

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

Legal

May 27, 2016

**Via Hand-Delivery, to:**

City of Scottsdale  
Planning & Development Services Department  
7447 East Indian School Road, Suite 105  
Scottsdale, Arizona 85251

***Re: Letter of Authorization – Skye II (SEC of 68<sup>th</sup> & McDowell)***

To Whom It May Concern:

This letter authorizes the firms and companies of K. Hovnanian Homes, Berry Riddell LLC, LVA Urban Design Studio, Technical Solutions, and Sustainability Engineering Group to represent and act on behalf of **777 Properties, LLC** in connection with the General Plan Amendment, Zoning and Development Review Board applications and related City matters for property located at the southeast corner of 68<sup>th</sup> Street and McDowell Road (APNs# 129-11-001H, 129-11-001J, 129-11-001R) in the City of Scottsdale, Maricopa County, Arizona.

**777 Properties, LLC**

By: 

Jim Bala Earningrat

Its: Member/Manager



# Affidavit of Authority to Act as the Property Owner

1. This affidavit concerns the following parcel of land:

- a. Street Address: 6925, 6905, 6863, & 6861 E. McDowell Rd.
- b. County Tax Assessor's Parcel Number: 129-11-001 M, P, S, T & U
- c. General Location: SEC 68th & McDowell
- d. Parcel Size: 7.43 Acres
- e. Legal Description: See Legal Description

(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>Annie Vos</u>	<u>NOV. 7</u> , 20 <u>16</u>	<u>[Signature]</u>
<u>ALEX STEDMAN</u>	<u>NOV. 17</u> , 20 <u>16</u>	<u>[Signature]</u>
_____	_____, 20__	_____
_____	_____, 20__	_____

## Planning and Development Services

## APPEALS OF DEDICATIONS, EXACTIONS, OR ZONING REGULATIONS

### POLICY OF THE CITY OF SCOTTSDALE ON APPEALS OF DEDICATIONS, EXACTIONS, OR ZONING REGULATIONS

#### RIGHTS OF PROPERTY OWNER

In addition to other rights granted to you by the U.S. and Arizona Constitution, federal and state law and city ordinances or regulations, you are hereby notified of your right to appeal the following City actions relating to your property:

- 1) Any dedication or exaction which is required of you by an administrative agency or official of the city as a condition of granting approval of your request to use, improve or develop your real property. This appeal right does not apply to a dedication or exaction required as part of a city legislative act (for example a zoning ordinance) where an administrative agency or official has no discretion to determine the dedication or exaction.
- 2) The adoption or amendment of a zoning regulation that creates a taking of property in violation of Arizona and federal court decisions.

#### APPEAL PROCEDURE

The appeal must be in writing and specify the City action appealed and the date final action was taken, and it must be filed with or mailed to the hearing officer designated by the city within 30 days after the final action is taken. Address the appeal as follows:

Hearing Officer, C/O City Clerk  
3939 Drinkwater Blvd.  
Scottsdale, AZ 85251

- ❖ No fee will be charged for filing
- ❖ The City Attorney's Office will review the appeal for compliance with the above requirements, and will notify you if your appeal does not comply.
- ❖ Eligible appeals will be forwarded to the hearing officer, and a hearing will be scheduled within 30 days of receipt by the hearing officer of your request. Ten days notice will be given to you of the date, time and place of the hearing unless you indicate that less notice is acceptable to you.
- ❖ The city will submit a takings impact report to the hearing officer.
- ❖ In an appeal from a dedication or exaction, the City will bear the burden of proving that the dedication or exaction to be imposed on your property bears an essential nexus between the requirement and a legitimate governmental interest and that the proposed dedication or exaction is roughly proportional to the impact of the use, improvement or development you proposed.
- ❖ In an appeal from the adoption or amendment of a zoning regulation, the City will bear the burden of proving that any dedication or exaction requirement in the zoning regulation is roughly proportional to the impact of the proposed use, improvement, or development, and that the zoning regulation does not create a taking of property in violation of Arizona and federal court cases.
- ❖ The hearing officer must render his decision within five working days after the appeal is heard.
- ❖ The hearing officer can modify or delete a dedication or exaction or, in the case of an appeal from a zoning regulation, transmit a recommendation to the City Council.
- ❖ If you are dissatisfied with the decision of the hearing officer, you may file a complaint for a trial de novo with the Superior Court within 30 days of the hearing officer's decision.

If you have questions about this appeal process, you may contact:

City Attorney's Office  
3939 Drinkwater Blvd.  
Scottsdale, AZ 85251  
(480) 312-2405

Please be aware that City staff cannot give you legal advice. You may wish, but are not required, to hire an attorney to represent you in an appeal.

**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:

6925, 6905, 6863, & 6861 East McDowell Road, Scottsdale, AZ 85257

(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.

777 Properties, LLC

  
\_\_\_\_\_  
Signature of Property Owner  
Jim Babe Earnhardt - Member/Manager

Nov. 2, 2015  
Date



# COMMITMENT FOR TITLE INSURANCE

*Issued by*

## Commonwealth Land Title Insurance Company

Commonwealth Land Title Insurance Company, a Nebraska 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, Commonwealth Land 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.

