



ISSUING OFFICE: 675 N. First Street, 4th Floor, San Jose, CA 95112

FOR SETTLEMENT INQUIRIES, CONTACT: Lawyers Title Company
1460 El Camino Real, Suite 150 · Menlo Park, CA 94025
(650)801-3530 · FAX

April 21, 2024

Pritpal Kaur Athwal
3030 SW Marine Drive
Vancouver BC Canada

Order No.: FLNP-0062300859

Property Address: 24830 Fairview Avenue, Hayward, CA 94542

Seller: HL Fairview LLC, a California limited liability company, Debtor, by Janina Hoskins, Bankruptcy Trustee in the Estate of HL Fairview LLC, a California limited liability company, Case No. 23-41275 WJL, U.S. Bankruptcy Court Northern District

Buyer: Pritpal Kaur Athwal

We appreciate the opportunity of being of service to you. Please call us immediately if you have any questions or concerns.

Sincerely,

Lawyers Title Company

Escrow Contact:
Susan Burnett
650-801-3532
susan.burnett@ltic.com

Title Contact:
Rob Delgado

Rob.Delgado@titlegroup.fntg.com

CLTA STANDARD COVERAGE POLICY OF TITLE INSURANCE

Issued By:



Policy Number:

FLNP-0062300859

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, COMMONWEALTH LAND TITLE INSURANCE COMPANY, a Florida corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
 2. Any defect in or lien or encumbrance on the title;
 3. Unmarketability of the title;
 4. Lack of a right of access to and from the land;
- and in addition, as to an insured lender only:
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
 6. The priority of any lien or encumbrance over the lien of the insured mortgage, said mortgage being shown in Schedule B in the order of its priority;
 7. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule B, or the failure of the assignment shown in Schedule B to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

IN WITNESS WHEREOF, COMMONWEALTH LAND TITLE INSURANCE COMPANY has caused this policy to be signed and sealed by its duly authorized officers.

Lawyers Title Company
675 N. First Street, 4th Floor
San Jose, CA 95112

Countersigned By:

A handwritten signature in cursive script that reads "MaryAnn List".

MaryAnn List
Authorized Officer or Agent



Commonwealth Land Title Insurance Company

By:

A handwritten signature in cursive script that reads "Michael J. Nolan".

Michael J. Nolan, President

Attest:

A handwritten signature in cursive script that reads "Marjorie Nemzura".

Marjorie Nemzura, Secretary

SCHEDULE A

Date of Policy	Amount of Insurance	Premium
April 10, 2024 at 09:59 AM	\$2,760,000.00	\$4,059.00

1. Name of Insured:

Pritpal Kaur Athwal

2. The estate or interest in the land which is covered by this policy is:

A FEE

3. Title to the estate or interest in the land is vested in:

Pritpal Kaur Athwal, a married woman

4. The land referred to in this policy is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED

END OF SCHEDULE A

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 417-0270-006-00, 417-0270-003-00, 417-0260-004-00 and 417-0270-009-00

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF ALAMEDA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

TRACT ONE: APN 417-0270-006-00

PARCEL A:

A PORTION OF THE 17.64 ACRE TRACT OF LAND DESCRIBED IN DEED FROM MANUEL ROGERS AND FRANCES ROGERS, HIS WIFE, TO MANUEL CAETONO SOUZA, DATED FEBRUARY 26, 1923 AND RECORDED MARCH 5, 1923, UNDER RECORDER'S SERIES NO. T/13804, IN BOOK 380 OF OFFICIAL RECORDS OF ALAMEDA COUNTY, PAGE 226, BOUNDED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHERN LINE OF FAIRVIEW AVENUE, ALSO KNOWN AS COUNTY ROAD NO. 2042, WITH THE NORTHWESTERN LINE OF THE SAID 17.64 ACRE TRACT; RUNNING ALONG THE SAID LINE OF FAIRVIEW AVENUE THE TWO FOLLOWING COURSES AND DISTANCES; SOUTH 79° 50' EAST 267.02 FEET, AND THENCE SOUTH 71° 40' EAST 232.84 FEET TO A POINT ON THE EASTERN BOUNDARY LINE OF THAT CERTAIN 0.099 OF AN ACRE PARCEL OF LAND, DESIGNATED AS PARCEL 2 IN DEED FROM DOMINGOS COELHO SOUZA, A SINGLE MAN, TO LAVERN H. REYNOLDS AND CAROLYN REYNOLDS, HIS WIFE, DATED MARCH 7, 1949, AND RECORDED MARCH 10, 1949, UNDER RECORDER'S SERIES NO. AD/16949, IN BOOK 5747 OF OFFICIAL RECORDS OF ALAMEDA COUNTY, PAGE 315; THENCE ALONG THE SAID LAST MENTIONED LINE NORTH 17° 43' EAST 219.07 FEET TO THE ACTUAL POINT OF COMMENCEMENT; THENCE CONTINUING ALONG THE SAID LAST MENTIONED LINE NORTH 17° 43' EAST 90.00 FEET TO A POINT ON THE SOUTHERN BOUNDARY LINE OF THAT CERTAIN 2.427 ACRE PARCEL OF LAND, DESIGNATED AS PARCEL 1 IN SAID DEED TO LAVERN H. REYNOLDS AND WIFE, THENCE ALONG THE SAID LAST MENTIONED LINE SOUTH 76° 39' EAST 243.57 FEET TO A POINT ON THE NORTHWESTERN BOUNDARY LINE OF THAT CERTAIN PARCEL OF LAND CONTAINING 1.27 ACRES, DESCRIBED IN DEED FROM DOMINGOS COELHO SOUZA, A SINGLE MAN, TO EDWIN MARTINEZ AND MARGARET MARTINEZ, HIS WIFE, DATED OCTOBER 4, 1951 AND RECORDED OCTOBER 15, 1951, UNDER RECORDER'S SERIES NO. AF/86526, IN BOOK 6559 OF OFFICIAL RECORDS OF ALAMEDA COUNTY, PAGE 511; THENCE ALONG THE SAID LAST MENTIONED LINE SOUTH 29° 32' WEST 122.00 FEET UNTIL INTERSECTED BY A LINE DRAWN SOUTH 69° 25' 39" EAST FROM THE ACTUAL POINT OF COMMENCEMENT; THENCE ALONG THE LINE SO DRAWN NORTH 69° 25' 30" WEST 218.15 FEET TO THE ACTUAL POINT OF COMMENCEMENT.

PARCEL B:

PORTION OF THE 17.64 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO DOMINGOS COELHO SOUZA RECORDED MAY 24, 1928, MAP BOOK 1871 OR, PAGE 180 (SERIES Y/37617), DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHWESTERN LINE OF SAID 17.64 ACRE TRACT DISTANT

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THEREON NORTH 61° 56' 30" EAST 457.77 FEET FROM THE NORTHEASTERN LINE OF FAIRVIEW AVENUE, OR COUNTY ROAD NO. 2042 (THE BEARING OF SAID NORTHWEST LINE BEING TAKEN AS NORTH 61° 56' 30" EAST FOR THE PURPOSE OF MAKING THIS DESCRIPTION); RUNNING THENCE ALONG SAID NORTHWEST LINE OF SAID 17.64 ACRE TRACT NORTH 61° 56' 30" EAST 756.80 FEET TO AN ANGLE POINT THEREIN; THENCE SOUTH 29° 32' WEST 521.22 FEET TO A LINE DRAWN SOUTH 76° 39' EAST FROM THE POINT OF BEGINNING; THENCE NORTH 76° 39' WEST 422.34 FEET TO THE POINT OF BEGINNING.

