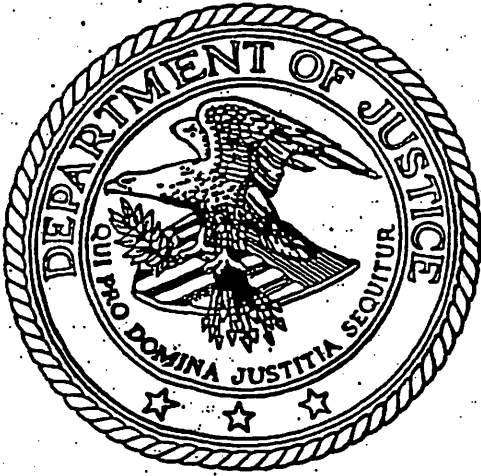


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**Tab 1- Department of Justice Title
Standards**



Department of Justice Title Standards 2001

A guide for the preparation of title evidence in land
acquisitions by the United States of America.

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U.S. Department of Justice
Environment and Natural Resources Division
Land Acquisition Section
—Washington, D.C. 20530—
December 29, 2000

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1. *Why Title Standards 2001, and who uses it?*

**A Foreword by Lois J. Schiffer, Assistant Attorney General,
Environment and Natural Resources Division**

The Title Standards serve as a guide for the preparation of evidence of title for all acquisitions by the United States of land or interests in land, including acquisitions by direct purchase, exchange, donation, and condemnation. The Title Standards replace the Standards for the Preparation of Title Evidence in Land Acquisitions by the United States (1970) (The 1970 Standards) except to the limited extent mentioned below with regard to title insurance policy forms in Texas.

Title or ownership of land or interests in land is determined by an examination of documents in the public land records, by a physical inspection of the property and by a review of other supplemental or supporting documents. Such title evidence is almost universally prepared and reviewed in the private sector when land is purchased or mortgaged to determine that there are no adverse or unacceptable encumbrances or "clouds" on the title. The United States government, acting through its various departments and agencies, follows the same practice when it acquires land or interests in land, for the same reason, but also because it is required to do so by a statute originally enacted in 1841, now codified at 40 U.S.C. §255. This statute conditions an agency's authority to acquire land on the prior approval of the sufficiency of the title by the Attorney General or her/his delegee¹. It applies broadly to all federal

¹Delegated authority to review and approve titles has been granted to eleven agencies which expressed an interest in having such authority, being: 1) Atomic Energy Commission, 2) Department of the Army, 3) Department of Agriculture, 4) Department of Energy, 5) Department of the Interior, 6) Department of the Navy, 7) Department (continued...)

land acquisitions unless Congress has specifically provided otherwise. The regulations² promulgated under this statute provide that the Title Standards must be followed unless exception is made in unusual circumstances

The Title Standards apply to the most valuable city properties and the least valuable rural lands throughout the United States, its territories, and even in foreign countries. Interests in land covered by these Standards include fee simple title, easements, leases which have a term of more than thirty years, and restrictions or covenants. Interests not covered include leases having a term of thirty years or less, and interests in land acquired in connection with a federal loan program. By following the Title Standards, federal agencies will be protecting the government's investment in land. The title evidence will be tailored to the value and circumstances of the property acquired, it will provide information which will help federal agencies give due care to the rights of property owners, and it will be obtainable in a timely fashion at a reasonable cost.

Take a look at the American Land Title Association (ALTA) U.S. Policy - 9/28/91 which is part of the Title Standards 2001. This title insurance policy form was approved in 1991 by the Department of Justice and the American Land Title Association for use in federal land acquisitions, except in Texas. It replaces an earlier form adopted in 1963. In form and in use this new policy is very similar to commercially available title policies. Both the government and the title insurance companies have found that it is much easier to use than the old policy form.

Texas strictly regulates the title insurance industry and has not yet adopted the new title policy form. For this reason, in Texas, the federal government is still using the old form of policy adopted in 1963, referenced in the 1970 Standards. In Texas the old policy form is referred to as the T-11 U.S. policy. An associated endorsement is referred to as the T-12 U.S. endorsement. Copies of these forms are included as part of these Title Standards 2001.

Where particular title questions arise which are not covered here, where title difficulties cannot be resolved readily, where the cost of title evidence or insurance seems disproportionately high compared to the value of the property being acquired, or otherwise unnecessarily expensive, and where unreasonable delays are foreseen or are incurred in securing title evidence, or clearing title defects, the Environment and Natural Resources Division may be consulted. Within the Division, the day to day responsibility for administering the Attorney General's title regulations and these standards rests with the

¹ (...continued)

of Transportation, 8) Department of Veterans Affairs, 9) General Services Administration, 10) International Boundary and Water Commission, and 11) United States Postal Service. All but two of the above agencies are still exercising this delegated authority. The Atomic Energy Commission no longer exists, and the U.S. Postal Service has since been expressly excluded by Congress from the scope of 40 U.S.C. §255. Essentially all remaining agencies submit requests for the review of titles directly to the Department of Justice. Within the Department the Attorney General's authority has been delegated to the Assistant Attorney General, Environment and Natural Resources Division, and from her/him to the Chief, Assistant Chiefs, and Chief of the Title Unit, all in the Land Acquisition Section.

²Order No. 440-70 of the Attorney General, dated October 2, 1970, titled, *Regulations of the Attorney General promulgated in accordance with the provisions of Public Law 91-393 approved September 1, 1970, 84 Stat. 835, An Act to Amend Section 355 of the Revised Statutes, as amended, Concerning Approval by the Attorney General of the Title to Lands Acquired for and on Behalf of the United States and for Other Purposes.*

Title Unit in the Land Acquisition Section. We will render any assistance in resolving such questions to accomplish a fair, efficient, economical, and expeditious acquisition.

Much credit for this revision must be given to the numerous federal agencies that responded to our requests for suggestions and comments, and to Lewis M. Baylor, Assistant Chief of the Land Acquisition Section and formerly Chief of the Title Unit of the Section, who was principally responsible for this project.

