certified checks or teller's checks, or checks which are made by an affiliate of a state or federally regulated depository institution when the check is drawn on that institution, may be disbursed the same day as deposited. If funds are deposited with the Company by other methods, recording and/or disbursement may be delayed.

PURCHASER DWELLING ACTIONS NOTICE

Pursuant to Arizona Revised Statutes Section 12-1363.N, notice is hereby provided to the purchaser of a dwelling of the provisions of Arizona Revised Statutes Sections 12-1361, 1362 and 1363. These statutory sections set forth the requirements to be met by a purchaser prior to bringing an action against the seller of a dwelling arising out of or related to the design, construction, condition or sale of the dwelling. "Dwelling" means a single or multifamily unit designed for residential use and common areas and improvements owned or maintained by an association or its members. "Seller" means any person, firm, partnership, corporation, association or other organization engaged in the business of designing, constructing or selling dwellings. The complete statutory sections can be viewed on the Arizona State Legislature's web site: www.azleg.state.az.us/ars/ars.htm.

NOTICE:

Pursuant to Arizona Revised Statutes 11-480, effective January 1, 1991, the County Recorder may not accept documents for recording that do not comply with the following:

1. Print must be ten-point type (pica) or larger.
2. Margins of at least one-half inch along the left and right sides one-half inch across the bottom and at least two inches on top for recording and return address information.
3. Each instrument shall be no larger than 8½ inches in width and 14 inches in length.

NOTICE:

Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.



FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

At Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, “FNF”, “our” or “we”), we value the privacy of our customers. This Privacy Notice explains how we collect, use, and protect your information and explains the choices you have regarding that information. A summary of our privacy practices is below. We also encourage you to read the complete Privacy Notice following the summary.

<p>Types of Information Collected. You may provide us with certain personal information, like your contact information, social security number (SSN), driver’s license, other government ID numbers, and/or financial information. We may also receive information from your Internet browser, computer and/or mobile device.</p>	<p>How Information is Collected. We may collect personal information directly from you from applications, forms, or communications we receive from you, or from other sources on your behalf, in connection with our provision of products or services to you. We may also collect browsing information from your Internet browser, computer, mobile device or similar equipment. This browsing information is generic and reveals nothing personal about the user.</p>
<p>Use of Your Information. We may use your information to provide products and services to you (or someone on your behalf), to improve our products and services, and to communicate with you about our products and services. We do not give or sell your personal information to parties outside of FNF for their use to market their products or services to you.</p>	<p>Security Of Your Information. We utilize a combination of security technologies, procedures and safeguards to help protect your information from unauthorized access, use and/or disclosure. We communicate to our employees about the need to protect personal information.</p>
<p>Choices With Your Information. Your decision to submit personal information is entirely up to you. You can opt-out of certain disclosures or use of your information or choose to not provide any personal information to us.</p>	<p>When We Share Information. We may disclose your information to third parties providing you products and services on our behalf, law enforcement agencies or governmental authorities, as required by law, and to parties with whom you authorize us to share your information.</p>
<p>Information From Children. We do not knowingly collect information from children under the age of 13, and our websites are not intended to attract children.</p>	<p>Privacy Outside the Website. We are not responsible for the privacy practices of third parties, even if our website links to those parties’ websites.</p>
<p>Access and Correction. If you desire to see the information collected about you and/or correct any inaccuracies, please contact us in the manner specified in this Privacy Notice.</p>	<p>Do Not Track Disclosures. We do not recognize “do not track” requests from Internet browsers and similar devices.</p>
<p>The California Online Privacy Protection Act. Certain FNF websites collect information on behalf of mortgage loan servicers. The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through those websites.</p>	<p>International Use. By providing us with your information, you consent to the transfer, processing and storage of such information outside your country of residence, as well as the fact that we will handle such information consistent with this Privacy Notice.</p>
<p>Your Consent To This Privacy Notice. By submitting information to us and using our websites, you are accepting and agreeing to the terms of this Privacy Notice.</p>	<p>Contact FNF. If you have questions or wish to contact us regarding this Privacy Notice, please use the contact information provided at the end of this Privacy Notice.</p>

FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

FNF respects and is committed to protecting your privacy. We pledge to take reasonable steps to protect your Personal Information (as defined herein) and to ensure your information is used in compliance with this Privacy Notice.