**Lawyers Title, A Division of Commonwealth  
Land Title Insurance Company**

**Commonwealth Land Title Insurance Company**

By: *Natalie Bombardieri*  
Countersigned



By: *[Signature]*

President

ATTEST

*[Signature]*

Secretary



Escrow Officer: **Judy Sorensen**  
**Lawyers Title of Arizona, Inc.**  
**3131 E. Camelback Rd Suite 220**  
**Phoenix, AZ 85016**

**Lawyers Title of Arizona, Inc.**

**Representing Commonwealth Land Title Insurance Company**

**SCHEDULE A**

Commitment No.: **01831822-003-J70**

1. Effective Date: **October 27, 2015** at 7:30 a.m., Amendment Date: **November 2, 2015**,  
Amendment No.: **3**
  
2. Policy or Policies to be issued:
  - a. **ALTA Extended Owners Policy (6-17-06)**  
  
Proposed Insured: **K. Hovanian Great Western Homes, LLC, an Arizona limited liability company**  
  
Liability: **\$10,400,000.00**
  
  - b. **None**  
  
Proposed Insured:  
  
Liability: **\$0.00**
  
  - c. **None**  
  
Proposed Insured:  
  
Liability: **\$0.00**
  
3. The estate or interest in the land described or referred to in this Commitment is:  
  
**A FEE**
  
4. Title to the estate or interest in the land is at the Effective Date vested in:  
  
**777 Properties, LLC, an Arizona limited liability company**
  
5. The land referred to in this Commitment is described as follows:  
  
**See Exhibit A attached hereto and made a part hereof.**

Title Officer: Michael Bennett/  
Typist: mp  
Amended: November 2, 2015 No. 3



**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:

LOT 1 OF "A PROPERTY ASSEMBLAGE IN THE CITY OF SCOTTSDALE ARIZONA", ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE MARICOPA COUNTY RECORDER, IN BOOK 937 OF MAPS, PAGE 03.

PARCEL NO. 2:

THAT PART OF LOT 2, SECTION 3, TOWNSHIP 1 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

FROM THE NORTHWEST CORNER OF LOT 2 SAID SECTION 3, (NORTH QUARTER CORNER OF SAID SECTION 3);

RUN THENCE NORTH 88 DEGREES 01 MINUTES 50 SECONDS EAST, ALONG THE NORTH LINE OF LOT 2 SAID SECTION 3 (NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 3), A DISTANCE OF 381.81 FEET TO A POINT FROM WHICH THE NORTHEAST CORNER OF LOT 2 SAID SECTION 3, BEARS NORTH 88 DEGREES 01 MINUTES 50 SECONDS EAST, A DISTANCE OF 930.59 FEET;

RUN THENCE SOUTH 0 DEGREES 08 MINUTES 00 SECONDS WEST, PARALLEL TO THE EAST LINE OF LOT 2 SAID SECTION 3, A DISTANCE OF 65.05 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 0 DEGREES 08 MINUTES 00 SECONDS WEST, PARALLEL TO THE EAST LINE OF LOT 2 SAID SECTION 3, A DISTANCE OF 309.85 FEET TO A POINT ON THE NORTH LINE OF PAP AGO PARKWAY, AS RECORDED IN BOOK 78 OF MAPS, PAGE 12, MARICOPA COUNTY RECORDS;

RUN THENCE NORTH 88 DEGREES 01 MINUTES 50 SECONDS EAST, ALONG THE NORTH LINE OF SAID PAP AGO PARKWAY, PARALLEL TO THE NORTH LINE OF LOT 2 SAID SECTION 3, A DISTANCE OF 387.55 FEET;

RUN THENCE NORTH 0 DEGREES 08 MINUTES 00 SECONDS EAST, PARALLEL TO THE EAST LINE OF LOT 2 SAID SECTION 3, A DISTANCE OF 309.85 FEET;

RUN THENCE SOUTH 88 DEGREES 01 MINUTES 50 SECONDS WEST, PARALLEL TO AND 65.00 FEET SOUTH OF THE NORTH LINE OF LOT 2 SAID SECTION 3, A DISTANCE OF 387.55 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 3:

THE WEST 150 FEET OF THE EAST 543 FEET OF THE NORTH 375 FEET OF FARM UNIT "B", FARM UNIT PLAT OF LOT 2, SECTION 3, TOWNSHIP 1 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THE NORTH 65 FEET THEREOF.