PARCEL C:

PORTION OF THE 17.64 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO DOMINGOS COELHO SOUZA RECORDED MAY 24, 1928, MAP BOOK 1871 OR, PAGE 180 (SERIES Y/37617), DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHWESTERN LINE OF SAID 17.64 ACRE TRACT DISTANT THEREON NORTH 61° 56' 30" EAST 457.77 FEET FROM THE NORTHEASTERN LINE OF FAIRVIEW AVENUE, OR COUNTY ROAD NO. 2042 (THE BEARING OF SAID NORTHWESTERN LINE BEING TAKEN AS NORTH 61° 56' 30" EAST FOR THE PURPOSE OF MAKING THIS DESCRIPTION); RUNNING THENCE SOUTH 76° 39' EAST 164.73 FEET TO THE ACTUAL POINT OF BEGINNING OF THE PARCEL OF LAND TO BE DESCRIBED; RUNNING THENCE SOUTH 76° 39' EAST 14.04 FEET; THENCE SOUTH 17° 43' WEST 309.07 FEET TO THE NORTHEASTERN LINE OF FAIRVIEW AVENUE; THENCE ALONG SAID LAST NAMED LINE NORTH 71° 40' WEST 14 FEET TO A LINE DRAWN SOUTH 17° 43' WEST FROM THE POINT OF BEGINNING; THENCE NORTH 17° 43' EAST 307.85 TO THE ACTUAL POINT OF BEGINNING.

TRACT TWO: APN 417-0270-003-00

A PORTION OF THE 17.64 ACRE PARCEL OF LAND DESCRIBED IN THE DEED BY MANUEL CAETONO SOUZA TO DOMINGOS COELHO SOUZA, DATED JUNE 27, 1923, RECORDED MAY 24, 1928 IN BOOK 1871 OF OFFICIAL RECORDS OF ALAMEDA COUNTY, PAGE 180, RECORDER'S SERIES Y/37617, BOUNDED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERN LINE OF COUNTY ROAD NO. 2042, KNOWN AS FAIRVIEW AVENUE, DISTANT THEREON SOUTH 79° 50' EAST 222 FEET FROM THE NORTHWESTERN LINE OF SAID 17.64 ACRE PARCEL; AND RUNNING THENCE NORTH 21° 13' 22" EAST 210.57 FEET TO A POINT ON SAID NORTHWESTERN LINE, DISTANT THEREON NORTH 61° 56' 30" EAST 334 FEET FROM SAID LINE OF FAIRVIEW AVENUE; THENCE ALONG SAID NORTHWESTERN LINE NORTH 61° 56' 30" EAST 123.77 FEET; THENCE SOUTH 76° 39' EAST 164.73 FEET; THENCE SOUTH 17° 43' WEST 307.85 FEET TO SAID LINE OF FAIRVIEW AVENUE; THENCE ALONG THE LAST MENTIONED LINE NORTH 71° 40' WEST 218.84 FEET, AND NORTH 79° 50' WEST 45.02 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED IN THE DEED TO ANTHONY LOPES ET AL DATED FEBRUARY 29, 1956 AND RECORDED MARCH 5, 1956 IN BOOK 7954, OFFICIAL RECORDS, PAGE 171.

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ALSO EXCEPTING THEREFROM THOSE PORTIONS CONVEYED IN THE DEED TO ANTHONY LOPES AND KATHERINE LOPES, HIS WIFE, DATED DECEMBER 16, 1963 AND RECORDED DECEMBER 18, 1963 IN BOOK 1074, OFFICIAL RECORDS, PAGE 579.