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2. EVIDENCE OF TITLE

a. Who is responsible for getting it?

It is the duty of the acquiring agency to furnish necessary evidence of title to land to be acquired by direct purchase, exchange, donation, or condemnation; the expense of procuring the same to be paid out of the agency's appropriations (40 U.S.C. §255).

Title evidence must be obtained promptly to avoid delay in payment to landowners and to permit early consummation of purchases and closing of condemnation proceedings.

b. What types of title evidence are acceptable?

The acquiring agency should select the type of title evidence to be used, keeping in mind the differing and unique requirements of each transaction, local practice, reliability, security, economy, efficiency and speed. In general, the character and scope of the evidence of title shall:

- consist of a reasonably diligent search of the records, considering the character and value of the property involved and the interests to be acquired;
- disclose the name of each person in whom title to any interest is vested of record and all additional persons or entities who might have, or who claim to have an interest in the property; and
- contain a sufficient summary of the material facts for the purpose of determining the validity of title when exceptions or objections to the title are noted.

Acceptable forms of title evidence include any of the following types of evidence prepared in accordance with the requirements of these standards, by approved abstracters, attorneys or title companies³:

- 1) abstracts of title;
- 2) Certificates of Title (see attached form), and
- 3) title insurance commitments (binders, preliminary reports on title, etc.) which anticipate the issuance of a title insurance policy (see attached form).

Also acceptable are:

- 4) Owners' duplicate certificates of title issued pursuant to satisfactory state systems of title registration similar to the Torrens system.
- 5) Copies of public title records duly authenticated by their official custodian or certified by an approved abstracter, attorney or title company;
- 6) Any other evidence of title which is acceptable to the Attorney General or to any of the attorney delegates who have the authority and responsibility to approve titles pursuant to 40 U.S.C. §255 (the reviewing attorney). (Agencies may adopt their own minimum standards for the qualification, training and experience of reviewing attorneys. It is suggested that a reviewing attorney have at least three years of experience reviewing titles, and that if an attorney with less experience is asked to review titles, her/his work product be reviewed and countersigned by a fully qualified reviewing attorney in her/his own or another office of the agency.)

Evidence of title acceptable to prudent attorneys and title examiners in the locality in which the land is situated will ordinarily be acceptable.

Title insurance is the form of title evidence used in over 95% of all federal land acquisitions. Why? It is generally the most convenient, reliable and economical form of title evidence available. It is almost universally used by the private sector, and sometimes it is the only form of title evidence available. It provides coverage against certain hidden title defects which could not be ascertained from any review of the public records. Finally, it provides a degree of financial security behind the policy which does not exist with most non-insurance company providers of title evidence.

However, as noted above, title insurance is only one form of acceptable title evidence. The beneficial aspects of title insurance just mentioned will not apply in every situation. Sometimes abstracts may be deemed more dependable because an individual abstracter is uniquely qualified to search a

³It should be noted that, at present, the agency delegations of authority to review and approve title mentioned in footnote # 1 above have no dollar limits if the title evidence consists of title certificates, title insurance policies, or Torrens certificates. If the title evidence is an abstract, or any other type of title evidence besides the three listed, the review may be made by the agency under delegated authority if the consideration is \$100,000.00, or less, but if the consideration exceeds that amount, the review must be made by the Department of Justice.

particular type of title. Sometimes other forms of title evidence are significantly less expensive for a variety of reasons; such as the high consideration being paid for a property or the application of filed rates in a particular state. The "insuring" aspects of title insurance - its coverage of hidden defects, and the financial security behind the coverage, are unique, but they may not outweigh, for example, a strong economic incentive to use a different form of title evidence. The United States is generally self-insured, and, again, title insurance is not required.

An opinion of title prepared by a private attorney could be deemed to be sufficient evidence of title if, in the opinion of the reviewing attorney, it provides full disclosure of all matters affecting the title along with the attorney's comments and recommendations relating thereto. If such a private attorney's opinion is deemed to be acceptable, then the reviewing attorney would issue his/her own opinion based on the information contained in the private opinion.

Ordinarily, one abstract, certificate, etc. will be obtained for all interests in each contiguous area of land in the same ownership. Lands will be deemed to be contiguous although portions thereof are separated by roads, railroads or other rights of way, streams, etc. If land is being assembled for a federal project, consideration might be given to contracting for title evidence which will initially cover each ownership parcel separately, but which will ultimately be consolidated into a single product when title to the whole is vested in the United States.

If the acquiring agency has determined that oil, gas and mineral interests do not need to be acquired or subordinated to the surface interest to be acquired (because they are not needed and because the rights associated with such interests, such as a right of surface access, will not interfere with the contemplated use of the land), then the title evidence need not include leases and other instruments relating to such interests, other than the instrument(s) evidencing the severance of the minerals, etc. from the surface estate. If the acquiring agency wishes to obtain other related documents, such as those evidencing reversion of such severed interests, it may so specify when it contracts for title evidence.

c. Who can prepare title evidence?

All title evidence must be obtained from qualified attorneys, abstracters, title companies, or federal employees familiar with the preparation of such evidence in the jurisdiction in which the lands are situated. They should have no interest in the land to be acquired; and not be related to the vendors. Abstracters must be attorneys at law or professional or official abstracters qualified and authorized by law to prepare and certify to abstracts in the state where the land lies. Title companies and their issuing agents must be qualified and authorized by law to furnish abstracts, certificates of title, or title insurance policies in the state where the land lies. Agencies should seek to assure themselves that attorneys, abstracters or title companies selected to prepare title evidence are experienced, financially responsible and reputable.

Agencies may adopt their own standards and procedures for approving providers of title evidence, provided the above minimum standards are met.

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3. ABSTRACT OF TITLE

a. What should it look like?