PARCEL NO. 4:

THAT PART OF LOT 2, SECTION 3, TOWNSHIP 1 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

FROM THE NORTHEAST CORNER OF LOT 2, SECTION 3 (NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 3);

RUN THENCE WESTERLY ALONG THE NORTH LINE OF SAID LOT 2 A DISTANCE OF 393 FEET (RECORD) 393.02 FEET (MEASURED) TO THE POINT OF BEGINNING;





**EXHIBIT A**  
**(Continued)**

THENCE SOUTHERLY PARALLEL TO THE EAST LINE OF SAID LOT 2, TO A POINT ON THE NORTH LINE OF PAPAGO PARKWAY, AS RECORDED IN BOOK 78 OF MAPS, PAGE 12, MARICOPA COUNTY RECORDS;

RUN THENCE EASTERLY, ALONG THE NORTH LINE OF SAID PAPAGO PARKWAY TO A POINT FROM WHICH THE EAST LINE OF SAID LOT 2 LIES 252.50 FEET (RECORD) 253.50 FEET (MEASURED) EASTERLY AS MEASURED ALONG SAID NORTH LINE OF PAPAGO PARKWAY;

RUN THENCE NORTHERLY TO A POINT ON THE NORTH LINE OF SAID LOT 2 FROM WHICH THE NORTHEAST CORNER OF SAID LOT 2 LIES 265.81 FEET (RECORD) 266.81 FEET (MEASURED) EASTERLY AS MEASURED ALONG SAID NORTH LINE;

RUN THENCE WESTERLY ALONG SAID NORTH LINE TO THE TRUE POINT OF BEGINNING.

EXCEPT THE NORTH 65 FEET THEREOF.

PARCEL NO. 4A:

AN EASEMENT FOR ACCESS AS CREATED IN 86-028756 OF OFFICIAL RECORDS OVER A PORTION OF FARM UNIT "B", FARM UNIT PLAT, OF LOT 2, SECTION 3, TOWNSHIP 1 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID FARM UNIT "B";  
THENCE WESTERLY ALONG THE NORTH LINE OF SAID FARM UNIT "B", SOUTH 89 DEGREES 02 MINUTES 50 SECONDS WEST (RECORD) SOUTH 88 DEGREES 01 MINUTES 50 SECONDS WEST (MEASURED), A DISTANCE OF 265.81 FEET (RECORD) 266.81 FEET (MEASURED);  
THENCE SOUTH 00 DEGREES 52 MINUTES 45 SECONDS EAST (RECORD) SOUTH 01 DEGREES 54 MINUTES 04 SECONDS EAST (MEASURED), A DISTANCE OF 65.00 FEET (RECORD) 65.01 FEET (MEASURED) TO THE TRUE POINT OF BEGINNING;  
THENCE NORTH 89 DEGREES 02 MINUTES 50 SECONDS EAST (RECORD) NORTH 88 DEGREES 01 MINUTES 50 SECONDS EAST (MEASURED), A DISTANCE OF 18.50 FEET;  
THENCE SOUTH 00 DEGREES 32 MINUTES 45 SECONDS EAST (RECORD) SOUTH 01 DEGREES 33 MINUTES 45 SECONDS EAST (MEASURED), A DISTANCE OF 53.00 FEET;  
THENCE SOUTH 89 DEGREES 02 MINUTES 50 SECONDS WEST (RECORD) SOUTH 88 DEGREES 01 MINUTES 50 SECONDS WEST (MEASURED), A DISTANCE OF 32.00 FEET;  
THENCE NORTH 00 DEGREES 32 MINUTES 45 SECONDS WEST (RECORD) NORTH 01 DEGREES 33 MINUTES 45 SECONDS WEST (MEASURED), A DISTANCE OF 53.00 FEET;  
THENCE NORTH 89 DEGREES 02 MINUTES 50 SECONDS EAST (RECORD) NORTH 88 DEGREES 01 MINUTES 50 SECONDS EAST (MEASURED), A DISTANCE OF 13.50 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 5:

A PORTION OF FARM UNIT "B", FARM UNIT PLAT, OF LOT 2, SECTION 3, TOWNSHIP 1 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID FARM UNIT "B";

THENCE WESTERLY ALONG THE NORTH LINE OF SAID FARM UNIT "B", SOUTH 89 DEGREES 02 MINUTES 50 SECONDS WEST (RECORD) SOUTH 88 DEGREES 01 MINUTES 50 SECONDS WEST (MEASURED), A DISTANCE OF 265.81 FEET (RECORD) 266.81 FEET (MEASURED);

THENCE SOUTH 00 DEGREES 52 MINUTES 45 SECONDS EAST (RECORD) SOUTH 01 DEGREES 54 MINUTES 04 SECONDS EAST (MEASURED), A DISTANCE OF 374.66 FEET (RECORD) 374.59 FEET (MEASURED) TO THE



**EXHIBIT A**  
**(Continued)**

NORTH LINE OF PAPAGO PARKWAY SUBDIVISION AS RECORDED IN BOOK 78 OF MAPS, PAGE 12 OF MARICOPA COUNTY RECORDS;

THENCE EASTERLY ALONG THE NORTH LINE OF SAID PAPAGO PARKWAY SUBDIVISION NORTH 89 DEGREES 01 MINUTES 50 SECONDS EAST (RECORD) NORTH 88 DEGREES 01 MINUTES 50 SECONDS EAST (MEASURED), A DISTANCE OF 252.50 FEET (RECORD) 253.50 FEET (MEASURED) TO THE EAST LINE OF SAID FARM UNIT "B";

THENCE ALONG SAID EAST LINE NORTH 01 DEGREES 09 MINUTES 20 SECONDS EAST (RECORD) NORTH 00 DEGREES 08 MINUTES 00 SECONDS EAST (MEASURED), A DISTANCE OF 374.85 FEET (RECORD) 374.83 FEET (MEASURED) TO THE POINT OF BEGINNING;

EXCEPT ANY PART LYING WITHIN THE PROPERTY CONVEYED TO THE CITY OF SCOTTSDALE RECORDED IN DOCKET 11913, PAGE 854; AND

EXCEPT THE NORTH 40 FEET; AND  
EXCEPT THE NORTH 65 FEET OF THE EAST 180 FEET; AND

EXCEPT THE EAST 30 FEET.