TRACT THREE: APN 417-0260-004-00

PORTION OF THE 17.64 ACRE TRACT OF LAND DESCRIBED IN THE DEED BY MANUEL CAETONO SOUZA TO DOMINGOS COELHO SOUZA, DATED JUNE 27, 1923, RECORDED MAY 24, 1928 IN BOOK 1871 OF OFFICIAL RECORDS OF ALAMEDA COUNTY, PAGE 180 (Y/37617), DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERN LINE OF FAIRVIEW AVENUE, OR COUNTY ROAD NO. 2042 WITH THE SOUTHEASTERN LINE OF SAID 17.64 ACRE TRACT (THE BEARING OF SAID SOUTHEASTERN LINE BEING TAKEN AS NORTH 45° 56' 53" EAST FOR THE PURPOSE OF MAKING THIS DESCRIPTION); AND RUNNING THENCE NORTH 45° 56' 53" EAST ALONG SAID SOUTHEASTERN LINE OF SAID 17.64 ACRE TRACT 889.40 FEET, TO AN ANGLE POINT THEREIN; THENCE CONTINUING ALONG SAID SOUTHEASTERN LINE NORTH 13° 31' 35" EAST 921.31 FEET TO THE MOST EASTERN CORNER OF SAID 17.64 ACRE TRACT; THENCE NORTH 86° 18' 53" WEST ALONG THE NORTHERN LINE OF SAID 17.64 ACRE TRACT 338.27 FEET; THENCE SOUTH 14° 53' 36" WEST ALONG THE WESTERN LINE OF SAID 17.64 ACRE TRACT 749.85 FEET TO AN ANGLE POINT THEREIN; THENCE LEAVING SAID LINE SOUTH 35° 09' 04" EAST 341.58 FEET; THENCE SOUTH 45° 56' 53" WEST 751.76 FEET TO A POINT ON SAID NORTHEASTERN LINE OF FAIRVIEW AVENUE, OR COUNTY ROAD NO. 2042; THENCE ALONG SAID LAST NAMED LINE SOUTH 64° 21' 07" EAST 21.32 FEET TO THE POINT OF BEGINNING.

TRACT FOUR: APN: 417-0270-009-000

A PORTION OF THE 17.64 ACRE PARCEL OF LAND DESCRIBED IN THE DEED BY MANUEL GAETONO SOUZA TO DOMINGOS COELHO SOUZA, DATED JUNE 27, 1923, RECORDED MAY 24, 1928 IN BOOK 1871 PAGE 180, UNDER RECORDERS SERIES NO. Y/37617, OF OFFICIAL RECORDS OF ALAMEDA COUNTY, BOUNDED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERN LINE OF COUNTY ROAD NO. 2042, KNOWN AS FAIRVIEW AVENUE, WITH A LINE DRAWN PARALLEL WITH THE SOUTHEASTERN LINE OF SAID 17.64 ACRE PARCEL, AND DISTANT AT A RIGHT ANGLE 20 FEET NORTHWESTERLY THEREFROM; AND RUNNING THENCE ALONG SAID PARALLEL LINE NORTH 46° 15' EAST 428.57 FEET TO THE MOST EASTERN CORNER OF THE PARCEL OF LAND DESCRIBED IN THE DEED BY DOMINGOS COELHO SOUZA TO EDWIN MARTINEZ AND WIFE, DATED OCTOBER 4, 1951, RECORDED OCTOBER 15, 1951 IN BOOK 6559 PAGE 511, OF SAID OFFICIAL RECORDS, THE LAST DETERMINED POINT BEING THE ACTUAL POINT OF COMMENCEMENT; THENCE ALONG THE NORTHEASTERN LINE OF SAID MARTINEZ PARCEL NORTH 76° 39' WEST 223.51 FEET TO THE SOUTHEASTERN LINE OF THE 2.427 ACRE PARCEL OF LAND DESCRIBED AS PARCEL 1 IN THE DEED BY DOMINGOS COELHO SOUZA TO LAVERN H. REYNOLDS AND WIFE, DATED MARCH 7, 1949, RECORDED MARCH 10, 1949 IN BOOK 5747

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PAGE 315, OF SAID OFFICIAL RECORDS; THENCE ALONG THE LAST MENTIONED LINE, NORTH 29° 32' EAST 521.22 FEET TO AN ANGLE POINT IN THE GENERAL NORTHWESTERN LINE OF SAID 17.64 ACRE PARCEL; THENCE ALONG THE GENERAL WESTERN LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED BY DOMINGOS COELHO SOUZA TO BERNARD BUCHANAN AND WIFE, DATED JULY 20, 1951, RECORDED JULY 26, 1951 IN BOOK 6496 PAGE 265, OF SAID OFFICIAL RECORDS, SOUTH 34° 49' 30" EAST 341.72 FEET TO SAID LINE DRAWN PARALLEL WITH THE SOUTHEASTERN LINE OF THE 17.64 ACRE PARCEL; THENCE ALONG SAID PARALLEL LINE SOUTH 46° 15' WEST 324.78 FEET TO THE ACTUAL POINT OF COMMENCEMENT.