Use of abstracts as title evidence is increasingly rare. They are primarily used for mineral interests where title insurance is not available. In some sections of the country abstracts are prepared by an incorporated title company or by a professional or official abstracter, not necessarily an attorney. Elsewhere abstracts are prepared by an attorney who also obtains curative data and frequently supplements the abstract with a history of the title and his opinion as to its sufficiency. The following requirements, which apply equally to fee simple, easement or any other interest in land to be acquired, are, therefore, subject to modification to adapt them to the type of abstract commonly in use in the locality where the land is situated:

The abstract should be printed or typewritten and the complete description of the land covered by the abstract should appear on a caption page. Where the descriptions in abstracted items are the same as those contained in the captions, or in preceding instruments, the descriptions should not be recopied, but the abstracters should indicate that the same lands are involved. The various entries (usually consisting of either abstracts of the contents of documents or copies of original documents), should be numbered and appear in the chronological sequence of recording. Affidavits and other papers submitted by the abstracter with the abstract should be numbered or lettered and referred to by such number or letter in the item of the abstract to which they relate.

The abstract should contain a sufficient summary of the material portions of every recorded instrument, affecting the title to the land described in the caption, to enable the examiner to determine the nature and effect of such instruments. No attempt is made to specify all items which must be shown in the abstract, but the following, which are sometimes omitted, must be shown exactly as they appear in the records: The marital status of all grantors and grantees; the consideration and receipt thereof; the dates of execution, witnesses where necessary, acknowledgment, and recordation of each instrument; the due date of any unsatisfied mortgages or deeds of trust and the amount of the indebtedness secured thereby; and any reservations, limitations or conditions. Releases of homestead, dower, and other statutory rights should be affirmatively shown. Where titles to separate parcels are derived from a common preceding chain of title, a master abstract should be prepared and supplemented by individual abstracts.

Abstracts containing instruments which do not affect the title or do not refer to or mention the land covered by the abstract are not acceptable and the abstracter is not entitled to receive payment for such extraneous material. Also, abstracts which contain illegible photostats of instruments are not acceptable.

b. What time period should it cover?

For the purposes of this paragraph, "title instrument" means any recorded instrument purporting to evidence the transfer of a fee simple title (other than as security for debt), including patents, direct deeds of conveyance, deeds by trustees, referees, guardians, executors, administrators, masters, or sheriffs, wills or decrees of descent, and also decrees, judgments or orders of courts of competent jurisdiction purporting to quiet, confirm, or establish title in fee simple. The "period of search," referred to in each of the numbered subparagraphs below, means the number of years of continuous coverage by an abstract of the record beginning with a title instrument recorded at least the required minimum number of years prior to the date of the abstracter's certificate. Regardless of the applicable period of search, all abstracts must contain or be accompanied by proof that the title was originally divested from the sovereign by patent or grant of the land involved. All mineral or other reservations to the sovereign shall be specifically noted. All instruments antedating the applicable period of search which are disclosed by instruments recorded within the period of search and which contain reservations, exceptions, restrictions, limitations, or other rights or interests or impose conditions or liens possibly outstanding or affecting the title, must be shown.

Subject to all the foregoing provisions of this paragraph, the periods of search shall be as follows:

- 1) A minimum of 60 years as to all acquisitions of land or interests in land except those mentioned in the following subparagraphs (2), (3), (4), and (5).

- 2) A minimum of 80 years as to all acquisitions of land or interests in land which is valued in excess of \$750,000.00, or which is being acquired as the site for permanent improvements which are valued in excess of \$500,000.00.
- 3) A minimum of 40 years as to all acquisitions of land or interests in land valued less than \$25,000.00.
- 4) A minimum of 25 years as to the acquisition of easements valued less than \$15,000.00, except those mentioned in the following subparagraph (5)(i).
- 5) Last owner searches showing the owner under the last deed of record and encumbrances against the title under which the abstracters or title companies assume no liability and without regard to the period of search may be accepted as satisfactory title evidence as to the estates identified below.
 - i) Easements to be acquired for consideration of \$5000 or less, provided such easements will not be the exclusive access to a property, and provided such easements are not being acquired with the intention of building or installing permanent improvements on them. The determination of what constitutes a permanent improvement is left to the acquiring agency, subject to the concurrence of the reviewing attorney or this Department. Examples of permanent improvements include paved roads, pipelines, levees, canals and major power lines.

 - ii) Temporary use or term takings in condemnation proceedings involving the payment of an estimated rental of \$12,000 or less per annum.

c. **Special situations**

- 1) **Records Lost or Destroyed:** Where title records, for the full periods of search required above, have been lost or destroyed, or are otherwise permanently unavailable, the abstract should begin with the first available record and be supplemented by the following:

A certificate of the abstracter as to the fact of the loss or destruction of the records, that no reservations, limitations, encumbrances, or defects in the title are known to the abstracter, and that the beginning point of the abstract is accepted by competent attorneys in the community, and either:

- i) Proof of compliance with requirements of statutory proceedings, if any, to establish titles affected by the loss or destruction of the records; or
- ii) Secondary documentary evidence, complying with statutory requirements, which, if offered in a judicial proceeding, would be admissible as evidence of title, and evidence of title by adverse possession as provided in the instructions set out below under Adverse Possession.

- 2) **When an estate is involved:** The acquiring agency must satisfy itself that all required proceedings relating to the probate of an estate have been satisfied, and that all conditions and contingencies in the will have been met. Proceedings may vary. The following may not apply in every jurisdiction, but it is offered as a general guideline.

Wills should be reproduced in full. Essential portions of probate proceedings disclosing all material facts of record must be shown, including, for example, the petition, names and ages, and the incompetency, if any, of parties in interest as shown by the record; proof of service of citations; date of approval of bond; issuance of letters testamentary; publication of notices or other action necessary to start the running of any statutes of limitations; ancillary probate of the will in the jurisdiction where the land lies, if the original probate were elsewhere; guardianship proceedings of any parties who are incompetent; and whether estate and inheritance taxes have been paid or releases thereof obtained.