**PARCEL NO. 5A:**

AN EASEMENT FOR ACCESS AS CREATED IN 86-028756 OF OFFICIAL RECORDS OVER A PORTION OF FARM UNIT "B", FARM UNIT PLAT, OF LOT 2, SECTION 3, TOWNSHIP 1 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID FARM UNIT "B";  
THENCE WESTERLY ALONG THE NORTH LINE OF SAID FARM UNIT "B", SOUTH 89 DEGREES 02 MINUTES 50 SECONDS WEST (RECORD) SOUTH 88 DEGREES 01 MINUTES 50 SECONDS WEST (MEASURED), A DISTANCE OF 265.81 FEET (RECORD) 266.81 FEET (MEASURED);

THENCE SOUTH 00 DEGREES 52 MINUTES 45 SECONDS EAST (RECORD) SOUTH 01 DEGREES 54 MINUTES 04 SECONDS EAST (MEASURED), A DISTANCE OF 65.00 FEET (RECORD) 65.01 FEET (MEASURED) TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 02 MINUTES 50 SECONDS EAST (RECORD) NORTH 88 DEGREES 01 MINUTES 50 SECONDS EAST (MEASURED), A DISTANCE OF 18.50 FEET;  
THENCE SOUTH 00 DEGREES 32 MINUTES 45 SECONDS EAST (RECORD) SOUTH 01 DEGREES 33 MINUTES 45 SECONDS EAST (MEASURED), A DISTANCE OF 53.00 FEET;

THENCE SOUTH 89 DEGREES 02 MINUTES 50 SECONDS WEST (RECORD) SOUTH 88 DEGREES 01 MINUTES 50 SECONDS WEST (MEASURED), A DISTANCE OF 32.00 FEET;  
THENCE NORTH 00 DEGREES 32 MINUTES 45 SECONDS WEST (RECORD) NORTH 01 DEGREES 33 MINUTES 45 SECONDS WEST (MEASURED), A DISTANCE OF 53.00 FEET;

THENCE NORTH 89 DEGREES 02 MINUTES 50 SECONDS EAST (RECORD) NORTH 88 DEGREES 01 MINUTES 50 SECONDS EAST (MEASURED), A DISTANCE OF 13.50 FEET TO THE TRUE POINT OF BEGINNING.

## SCHEDULE B – SECTION I

### REQUIREMENTS

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. Furnish satisfactory evidence to the company that all regular and special assessments levied by Salt River Project Agricultural Improvement and Power District which are now due and payable are paid.
6. 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): 777 Properties, LLC, an Arizona limited liability company

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

7. 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 Commonwealth Land Title Insurance Company.

8. INTENTIONALLY OMITTED
9. Furnish for recordation a full release/reconveyance of deed of trust:

Amount:	\$10,200,000.00
Dated:	December 11, 2012
Trustor/Grantor:	777 Properties, LLC, an Arizona limited liability company
Trustee:	JPMorgan Chase Bank, N.A.
Beneficiary:	JPMorgan Chase Bank, N.A.
Recording Date:	December 21, 2012
Recording No:	<u>2012-1165310</u>



**SCHEDULE B – Section I**  
**(Continued)**

10. 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.

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: 777 Properties, LLC, an Arizona 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.



**SCHEDULE B – Section I  
(Continued)**

12. 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: K. Hovanian Great Western Homes, LLC, an Arizona 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.

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

Type of deed: Warranty  
 Grantor(s): 777 Properties, LLC, an Arizona limited liability company  
 Grantee(s): K. Hovanian Great Western Homes, LLC, an Arizona limited liability company

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

Said deed is necessary to consummate Memorandum of Purchase Agreement recorded September 4, 2015 in Recording No. 20150645649.

**SCHEDULE B – Section I  
(Continued)**

## Tax Note:

Year: 2015  
Tax Parcel No: 129-11-001H  
 Total Tax: \$1,619.88  
 First Installment Amount: \$809.94 PAID  
 Second Installment Amount: \$809.94

Year: 2015  
Tax Parcel No: 129-11-001J  
 Total Tax: \$1,035.02  
 First Installment Amount: \$517.51 PAID  
 Second Installment Amount: \$517.51

Year: 2015  
Tax Parcel No: 129-11-001R  
 Total Tax: \$21,914.90  
 First Installment Amount: \$10,957.45 PAID  
 Second Installment Amount: \$10,957.45

Year: 2015  
Tax Parcel No: 129-11-001S  
 Total Tax: \$21,349.20  
 First Installment Amount: \$10,674.60 PAID  
 Second Installment Amount: \$10,674.60