**SCHEDULE B
EXCEPTIONS FROM COVERAGE**

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

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, 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 matter 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.

END OF SCHEDULE B - PART I

**SCHEDULE B
EXCEPTIONS FROM COVERAGE**

PART II

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2024-2025.
2. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
3. All taxes or assessments approved, levied or enacted by the State, County, Municipality, Township or similar taxing authority, which are not yet due and payable, including but not limited to any retroactive increases in taxes or assessments resulting from any retroactive increase in the valuation of the land by the State, County, Municipality, Township, or other taxing authority.

Any possible charges or assessments for water bills, public utilities, code enforcement and sanitary bills which may exist, but have not yet been recorded and/or filed.

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

In favor of: Pacific Gas and Electric Company, a California Corporation and The Pacific Telephone and Telegraph Company, a California Corporation
Purpose: Erecting, inspecting, replacing, maintaining and using a single line of poles and such wires and incidental purposes
Recording Date: February 16, 1950
Recording No.: AE13782, Book 6023, Page 73, of Official Records.
Affects: A portion of said land

Affects: APN 417-0270-003-00 AND 417-0270-006-00

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

In favor of: Domingo Coehlo Souza
Purpose: for driveway and incidental purposes
Recording Date: July 26, 1951
Recording No.: AF-63087, Book 6496, Page 265, of Official Records

Terms and provisions contained in the above document.

Affects: APN 417-0260-004-00

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

In favor of: Pacific Gas and Electric Company, a California Corporation
Purpose: Right of way, the transmission of electric energy
Recording Date: May 11, 1953
Recording No.: AH-42038, Book 7026, Page 69, of Official Records
Affects: A portion Of APN 417-0260-004-00

Terms and provisions contained in the above document.

**SCHEDULE B
EXCEPTIONS FROM COVERAGE**

(continued)

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

In favor of: Oro Loma Sanitary District
Purpose: Constructing, maintaining and operating therein sanitary sewer pipes
and appurtenances together with the right of ingress and egress and
incidental purposes
Recording Date: August 14, 1956
Recording No: AL85734, Book 8119, Page 187, of Official Records.
Affects: A portion of said land

8. Matters contained in that certain document

Entitled: Agreement
Dated: June 14, 2010
Executed by: Mirajudin K. Tajudin and Najib Shahabi
Recording Date: June 17, 2010
Recording No.: 2010169071, of Official Records.

Reference is hereby made to said document for full particulars.

9. The community interest of the spouse of the vestee named below.

Vestee: Pritpal Kaur Athwal

END OF SCHEDULE B - PART II

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 or 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 notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by 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.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors. The term "insured" also includes:
 - (i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12(c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land);
 - (ii) any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not;
 - (iii) the parties designated in Section 2(a) of these Conditions and Stipulations.
 - (iv) Subject to any rights or defenses the Company would have had against the named insured, (A) the spouse of an insured who receives title to the land because of dissolution of marriage, (B) the trustee or successor trustee of a trust or any estate planning entity created for the insured to whom or to which the insured transfers title to the land after the Date of Policy or (C) the beneficiaries of such a trust upon the death of the insured.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "insured lender": the owner of an insured mortgage.
- (d) "insured mortgage": a mortgage shown in Schedule B, the owner of which is named as an insured in Schedule A.
- (e) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- (f) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (g) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (h) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.

(continued)

- (i) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the insured mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

(a) After Acquisition of Title by Insured Lender.