This Privacy Notice is only in effect for information collected and/or owned by or on behalf of FNF, including collection through any FNF website or online services offered by FNF (collectively, the "Website"), as well as any information collected offline (e.g., paper documents). The provision of this Privacy Notice to you does not create any express or implied relationship, nor create any express or implied duty or other obligation, between FNF and you.

Types of Information Collected

We may collect two types of information: Personal Information and Browsing Information.

Personal Information. The types of personal information FNF collects may include, but are not limited to:

- contact information (e.g., name, address, phone number, email address);
- social security number (SSN), driver's license, and other government ID numbers; and
- financial account or loan information.

Browsing Information. The types of browsing information FNF collects may include, but are not limited to:

- Internet Protocol (or IP) address or device ID/UDID, protocol and sequence information;
- browser language;
- browser type;
- domain name system requests;
- browsing history;
- number of clicks;
- hypertext transfer protocol headers; and
- application client and server banners.

How Information is Collected

In the course of our business, we may collect *Personal Information* about you from the following sources:

- applications or other forms we receive from you or your authorized representative, whether electronic or paper;
- communications to us from you or others;
- information about your transactions with, or services performed by, us, our affiliates or others; and
- information from consumer or other reporting agencies and public records that we either obtain directly from those entities, or from our affiliates or others.

We may collect *Browsing Information* from you as follows:

- Browser Log Files. Our servers automatically log, collect and record certain Browsing Information about each visitor to the Website. The Browsing Information includes only generic information and reveals nothing personal about the user.
- Cookies. From time to time, FNF may send a "cookie" to your computer when you visit the Website. A cookie is a

small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. When you visit the Website again, the cookie allows the Website to recognize your computer, with the goal of providing an optimized user experience. Cookies may store user preferences and other information. You can choose not to accept cookies by changing the settings of your Internet browser. If you choose not to accept cookies, then some functions of the Website may not work as intended.

Use of Collected Information

Information collected by FNF is used for three main purposes:

- To provide products and services to you, or to one or more third party service providers who are performing services on your behalf or in connection with a transaction involving you;
- To improve our products and services; and
- To communicate with you and to inform you about FNF's products and services.

When We Share Information

We may share your Personal Information (excluding information we receive from consumer or other credit reporting agencies) and Browsing Information with certain individuals and companies, as permitted by law, without first obtaining your authorization. Such disclosures may include, without limitation, the following:

- to agents, representatives, or others to provide you with services or products you have requested, and to enable us to detect or prevent criminal activity, fraud, or material misrepresentation or nondisclosure;
- to third-party contractors or service providers who provide services or perform other functions on our behalf;
- to law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders; and/or
- to other parties authorized to receive the information in connection with services provided to you or a transaction involving you.

We may disclose Personal Information and/or Browsing Information when required by law or in the good-faith belief that such disclosure is necessary to:

- comply with a legal process or applicable laws;
- enforce this Privacy Notice;
- investigate or respond to claims that any information provided by you violates the rights of a third party; or
- protect the rights, property or personal safety of FNF, its users or the public.

We make efforts to ensure third party contractors and service providers who provide services or perform functions on our behalf protect your information. We limit use of your information to the purposes for which the information was provided. We do not give or sell your information to third parties for their own direct marketing use.

We reserve the right to transfer your Personal Information, Browsing Information, as well as any other information, in connection with the sale or other disposition of all or part of the

FNF business and/or assets, or in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors. You expressly agree and consent to the use and/or transfer of this information in connection with any of the above-described proceedings. We cannot and will not be responsible for any breach of security by any third party or for any actions of any third party that receives any of the information that is disclosed to us.

Choices With Your Information

Whether you submit your information to FNF is entirely up to you. If you decide not to submit your information, FNF may not be able to provide certain products or services to you. You may choose to prevent FNF from using your information under certain circumstances (“opt out”). You may opt out of receiving communications from us about our products and/or services.