Year: 2015  
Tax Parcel No: 129-11-001M  
 Total Tax: \$3,707.16  
 First Installment Amount: \$1,853.58 PAID  
 Second Installment Amount: \$1,853.58

Year: 2015  
Tax Parcel No: 129-11-001P  
 Total Tax: \$25,513.44  
 First Installment Amount: \$12,756.72 PAID  
 Second Installment Amount: \$12,756.72

Year: 2015  
Tax Parcel No: 129-11-001T  
 Total Tax: \$5,656.68  
 First Installment Amount: \$2,828.34 PAID  
 Second Installment Amount: \$2,828.34

Year: 2015  
Tax Parcel No: 129-11-001U  
 Total Tax: \$22,512.72  
 First Installment Amount: \$11,256.36 PAID  
 Second Installment Amount: \$11,256.36

**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, including any personal property taxes and any assessments collected with taxes, for the second installment of 2015 Taxes.
  - 2. The liabilities and obligations imposed upon said Land by reason of: (a) inclusion thereof within the boundaries of the Salt River Project Agricultural Improvement and Power District; (b) membership of the owner thereof in the Salt River Valley Water Users' Association, an Arizona corporation and (c) the terms of any Water Right Application made under the reclamation laws of the United States for the purposes of obtaining water rights for said Land.
  - 3. Reservations contained in the Patent

From: The United States of America  
 Recording No: Book 150 of Deeds, page 88

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, a right of way thereon for ditches or canals constructed by the authority of the United States.

- 4. Water rights, claims or title to water, whether or not disclosed by the public records.
- 5. Matters contained in that certain document

Entitled: Resolution No. 8356  
 Recording No: 2010-549775

Reference is hereby made to said document for full particulars.

- 6. Easements, covenants, conditions and restrictions as set forth on the plat recorded in Book 937 of Maps, Page 3.  
 (affects Parcel 1)



**SCHEDULE B – Section II  
(Continued)**

## 7. Matters contained in that certain document

Entitled: Cost Sharing and Maintenance Agreement  
Recording No: 2005-1925455  
(affects Parcel 1)

Reference is hereby made to said document for full particulars.

## 8. Matters contained in that certain document

Entitled: Indemnity Agreement  
Recording No: 86-320150  
(affects Parcel 1)

Reference is hereby made to said document for full particulars.

## 9. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: line of poles and appurtenances  
Recording No: Docket 4379, page 12  
(affects Parcel 1)

## 10. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: 1 foot vehicular non-access  
Recording No: 86-74626  
(affects Parcels 1& 2)

## 11. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: 10 foot alley right of way  
Recording No: 86-74636  
(affects Parcel 1)

## 12. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: underground power  
Recording No: 87-338929  
(affects Parcel 1)

## 13. Matters contained in that certain document

Entitled: City of Scottsdale Drainage and Flood Control Easement and Provision for Maintenance  
Recording No: 97-910018  
(affects Parcel 2)

Reference is hereby made to said document for full particulars.



**SCHEDULE B – Section II  
(Continued)**

14. Matters contained in that certain document

Entitled: Cost Sharing and Maintenance Agreement  
Recording No: 2005-1925460  
(affects Parcel 2)

Reference is hereby made to said document for full particulars.

15. Matters contained in that certain document

Entitled: Consent Agreement  
Recording No: 98-167024  
(affects Parcel 2)

Reference is hereby made to said document for full particulars.

16. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: alley  
Recording No: 85-496111 and  
Recording No: 86-74636  
(affects Parcel 2)

17. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: vehicular non-access  
Recording No: 85-526547  
(affects Parcel 2)

18. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: electric facilities  
Recording No: 99-326397  
(affects Parcel 2)

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

Purpose: electrical facilities  
Recording No: 99-326398  
(affects Parcel 2)

20. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: power distribution  
Recording No: 2004-1235559  
(affects Parcel 2)

**SCHEDULE B – Section II  
(Continued)**

## 21. Matters contained in that certain document

Entitled: Indemnity Agreement  
Recording No: 87-164385  
(affects Parcels 3 & 4 & 5)

Reference is hereby made to said document for full particulars.

## 22. Matters contained in that certain document

Entitled: City of Scottsdale Covenant and Agreement to Hold Property as One Parcel  
Recording No: 97-267244  
(affects Parcels 3 & 4)

Reference is hereby made to said document for full particulars.

## 23. Matters contained in that certain document

Entitled: City of Scottsdale Lot Split Approval  
Recording No: 97-267245  
(affects Parcels 3 & 4 & 5)

Reference is hereby made to said document for full particulars.

## 24. Matters contained in that certain document

Entitled: Conditional Ingress, Egress and Use Easement  
Recording No: 97-319496  
(affects Parcels 3 & 4 & 5)

Reference is hereby made to said document for full particulars.

## 25. Matters contained in that certain document

Entitled: Cost Sharing and Maintenance Agreement  
Recording No: 2005-1925567  
(affects Parcels 3 & 4 & 5)

Reference is hereby made to said document for full particulars.