When title has been or is to be conveyed by administrator's or executor's deed, the court orders or other authority of the fiduciary and sufficient portions of the proceedings to demonstrate their regularity must be shown.

If the title has been or is to be conveyed by the devisees, the abstract should show whether all specific legacies, debts, and taxes have been paid, and, where necessary, whether there has been final distribution of the estate, discharge of the executor, and closing of the estate.

In every instance where title has passed by descent, the abstract should show whether there has been administration on the estate, and in case of administration, the abstract should show sufficient portions of the record of the proceeding to determine whether necessary jurisdictional facts existed and statutory requirements essential to the validity of the proceeding were observed, including service of necessary notices, qualifications of the administrator, and the date of the approval of his/her bond or other action necessary to start the running of any statutes of limitation.

If there has been administration, but title has been or is to be conveyed by deed of the intestate's heirs as established in the proceeding, the abstract should show the correct names of all persons determined to be heirs as they appear in the proceeding, and should also show whether debts and charges, including all taxes against the estate, have been paid or provided for, and, where necessary, whether there has been final distribution of the estate and discharge of the administrator.

Whether or not there has been administration, if the conveyance to the United States is to be made by the intestate's heirs, and the intestate's heirs have not been established in a judicial proceeding, determination of heirship will be required as hereinafter provided.

- 3) ~~If there has been a foreclosure, tax sale or a judicial proceeding:~~ In all cases involving foreclosure proceedings the abstract should disclose sufficient information regarding the mortgage foreclosed to determine the validity and effect of the foreclosure, including the sum secured, description of the premises, conditions of the mortgage, signatures, dates of execution and recording, and the nature of the default.

If the foreclosure is by judicial proceeding, the abstract should show the names of all persons made parties to the foreclosure case and sufficient portions of the record to determine the jurisdiction of the court, the regularity of the proceeding, whether all necessary parties had proper notice, and whether the provisions of the foreclosure statute were adequately observed.

If foreclosure is under a power of sale, the terms of the power, compliance or noncompliance therewith and with applicable statutory provisions, should appear. Partial or installment foreclosures, continuing the balance of the mortgage in effect, must be affirmatively shown.

The abstract should fully disclose sufficient portions of the record of all sales by receivers, execution sales, tax sales, divorces, and other judicial proceedings affecting the title to the land to be acquired, to determine the legal effect of such sales or proceedings, and whether all statutory requirements have been observed and the time for redemption, appeal, or reopening the matter has expired.

- 4) ~~When there has been a sale by a trustee or fiduciary: The abstract should contain all essential parts of trust instruments, powers of attorney, and of the record of any court proceedings conferring authority for conveyances in the chain of title by fiduciaries or persons acting in a representative capacity, and show whether the purchaser is relieved of~~

the responsibility for the application of the purchase price. Any conditions or limitations on the authority of a fiduciary or representative, contained in such instruments or proceedings, or in any deed to the trustee, or to the beneficiary or principal for whom such trustee or representative is acting, should be fully set forth and, where possible, the abstract should show whether such conditions have been fulfilled.

- 5) **Searching Federal Court Records:** Search is required of the Federal court records in all divisions of the district where the land lies for possible liens of judgments and decrees of and cases pending in Federal courts in those states which have not enacted a statute authorizing the judgments and decrees of the United States courts to be registered, recorded, docketed, indexed, or otherwise conformed to the rules and requirements relating to the judgments and decrees of the courts of the state. (28 U.S.C. 1962.)

In those states which have enacted such conformity statutes (in accordance with the provisions of 28 U.S.C. 1962), no search of the Federal court records is necessary for liens of judgments and decrees, unless under state law judgments and decrees of the state courts become liens on the property of the judgment debtor in the county where rendered, upon entry in the court where rendered, in which case search of the Federal court records is necessary if those records are located in the county in which the land is situated.

- 6) **What about Streets and Alleys?** Where the land includes streets or alley areas, dedicated or vacated; there must be shown all matters of record affecting the ownership of such areas, including the following:
- 1) The complete proceeding had upon such dedication and, if vacated, the vacation proceedings.
 - 2) All facts of record bearing on the existence or elimination of prior rights of the public, prescriptive or otherwise, and rights of public utilities, if any.

7. **Special Assessments for Improvements, School Districts, etc.** Abstracts containing references to assessments for drainage, school, or other special improvement districts; water, paving, sewer and other assessments; should set out, in addition to the current and delinquent assessments, the total benefit assessments and charges against the land, and should contain references to the statutes creating the districts and establishing the liens.

d. **The Abstracter's Certificate**

A satisfactory certificate of the abstracter must be made a part of the abstract. Generally, certificates will be acceptable if in the form approved by a title association of recognized standing in the state where the land is situated and if the abstracter certifies that he/she has examined all public records pertaining to the title for the required period of search, and that all matters of record affecting the title are correctly shown in the abstract. In those states where the liability of the abstracter is based upon the contract to search the title, the certificate should contain a statement that the abstract is furnished to the

United States of America and assigns or [the United States' grantor] and its assigns. Otherwise, and generally, the certificate should not be limited to any contracting party, other person or corporation.

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4. SUPPLEMENTAL AND SUPPORTING TITLE EVIDENCE

a. In general: variation in practice when title insurance is used.

The closing of transactions is often delayed due to failure to supply necessary supporting title data. Requirements covering four of these items are indicated below. If the title evidence used in a transaction is title insurance, and the title insurance policy does not contain any exceptions relating to the matters mentioned in sections b-f below, then they are covered under the policy, and no supplemental evidence is required as to such matters. Note however, that the title company will have collected and reviewed material such as described below, and it would be appropriate in any particular transaction for the acquiring agency to also secure, review and retain in its permanent real estate files, such materials. (Caution: Title policy exceptions to "parties in possession" or to "matters which would be revealed by a survey" effectively exclude coverage for such matters as unrecorded leases or rights-of-way. If the Certificate of Inspection and Possession (see below) reveals that there may be third parties who have such rights to use the land, demand should be made of the vendor to provide copies of any unrecorded documents which create such rights.)

b. Certificate of Inspection and Possession

The two most critical components of title evidence are 1) a search of the land records and 2) a physical inspection. Each can independently reveal evidence of possible claims of use or ownership. Both are essential to a review of the title.