If this policy insures the owner of the indebtedness secured by the insured mortgage, the coverage of this policy shall continue in force as of Date of Policy in favor of (i) such insured lender who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage; (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds; and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage.

(b) After Conveyance of Title by an Insured.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from an insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to an insured.

(c) Amount of Insurance.

The amount of insurance after the acquisition or after the conveyance by an insured lender shall in neither event exceed the least of:

- (i) The amount of insurance stated in Schedule A;
- (ii) The amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or
- (iii) The amount paid by any governmental agency or governmental instrumentality, if the agency or the instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

An insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to that insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) Upon written request by an insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of such insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of such insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by an insured in the defense of those causes of action which allege matters not insured against by this policy.
- (b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to an insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently,
- (c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.
- (d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, an insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such insured for this purpose. Whenever requested by the Company, an insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of an insured to furnish the required cooperation, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(continued)

5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by each insured claimant shall be furnished to the Company within ninety (90) days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of an insured claimant to provide the required proof of loss or damage, the Company's obligations to such insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, an insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by an insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of an insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that insured for that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

- (i) to pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or
- (ii) in case loss or damage is claimed under this policy by the owner of the indebtedness secured by the insured mortgage, to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage, together with any collateral security, to the Company upon payment therefor.

Upon the exercise by the Company of the option provided for in paragraph a(i), all liability and obligations to the insured under this policy, other than to make the payment required in that paragraph, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

Upon the exercise by the Company of the option provided for in paragraph a(ii) the Company's obligation to an insured Lender under this policy for the claimed loss or damage, other than the payment required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

(b) To Pay or Otherwise Settle with Parties Other than the Insured or With the Insured Claimant.

- (i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or
- (ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs b(i) or b(ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy to an insured lender shall not exceed the least of:

- (i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2(c) of these Conditions and Stipulations;
- (ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or
- (iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the insured lender has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.

(continued)

- (c) The liability of the Company under this policy to an insured owner of the estate or interest in the land described in Schedule A shall not exceed the least of:
 - (i) the Amount of Insurance stated in Schedule A; or,
 - (ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.
- (d) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. LIMITATION OF LIABILITY

- (a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, or, if applicable, to the lien of the insured mortgage, as insured.
- (c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.
- (d) The Company shall not be liable to an insured lender for: (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

9. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

- (a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of insurance pro tanto. However, as to an insured lender, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of insurance afforded under this policy as to any such insured, except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.
- (b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A.
- (c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company to an insured lender except as provided in Section 2(a) of these Conditions and Stipulations.

10. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

The provisions of this Section shall not apply to an insured lender, unless such insured acquires title to said estate or interest in satisfaction of the indebtedness secured by an insured mortgage.

11. PAYMENT OF LOSS

- (a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
- (b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within thirty (30) days thereafter.

12. SUBROGATION UPON PAYMENT OR SETTLEMENT

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated (i) as to an insured owner, to all rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss; and (ii) as to an insured lender, to all rights and remedies of the insured claimant after the insured claimant shall have recovered its principal, interest, and costs of collection.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(continued)

(b) The Insured's Rights and Limitations.

Notwithstanding the foregoing, the owner of the indebtedness secured by an insured mortgage, provided the priority of the lien of the insured mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness.

When the permitted acts of the insured claimant occur and the insured has knowledge of any claim of title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of an insured mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(c) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of an insured mortgage by an obligor (except an obligor described in Section 1(a)(ii) of these Conditions and Stipulations) who acquires the insured mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an insured under this policy, notwithstanding Section 1(a)(i) of these Conditions and Stipulations.

13. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is One Million And No/100 Dollars (\$1,000,000) or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of One Million And No/100 Dollars (\$1,000,000) shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

- (a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the insured mortgage or of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.
- (c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

15. SEVERABILITY

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

16. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at:

Commonwealth Land Title Insurance Company
P.O. Box 45023
Jacksonville, FL 32232-5023
Attn: Claims Department

END OF CONDITIONS AND STIPULATIONS