## 26. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: electric transmission  
Recording No: Docket 3787, page 398

## 27. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: alley  
Recording No: Docket 13497, page 306  
(affects Parcel 4)



**SCHEDULE B – Section II**  
**(Continued)**

28. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:  
 Purpose: vehicular non-access  
 Recording No: 86-320132  
 (affects Parcels 3 & 4)
29. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:  
 Purpose: alley  
 Recording No: 86-320133  
 (affects Parcels 3 & 4)
30. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:  
 Purpose: underground power  
 Recording No: 88-138506  
 (affects Parcels 3 & 4)
31. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:  
 Purpose: underground power  
 Recording No: 90-438385  
 (affects Parcel 3)
32. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:  
 Purpose: underground power lines  
 Recording No: 90-438386  
 (affects Parcel 4)
33. Matters contained in that certain document  
 Entitled: Indemnity Agreement  
 Recording No: Docket 14669, page 484  
 (affects Parcel 5)  
 Reference is hereby made to said document for full particulars.
34. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:  
 Purpose: electric transmission line  
 Recording No: Docket 2790, page 560  
 (affects Parcel 5)
35. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:  
 Purpose: electric transmission line  
 Recording No: Docket 2949, page 226  
 (affects Parcel 5)



**SCHEDULE B – Section II**  
**(Continued)**

36. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: alley  
Recording No: Docket 13497, page 306  
(affects Parcel 5)
37. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: underground power  
Recording No: 88-138506  
(affects Parcel 5)
38. INTENTIONALLY OMITTED
39. INTENTIONALLY OMITTED
40. Easements, covenants, conditions and restrictions as set forth on the survey recorded in Book 1133 of Maps, Page 9.
- 
41. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the Public Records.
42. Matters which may be disclosed 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.

**END OF SCHEDULE B – SECTION II**



## 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/>>.*



**Lawyers Title of Arizona, 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](http://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.

**CORPORATE REQUIREMENTS FOR NOTARIZATION OF DOCUMENTS:**

Any document being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an FNTG agent, an authorized employee of the insured lender, or by using Bancserv or other corporate approved third-party notary service. Please contact your escrow officer to make arrangements for notary services prior to signing any documents.



## FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing real estate- and loan-related services (collectively, "FNF", "our" or "we") respect and are committed to protecting your privacy. This Privacy Notice lets you know how and for what purposes your Personal Information (as defined herein) is being collected, processed and used by FNF. We pledge that we will take reasonable steps to ensure that your Personal Information will only be used in ways that are in compliance with this Privacy Notice. The provision of this Privacy Notice to you does not create any express or implied relationship, or create any express or implied duty or other obligation, between Fidelity National Financial, Inc. and you. See also **No Representations or Warranties** below.

This Privacy Notice is only in effect for any generic information and Personal Information collected and/or owned by FNF, including collection through any FNF website and any online features, services and/or programs offered by FNF (collectively, the "Website"). This Privacy Notice is not applicable to any other web pages, mobile applications, social media sites, email lists, generic information or Personal Information collected and/or owned by any entity other than FNF.

### **How Information is Collected**

The types of personal information FNF collects may include, among other things (collectively, "Personal Information"): (1) contact information (e.g., name, address, phone number, email address); (2) demographic information (e.g., date of birth, gender marital status); (3) Internet protocol (or IP) address or device ID/UDID; (4) social security number (SSN), student ID (SIN), driver's license, passport, and other government ID numbers; (5) financial account information; and (6) information related to offenses or criminal convictions.

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;
- Information we receive from you through the Website;
- Information about your transactions with or services performed by us, our affiliates, or others; and
- From consumer or other reporting agencies and public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others.

### **Additional Ways Information is Collected Through the Website**

**Browser Log Files.** Our servers automatically log each visitor to the Website and collect and record certain information about each visitor. This information may include IP address, browser language, browser type, operating system, domain names, browsing history (including time spent at a domain, time and date of your visit), referring/exit web pages and URLs, and number of clicks. The domain name and IP address reveal nothing personal about the user other than the IP address from which the user has accessed the Website.

**Cookies.** From time to time, FNF or other third parties may send a "cookie" to your computer. 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 and that can be re-sent to the serving website on subsequent visits. A cookie, by itself, cannot read other data from your hard disk or read other cookie files already on your computer. A cookie, by itself, does not damage your system. We, our advertisers and other third parties may use cookies to identify and keep track of, among other things, those areas of the Website and third party websites that you have visited in the past in order to enhance your next visit to the Website. You can choose whether or not to accept cookies by changing the settings of your Internet browser, but some functionality of the Website may be impaired

or not function as intended. See the Third Party Opt Out section below.

**Web Beacons.** Some of our web pages and electronic communications may contain images, which may or may not be visible to you, known as Web Beacons (sometimes referred to as "clear gifs"). Web Beacons collect only limited information that includes a cookie number; time and date of a page view; and a description of the page on which the Web Beacon resides. We may also carry Web Beacons placed by third party advertisers. These Web Beacons do not carry any Personal Information and are only used to track usage of the Website and activities associated with the Website. See the Third Party Opt Out section below.