Whenever possible an inquiry and physical inspection of the land should be made early in the acquisition process by a duly authorized employee of, or contractors for, the acquiring agency, and a Certificate of Inspection and Possession (CIP) should be prepared and submitted to the Department of Justice or the reviewing attorney with the agency's title evidence and its request for a preliminary opinion of title.

Whether or not an early inspection has been made, it is required that a CIP, based on an inspection and inquiry made immediately⁴ prior to the closing of the purchase be submitted as part of the

⁴"Immediately" is not an absolute standard. Agencies are given discretion as to how far in advance of closing an inspection may occur. Relevant factors include the difficulty and expense of conducting an inspection, the nature of the property and its intended use (Ex: an urban building site must be very carefully inspected and (continued...))

title evidence with the request for a final opinion of title. In condemnation actions an inspection and inquiry should be made immediately in advance of the date of taking if possible, or otherwise, as soon as the right of possession is granted by the court. Two forms of CIP are attached, either of which may be used. Form # 1 is designed to be completed by one individual, and it is preferred over Form # 2 because its use makes it less likely that information will "fall through the crack". Form # 2 is designed to be completed by two individuals (ex: a ranger might be asked to inspect the land, and a realty specialist might be asked to conduct the owner contact). Other forms of CIP are not acceptable. No portion of the CIP forms may be deleted or scratched out. All blanks must be filled in. If a particular blank is not applicable to an acquisition, it should be filled in with "N/A".

Both forms anticipate that additional information can and often will be added to the CIP, especially if the inspection or inquiry reveals possible possessory rights of others in the property. Acquiring agencies may find it convenient and economical to have the same person who is to inspect the property for title purposes also inspect it for other purposes such as survey, engineering, historical or environmental matters. To facilitate this, it is permissible for agencies to attach to the form one or more addenda which they may require for non-title purposes. If such addenda are attached to or made a part of the CIP, they should be provided to the Department of Justice or the reviewing attorney, since the information contained therein may have relevance to the title review.

The interest or claim of any person(s) other than the record owner(s) who is occupying or using any part of the lands should be ascertained prior to closing. Consideration should be given as to whether, under the circumstances of the acquisition, the interest will interfere with the contemplated use of the land. Measures should be taken to eliminate claims which are not compatible by, for example, obtaining disclaimers (see attached form) or quitclaim deeds; and for otherwise dealing with interests which are compatible as they exist or if modified, for example, by obtaining attornment agreements from tenants with unrecorded leases, or by agreeing to grant a private right-of-way or pipeline easement with specific terms and an agreed location and dimension for the easement, in return for the claimant's agreement to quitclaim any poorly defined possible easement which he/she may have acquired by prescription.

c. Sales by Corporations

Private corporations: The title evidence should contain or be accompanied by sufficient portions of the charters or other records of corporations, conveying to the United States, to determine the power of the corporations to hold and convey real estate and the validity of such conveyances. In jurisdictions where franchise taxes are a lien, or where nonpayment of such taxes or failure to file required reports or statements suspends or terminates a corporation's power to do business or transfer property, the title evidence should also be accompanied by a certificate or statement of the proper state officer showing payment of such taxes and that the corporation is in good standing. A certified copy of the resolution of the proper corporate body, authorizing the conveyance to the United States, is required. In case of conveyances of all or substantially all of the real estate of such a corporation, a certified copy

⁴ (...continued)

surveyed since even a minor encroachment could result in major additional expenses), and the agency's familiarity with the particular property. A suggested time frame for urban or suburban properties would be within a week of closing. The vast majority of CIP's should be prepared within two to three weeks of closing. CIP's prepared more than three weeks prior to closing and up to, but no more than six months prior to closing, may be accepted in the discretion of the reviewing attorney. CIP's prepared more than six months prior to closing are not acceptable.

of a resolution authorizing the conveyance, enacted in compliance with pertinent statutory requirements at a meeting of stockholders, is necessary.

Public corporations: Where the title evidence discloses a public corporation as grantor in the chain of title, or the vendor to the United States is a public corporation, the title evidence should include or be accompanied by sufficient portions of the charter, resolutions, or other source of authority of each such corporation to convey land, and also with evidence of compliance with all statutory requirements necessary to the transfer of a valid title.

d. Determination of Heirship

When the conveyance to the United States is by the intestate's heirs and there has been no judicial determination of heirship, the fact that the grantors are all the heirs of the deceased must be judicially established where practicable. If such judicial determination is impracticable, proof of heirship must be shown by acceptable affidavits (see attached form) of the grantors and, if possible, of two or more disinterested reputable persons having knowledge of the facts.

e. Adverse Possession

Evidence of adverse possession, when required, must include satisfactory affidavits of possession, which shall contain the following:

- 1) Execution by three or more reputable persons living in the vicinity of the land and having no interest in the sale of the property;
- 2) Identification of the land and a statement of the character, extent, and duration of possession for at least as long as the maximum local statutory period of limitations, prescriptions, or adverse possession, but not less than 22 years; and
- 3) All necessary facts fully set out, together with convincing proof of the establishment of title by adverse possession under local law. The affidavits should not contain mere conclusions of the affiants.

In cases where large tracts of land are being acquired which embrace what formerly were smaller tracts, the affidavits of adverse possession must relate specifically to the component parts of such tracts and contain sufficient facts to establish adverse possession to each such part.

Where two or more grants, patents, or transfers affect the same land, the exact location of the land over which the acts of possession are relied upon must be shown on a map and by the affidavits.