Security And Retention Of Information

FNF is committed to protecting the information you share with us and utilizes a combination of security technologies, procedures and safeguards to help protect it from unauthorized access, use and/or disclosure. FNF trains its employees on privacy practices and on FNF’s privacy and information security policies. FNF works hard to retain information related to you only as long as reasonably necessary for business and/or legal purposes.

Information From Children

The Website is meant for adults. The Website is not intended or designed to attract children under the age of thirteen (13). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

Privacy Outside the Website

The Website may contain links to other websites, including links to websites of third party service providers. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites.

International Users

Because FNF’s headquarters is located in the United States, we may transfer your Personal Information and/or Browsing Information to the United States. By using our website and providing us with your Personal Information and/or Browsing Information, you understand and consent to the transfer, processing and storage of such information outside your country of residence, as well as the fact that we will handle such information consistent with this Privacy Notice.

Do Not Track Disclosures

Currently, our policy is that we do not recognize “do not track” requests from Internet browsers and similar devices.

The California Online Privacy Protection Act

For some websites which FNF or one of its companies owns, such as the Customer CareNet (“CCN”), FNF is acting as a third party service provider to a mortgage loan servicer. In those

instances, we may collect certain information on behalf of that mortgage loan servicer, including:

- first and last name;
- property address;
- user name and password;
- loan number;
- social security number - masked upon entry;
- email address;
- security questions and answers; and
- IP address.

The information you submit is then transferred to your mortgage loan servicer by way of CCN. **The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through this website. For example, if you believe that your payment or user information is incorrect, you must contact your mortgage loan servicer.**

CCN does not share consumer information with third parties, other than those with which the mortgage loan servicer has contracted to interface with the CCN application. All sections of this Privacy Notice apply to your interaction with CCN, except for the sections titled Choices with Your Information, and Access and Correction. If you have questions regarding the choices you have with regard to your personal information or how to access or correct your personal information, contact your mortgage loan servicer.

Access and Correction

To access your Personal Information in the possession of FNF and correct any inaccuracies, please contact us by email at privacy@fnf.com or by mail at:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

Your Consent To This Privacy Notice

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of information by FNF in compliance with this Privacy Notice. We reserve the right to make changes to this Privacy Notice. If we change this Privacy Notice, we will post the revised version on the Website.

Contact FNF

Please send questions and/or comments related to this Privacy Notice by email at privacy@fnf.com or by mail at:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

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EFFECTIVE AS OF APRIL 1, 2016

ATTACHMENT ONE (01-01-08)

AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

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

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

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

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

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

2. The right to take the land by condemning it, unless:

- a notice of exercising the right appears in the public records on the Policy Date

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

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.

2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.

• 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

4. Failure to pay value for your title.

5. Lack of a right:

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

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

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.

4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

ATTACHMENT ONE
(CONTINUED)

**FORMERLY AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
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 to 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.

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

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) 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 notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims 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, 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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

- (c) resulting in no loss or damage to the Insured Claimant;
- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

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

EXCEPTIONS FROM COVERAGE

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
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.

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

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) 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 notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims 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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

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

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

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

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

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

3. Defects, liens, encumbrances, adverse claims, or other matters

(a) created, suffered, assumed, or agreed to by the Insured Claimant;

(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant;

(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 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.

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

EXCEPTIONS FROM COVERAGE

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

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

2. Any facts, rights, interests, or claims that are not shown in 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 that 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.

6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
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 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. 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 Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16, and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 14:	1% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 15:	1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 16:	1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 18:	1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

**ATTACHMENT ONE
(CONTINUED)**

**ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01-01-08)
EXCLUSIONS**

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

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date—this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$5,000.00

ATTACHMENT ONE
(CONTINUED)

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
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 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 improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas 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 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 Covered Risks 12, 13, 14 and 16 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 a Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 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.
 - (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 damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
 - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth-in-lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. 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 in Covered Risk 8.
8. 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 the 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 in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy 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 Date of Policy.

**ATTACHMENT ONE
(CONTINUED)**

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (01-01-08)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.