**Unique Identifier.** We may assign you a unique internal identifier to help keep track of your future visits. We may use this information to gather aggregate demographic information about our visitors, and we may use it to personalize the information you see on the Website and some of the electronic communications you receive from us. We keep this information for our internal use, and this information is not shared with others.

**Third Party Opt Out.** Although we do not presently, in the future we may allow third-party companies to serve advertisements and/or collect certain anonymous information when you visit the Website. These companies may use non-personally identifiable information (e.g., click stream information, browser type, time and date, subject of advertisements clicked or scrolled over) during your visits to the Website in order to provide advertisements about products and services likely to be of greater interest to you. These companies typically use a cookie or third party Web Beacon to collect this information, as further described above. Through these technologies, the third party may have access to and use non-personalized information about your online usage activity.

You can opt-out of certain online behavioral services through any one of the ways described below. After you opt-out, you may continue to receive advertisements, but those advertisements will no longer be as relevant to you.

- You can opt-out via the Network Advertising Initiative industry opt-out at <http://www.networkadvertising.org/>.
- You can opt-out via the Consumer Choice Page at <http://www.aboutads.info>.
- For those in the U.K., you can opt-out via the IAB UK's industry opt-out at <http://www.youronlinechoices.com>.
- You can configure your web browser (Chrome, Firefox, Internet Explorer, Safari, etc.) to delete and/or control the use of cookies.

More information can be found in the Help system of your browser. Note: If you opt-out as described above, you should not delete your cookies. If you delete your cookies, you will need to opt-out again.

### **Use of Personal Information**

Information collected by FNF is used for three main purposes:

- To provide products and services to you or one or more third party service providers (collectively, "Third Parties") who are obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services that we perform for you or for Third Parties.
- To communicate with you and to inform you about FNF's, FNF's affiliates and third parties' products and services.

### **When Information Is Disclosed By FNF**

We may provide your Personal Information (excluding information we receive from consumer or other credit

reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To agents, brokers, representatives, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers who provide services or perform marketing services or 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 lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

In addition to the other times when we might disclose information about you, we might also disclose information when required by law or in the good-faith belief that such disclosure is necessary to: (1) comply with a legal process or applicable laws; (2) enforce this Privacy Notice; (3) respond to claims that any materials, documents, images, graphics, logos, designs, audio, video and any other information provided by you violates the rights of third parties; or (4) protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep the Personal Information that is disclosed to us secure. We provide Personal Information and non-Personal Information to our subsidiaries, affiliated companies, and other businesses or persons for the purposes of processing such information on our behalf and promoting the services of our trusted business partners, some or all of which may store your information on servers outside of the United States. We require that these parties agree to process such information in compliance with our Privacy Notice or in a similar, industry-standard manner, and we use reasonable efforts to limit their use of such information and to use other appropriate confidentiality and security measures. The use of your information by one of our trusted business partners may be subject to that party's own Privacy Notice. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

We also reserve the right to disclose Personal Information and/or non-Personal Information to take precautions against liability, investigate and defend against any third-party claims or allegations, assist government enforcement agencies, protect the security or integrity of the Website, and protect the rights, property, or personal safety of FNF, our users or others.

We reserve the right to transfer your Personal 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. We also cannot make any representations regarding the use or transfer of your Personal Information or other information that we may have in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors, and you expressly agree and consent to the use and/or transfer of your Personal Information or other information in connection with a sale or transfer of some or all of our assets in any of the above described proceedings. Furthermore, we cannot and will not be responsible for any breach of security by any third parties or for any actions of any third parties that receive any of the information that is disclosed to us.

### **Information From Children**

We do not collect Personal Information from any person that we know to be under the age of thirteen (13). Specifically, the Website is not intended or designed to attract children under the age of thirteen (13). You affirm that you are either more than 18 years of age, or an emancipated minor, or possess legal parental or guardian consent, and are fully able and competent to enter into the terms, conditions, obligations, affirmations, representations, and warranties set forth in this Privacy Notice, and to abide by and comply with this Privacy Notice. In any case, you affirm that you are over the age of 13, as **THE WEBSITE IS NOT INTENDED FOR CHILDREN UNDER 13 THAT ARE UNACCOMPANIED BY HIS OR HER PARENT OR LEGAL GUARDIAN.**

Parents should be aware that FNF's Privacy Notice will govern our use of Personal Information, but also that information that is voluntarily given by children – or others – in email exchanges, bulletin boards or the like may be used by other parties to generate unsolicited communications. FNF encourages all parents to instruct their children in the safe and responsible use of their Personal Information while using the Internet.

### **Privacy Outside the Website**

The Website may contain various links to other websites, including links to various third party service providers. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites. Other than under agreements with certain reputable organizations and companies, and except for third party service providers whose services either we use or you voluntarily elect to utilize, we do not share any of the Personal Information that you provide to us with any of the websites to which the Website links, although we may share aggregate, non-Personal Information with those other third parties. Please check with those websites in order to determine their privacy policies and your rights under them.

### **European Union Users**

If you are a citizen of the European Union, please note that we may transfer your Personal Information outside the European Union for use for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information, you consent to both our collection and such transfer of your Personal Information in accordance with this Privacy Notice.