Where the title to the land is subject to mineral rights, or rights-of-way, or other interests or easements which the acquiring agency wishes to acquire, such affidavits must show convincing proof of adverse possession against any and all such rights or interests.

f. Unrecorded Title Papers

In all cases, any unrecorded title papers and copies of resolutions, ordinances, and title opinions containing references to statutes or cases in point relating to the condition of the title or objections thereto with respect to such land, which may be available to the vendor, should accompany the title evidence.

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5. TITLE INSURANCE POLICIES AND CERTIFICATES OF TITLE

a. Preliminary Title Evidence

Commitments, binders, preliminary reports, or other forms of preliminary title evidence are acceptable if they are customarily used in the locality, are acceptable to the reviewing attorney, are issued by a qualified title company or its agent, are based upon a preliminary title search, and if they commit the title company to issue a final certificate of title or title insurance policy in the approved form.

Such preliminary title evidence will be accepted as a basis for the preparation of preliminary title opinions which contemplate further submission of the matter for final approval of title. A suggested form of Certificate of Title is attached. The required form of title insurance policy, commonly identified as the American Land Title Association (ALTA) U.S. Policy - 9/28/91, is also attached. No other form of title insurance policy is acceptable except in Texas (see the section below on Texas).

Preliminary title evidence, Certificates of Title and title insurance policies may all be endorsed by a title company. There is no required federal endorsement form. Endorsements may be issued for a variety of reasons, including correcting errors, modifying coverage, or adding or deleting exceptions. In every case an endorsement must correctly cross reference the commitment or policy it is amending. Because it is part of the title evidence, it must be reviewed and approved with the commitment or policy by the reviewing attorney, and it must be kept with the policy in the agency's permanent real estate files.

Some guidelines for the preparation of preliminary title evidence follow:

- 1) The commitment, binder, etc. should name the UNITED STATES OF AMERICA, as the proposed insured, except in the case of Indian trust lands, where the proposed insured will be "the United States of America in trust for [a named Indian or tribe]", and acquisitions of land in a different name when authorized by Congress. ✓
- 2) When the form of the commitment or binder identifies the form of title insurance to be issued, it should be the ALTA U.S. Policy - 9/28/91. ✓

- 3) If the commitment contains an expiration date, it should be deleted or changed to a period of no less than two years. A commitment with no expiration date is preferable. (The acquiring agency's contract for title evidence generally can provide for this.) This simply recognizes that, as a practical matter, land acquisitions by the United States take a long time to complete.
- 4) The tax exception(s) in commitments should always identify all taxing districts in which the land is situated and all other taxing authorities that have jurisdiction over the land for the levy of taxes; showing lien dates for each, and amounts for all such assessments that have not been paid on the date of the commitment.
- 5) The preliminary title evidence must disclose the name of each and every person in whom title to any interest in the estate to be insured is vested of record or known to the company. Schedule "B" exceptions to recorded liens, easements, etc. should disclose all essential information, including the name(s) of the person or parties who hold the interests of record. When addresses of parties having any interest in the insured estate are disclosed by the public records or known to the company, they must be set out or provided via copies of the documents. Schedule "B" exceptions shall not set forth exceptions or objections in general terms.
- 6) Complete, legible copies, or a sufficient abstract or digest, of all instruments referenced in the title commitment must be provided with the title evidence. ✓
- 7) Where subsurface (mineral) interests in the property are to be acquired, the present record ownership of each such outstanding interest and all data or exceptions of record relating thereto shall be shown.

b. What time period should the search cover?

In general, certificates of title and title insurance policies based upon a search of all records affecting the title and unqualified as to the period of search are preferred and should be issued. However, as to specific types of easements as defined in the instructions relating to abstracts, certificates of title or title insurance policies may be limited to the periods of search prescribed in those instructions provided the certificates or policies contain statements to the effect that the title of the sovereign has been divested, and set forth any reservations which are contained in the patents or grants.

c. What about liability limits?

A certificate of title or title insurance policy should have a liability amount not less than a sum which is 50 percent of the consideration paid for the property; however, as to acquisitions where the consideration is more than \$100,000, a certificate of title or title insurance policy should have a liability amount not less than a sum which is 50 percent of the first \$100,000 and 25 percent of that portion of the value in excess of that amount. ~~A liability amount equal to the consideration is always acceptable, and is required where state insurance regulations prohibit the issuance of title policies for less than the full consideration or where the reviewing attorney requires insurance in the full amount.~~

In the case of a donation or any other acquisition where the consideration is not readily ascertainable in terms of dollars, the liability amount should be equal to the estimated value of the land or interest in land being acquired. For purposes of these standards, it is not necessary to secure an appraisal to determine the estimated value, but it will be sufficient to rely on the best evidence which is readily available, such as a tax assessment or an informal opinion of anyone familiar with local land values, such as a local appraiser or real estate agent.

Generally, it is not necessary to include in the liability amount the value of planned improvements.

Acquiring agencies should be aware that very large transactions may involve re-insurance or co-insurance. These *Standards* no longer mandate a liability limit (or "primary retention level") beyond which the insurer must secure reinsurance or co-insurance from other insurers; however, re-insurance or co-insurance of a policy insuring the United States is acceptable and may be desirable. Title insurance companies will secure re-insurance on their own, primarily for their own benefit, but indirectly to the benefit of the insured, if a single policy exceeds the company's own self-imposed primary retention level. Acquiring agencies are advised to consider the need for reinsurance at the time they contract for title services, since it is a cost factor that must be considered by the bidders. Re-insurance is recommended rather than co-insurance, and if re-insurance is requested, it should provide for direct access to the re-insurers. For reference, the single policy liability limit was formerly established as follows: A certificate of title or title insurance policy for a single acquisition valued at more than 25 percent of the admitted assets (after deducting existing liabilities secured or unsecured and excluding any trust or escrow funds) of the issuing company is not acceptable, unless reinsurance is secured from other title insurance companies for amounts in excess of the Liability Limit of the issuing company.

d. Surveys

For all acquisitions where any improvements to the land are contemplated, for all sites where the acquisition involves part of a larger property, and new boundaries are being created, and for all acquisitions for which the acquiring agency requires a survey, the title evidence should include or be accompanied by a plat or plan, based on a survey by a competent surveyor or engineer, sufficient to enable the reviewing attorney to locate the land described in the title evidence. Any encroachments or rights of way, on or over the land, should be shown or noted on the plat. If the land is described by metes and bounds, or by lands of adjoining owners, abutting streets, ways, etc., its boundaries should be defined on the plat by courses, distances, and monuments, natural or otherwise, and the ownership and contiguous boundaries of adjoining lands and names of abutting streets, ways, etc. When the land is part of a subdivision, a copy of the subdivision plat, or the section thereof in which the land is located, should be submitted. If necessary to identify the land with a United States patent or a state grant which is the source of title, a plat of the land being acquired should be superimposed on a copy of the plat of the United States survey or state grant. If the land being acquired is part of a larger tract described in an abstract, it should, when necessary for its identification, be shown drawn to a common scale on a map showing the larger tract and any successive diminishing tracts.

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6. FINAL TITLE EVIDENCE

a. Abstracts

Abstracts must indicate that the search has been continued from the date of the preliminary title evidence to and including the recordation of i) the deed to the United States and ii) any necessary curative instruments, such as releases of mortgages.

b. Title Insurance Policies and Certificates of Title

When the preliminary title evidence is a title commitment or binder that contemplates the issuance of a title insurance policy or certificate of title, a title insurance policy or final certificate of title must be obtained. It should have effective date as of or subsequent to the date of recording of the deed to the United States and it must insure, guaranty or certify the title of the United States which was acquired under the deed. The purpose of the title insurance policy is to confirm that title is properly vested in the United States.

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7. TITLE EVIDENCE FOR CONDEMNATION CASES

a. The unique purpose of title evidence in condemnation cases

The unique purpose of title evidence in condemnation actions is not to confirm that title is properly vested in the United States, but instead it is to identify all parties who have, or may have, or claim to have an interest in the land, so that they may be named and joined in the action. If the updated final title evidence reveals persons in interest not previously known, they should be added as parties.

b. Title should be updated to the filing of the Notice of Lis Pendens

When a condemnation case is filed, the government should file a notice of lis pendens in the appropriate local land records to give constructive notice to all parties of the federal condemnation action. The form of the lis pendens notice will be determined by the law of the particular state where the land is located. Often in Declaration of Taking (DT) cases (described below), the DT is filed as the notice of lis pendens. ~~Since all parties who attempt or purport to acquire an interest in the land~~ subsequent to the filing of the lis pendens are charged with notice of the condemnation action, any interest they may claim in the land is subject to the rights the government either has or will acquire in the

land through the condemnation. Thus, for purposes of the condemnation, it is only necessary to update the title evidence to the date of the filing in the land records of the lis pendens notice.

c. Title insurance in condemnation cases

In condemnation cases the title insurance policy confirms and insures (see Insuring Provision 5 in the ALTA U.S. Policy - 9/28/91) that all parties who have, or may have, or claim to have an interest in the land, as disclosed by a search of the public records, have been identified. (Other parties with interests not of record may be identified by a physical inspection of the property.) Identifying these parties is critical so that the government may fulfill its obligation to pay just compensation to the owner(s) of the estate taken. The acquiring agency and the government's attorneys will compare the condemnation papers with the title evidence for this purpose. If the final policy reveals persons in interest not previously known, they will be added as parties to the condemnation. The government does not require or get insurance as to the validity or sufficiency of a condemnation proceeding (see Exclusion from Coverage 4 of the ALTA U.S. Policy - 9/28/91). The government acquires good title to the estate it describes in a condemnation action by operation of law.

There are two types of condemnation which will be distinguished here by the different point in the proceedings when title passes to the United States: i) In Complaint cases, title passes at the end of the case after a final judgment is rendered and the just compensation is paid into the registry of the court; and ii) in Declaration of Taking (DT) cases, title passes at the beginning of the case immediately upon the filing of the DT and the payment of the estimated just compensation into the registry of the court. This fundamental difference must be recognized when the title insurance policy is prepared, as discussed below.

d. How are title insurance policies prepared for condemnation cases?

1) "Schedule A"

The amount of insurance should comply with the Department's requirements, as set forth in these Standards. For condemnation acquisitions, since the determination of the value of the land acquired may not be made by the court until years after the lis pendens notice is filed, the title policy should be issued with an insurance amount equal to the best available estimated value of the land, which will usually be the government's approved appraised value of the estate taken. So long as the final determination of value does not cause the insurance amount to be less than the minimum amount of coverage provided for in these Standards, no endorsement increasing the amount of insurance will be required.

The effective date of the policy should be the date of the filing of the notice of lis pendens in the land records. (As noted above, in condemnation cases title may pass to the United States either before or after the filing of the notice of lis pendens; but by this filing the government utilizes the local recordation statute to give constructive notice to the world of the transfer, or pending transfer, of title.)

The four items in Schedule A of the policy should be prepared as follows:

- i) name as the Insured "the United States of America"⁵;
- ii) identify the estate in the land acquired by the United States;
- iii) **IN COMPLAINT CASES:** identify the owner of the estate being acquired;

IN DT CASES: show title vested in "the United States of America", and identify who the title was vested in immediately prior to the acquisition of title by the United States. An example of satisfactory wording which might appear in Schedule A, item 3 in a DT condemnation is as follows:

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

THE UNITED STATES OF AMERICA

Immediately prior to the acquisition of title by the United States, title was vested in John Everyman and his wife, Matilda, as tenants by the entirety, by a deed dated December 6, 1998, recorded December 7, 1998, in Book 1156, page 138, among the land records of Fairfax County, Virginia; and

- iv) describe the land.

2) "Schedule B"

Schedule B must include an exception to the recorded notice of lis pendens. It should also include exceptions to all other matters which affect the land, including those previously revealed in the commitment and those which were discovered of record subsequent to the effective date of the commitment but prior to the time of the recording of the lis pendens. If matters revealed in the commitment were released or otherwise satisfied of record before the filing of the lis pendens, they may be deleted from the final title policy. Any new parties in interest revealed by the updated title evidence should be joined in the action.