### **Choices With Your Personal Information**

Whether you submit Personal Information to FNF is entirely up to you. You may decide not to submit Personal Information, in which case FNF may not be able to provide certain services or products to you.

You may choose to prevent FNF from disclosing or using your Personal Information under certain circumstances ("opt out"). You may opt out of any disclosure or use of your Personal Information for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization by notifying us by one of the methods at the end of this Privacy Notice. Furthermore, even where your Personal Information is to be disclosed and used in accordance with the stated purposes in this Privacy Notice, you may elect to opt out of such disclosure to and use by a third party that is not acting as an agent of FNF. As described above, there are some uses from which you cannot opt-out.

Please note that opting out of the disclosure and use of your Personal Information as a prospective employee may prevent you from being hired as an employee by FNF to the extent that provision of your Personal Information is required to apply for an open position.

If FNF collects Personal Information from you, such information will not be disclosed or used by FNF for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization unless you affirmatively consent to such disclosure and use.



You may opt out of online behavioral advertising by following the instructions set forth above under the above section "Additional Ways That Information Is Collected Through the Website," subsection "Third Party Opt Out."

#### **Access and Correction**

To access your Personal Information in the possession of FNF and correct inaccuracies of that information in our records, please contact us in the manner specified at the end of this Privacy Notice. We ask individuals to identify themselves and the information requested to be accessed and amended before processing such requests, and we may decline to process requests in limited circumstances as permitted by applicable privacy legislation.

#### **Your California Privacy Rights**

Under California's "Shine the Light" law, California residents who provide certain personally identifiable information in connection with obtaining products or services for personal, family or household use are entitled to request and obtain from us once a calendar year information about the customer information we shared, if any, with other businesses for their own direct marketing uses. If applicable, this information would include the categories of customer information and the names and addresses of those businesses with which we shared customer information for the immediately prior calendar year (e.g., requests made in 2015 will receive information regarding 2014 sharing activities).

To obtain this information on behalf of FNF, please send an email message to [privacy@fnf.com](mailto:privacy@fnf.com) with "Request for California Privacy Information" in the subject line and in the body of your message. We will provide the requested information to you at your email address in response.

Please be aware that not all information sharing is covered by the "Shine the Light" requirements and only information on covered sharing will be included in our response.

Additionally, because we may collect your Personal Information from time to time, California's Online Privacy Protection Act requires us to disclose how we respond to "do not track" requests and other similar mechanisms. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

#### **FNF Compliance with 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 for fulfilling a service to that mortgage loan servicer. For example, you may access CCN to complete a transaction with your mortgage loan servicer. During this transaction, the information which we may collect on behalf of the mortgage loan servicer is as follows:

- First and Last Name
- Property Address
- User Name
- Password
- Loan Number
- Social Security Number - masked upon entry
- Email Address
- Three Security Questions and Answers
- 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 the FNF Privacy Notice apply to your interaction with CCN, except for the sections titled Choices with Your Personal 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, you should contact your mortgage loan servicer.

#### **No Representations or Warranties**

By providing this Privacy Notice, Fidelity National Financial, Inc. does not make any representations or warranties whatsoever concerning any products or services provided to you by its majority-owned subsidiaries. In addition, you also expressly agree that your use of the Website is at your own risk. Any services provided to you by Fidelity National Financial, Inc. and/or the Website are provided "as is" and "as available" for your use, without representations or warranties of any kind, either express or implied, unless such warranties are legally incapable of exclusion. Fidelity National Financial, Inc. makes no representations or warranties that any services provided to you by it or the Website, or any services offered in connection with the Website are or will remain uninterrupted or error-free, that defects will be corrected, or that the web pages on or accessed through the Website, or the servers used in connection with the Website, are or will remain free from any viruses, worms, time bombs, drop dead devices, Trojan horses or other harmful components. Any liability of Fidelity National Financial, Inc. and your exclusive remedy with respect to the use of any product or service provided by Fidelity National Financial, Inc. including on or accessed through the Website, will be the re-performance of such service found to be inadequate.

#### **Your Consent To This Privacy Notice**

By submitting Personal Information to FNF, you consent to the collection and use of information by us as specified above or as we otherwise see fit, in compliance with this Privacy Notice, unless you inform us otherwise by means of the procedure identified below. If we decide to change this Privacy Notice, we will make an effort to post those changes on the Website. Each time we collect information from you following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you may submit in any manner that we may choose without notice or compensation to you.

If you have additional questions or comments, please let us know by sending your comments or requests to:

Fidelity National Financial, Inc.  
601 Riverside Avenue  
Jacksonville, Florida 32204  
Attn: Chief Privacy Officer  
(888) 934-3354  
[privacy@fnf.com](mailto:privacy@fnf.com)

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EFFECTIVE AS OF: MAY 1, 2015

## ATTACHMENT ONE

### 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)**

**NEBRASKA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990  
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 claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**SCHEDULE B, PART I  
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:

**PART I**

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)**

**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 or 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)  
CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)  
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
4. 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:

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



**ATTACHMENT ONE  
(CONTINUED)  
CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01-01-08)  
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:

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