- e. Should the final Judgment be recorded in the land records?

In condemnation cases, as noted above, title passes to the United States without the necessity of recording any document in the land records -- however, it is in the government's best interest that some document in the case be recorded, in addition to the Notice of Lis Pendens, to give permanent notice of the outcome of the condemnation litigation. Usually this document will be the Final Judgment. To best accomplish this purpose the Final Judgment should include a description of the land, confirmation that title is vested in the United States, and confirmation that payment of just compensation has been made into the registry of the Court. The acquiring agency should assume the responsibility of making sure

⁵In some special circumstances title to land may be taken in a different name, such as Indian tribal land which is taken in the name of the United States of America as trustee for _____. For simplicity the Standards will only refer to acquisitions in the name of the United States of America.

that a certified copy of the final judgment is properly recorded in the land records where the land is located. This simple and inexpensive practice is recommended to give the public better notice of federal ownership of land.

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8. DEED TO THE UNITED STATES

The deed to the United States should conform to local statutory requirements and generally adhere to the following requirements:

a. Be a general warranty deed. This requirement may be waived, on a case by case basis, and a special warranty deed or equivalent may be accepted in lieu of a general warranty deed, if the Department or the reviewing attorney determines that the following conditions have been satisfied:

1. the title is otherwise acceptable under the Attorney General's title regulations,
2. the acquiring agency has tried unsuccessfully to get a General Warranty Deed, and has satisfied itself that the basis for the vendor's inability or unwillingness to give a general warranty deed is not due to any flaw in ownership, but rather is due to a statutory or other restraint of the vendor's authority to convey, to corporate policy, to custom in the community, or to some other specifically identified justification which clearly has application beyond the bounds of the subject transaction,
3. the acquiring agency is willing to accept title conveyed by less than a general warranty deed, and
4. the acquiring agency will get a title insurance policy which does not contain an exclusion relating to the type of conveyance.

Quitclaim deeds or deeds without warranties may be accepted only to clear up defects or clouds on title, not to convey a good interest; or, when the Department or reviewing attorney has made the above determinations and the conveyance is from certain entities, especially governmental bodies and fiduciaries, which simply lack the authority to convey otherwise. For example, agencies of the United States which have authority to convey land or interests in land may only convey by quitclaim deed, unless Congress specifically provides otherwise, because the Anti-Deficiency Act prohibits agencies from incurring unfunded contingent future liabilities. Many states have similar statutory prohibitions.

- b. Disclose the capacity in which any grantor acts who conveys in other than an individual capacity.
- c. Show the name of the grantor in the body of the deed and its acknowledgment, be signed by the grantor exactly as his/her name appears as grantee in the conveyance to him/her; and account for any unavoidable difference by a recital identifying the grantor with the grantee in the preceding conveyance.
- d. Disclose the marital status of each grantor.
- e. Recite the true consideration and the receipt thereof.
- f. Convey the land to the "United States of America and its assigns", except in the case of Indian trust lands, where the proposed insured will be "the United States of America in trust for [a named Indian or tribe]", and acquisitions of land in a different name when authorized by Congress.
- g. Contain a proper description of the land.
- h. Convey all the right, title and interest of the grantor in and to any alleys, streets, ways, strips, or gores abutting or adjoining the land.
- i. Contain no reservations or exceptions not approved by the acquiring agency; however, when land is to be conveyed subject to certain rights, such as easements or mineral rights thought to be outstanding in third parties, they must not be "excepted" from the conveyance, but instead, the deed should be framed to convey all the grantor's right, title, and interest "subject to" such outstanding rights, unless the contract or option expressly provides otherwise.
- j. Contain a derivation of title clause (i.e. Refer to the deed(s) to the grantor(s), or other source of grantor's title, by book, page, and place of record), wherever customary or required by statute.
- k. Contain a reference to the name of the agency for which the lands are being acquired. This statement should follow the description of the land and in no instance should it be included in the granting, habendum or warranty provisions of the deed. The statement is to be included to identify the federal agency which has the responsibility for managing or overseeing the government's interest in the land. It is in no way intended to limit or restrict the government's use of the land, or the transfer of administrative responsibility for managing or overseeing the land from one agency to another. The suggested form of this statement is a simple declarative sentence, as follows:

The acquiring federal agency is the Department of the Interior, National Park Service.
- l. Release all rights of homestead, dower, curtesy, and other interests of the grantor's spouse, as required by local law.

- m. Be signed, sealed, attested, and acknowledged by all grantors and their spouses, as required by local law.
- n. If executed by a corporation, be signed in the full and correct name of the corporation by its duly authorized officer or officers, sealed with the corporate seal, attested and acknowledged, as required by local law.
- o. If executed by an attorney in fact, be signed in the name of the principal by the attorney, properly acknowledged by the attorney as the free act and deed of the principal, and be accompanied by the original or a certified copy of the power of attorney and satisfactory proof that the principal was living and the power in force at the time of its exercise.
- p. Have affixed sufficient documentary revenue stamps and/or transfer tax documentation as required for recording.

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9. SPECIAL STANDARDS FOR TEXAS

Texas strictly regulates the title insurance industry and has not adopted the ALTA U.S. Policy - 9/28/91. For this reason, in Texas, the federal government is still using the old form of policy adopted in 1963, referenced in the 1970 Standards. In Texas the old policy form is referred to as the Texas Land Title Association (TLTA) form T-11 U.S. Policy. An associated endorsement is referred to as the TLTA form T-12 U.S. Endorsement. Copies of these forms are included as part of these Title Standards 2001.

The principal difference between the Texas policy and the ALTA policy is procedural: the Texas Policy is intended to be issued to the United States before it acquires the property, although it may also be issued after. When it is issued before closing, it is endorsed after closing by the TLTA form T-12 endorsement, which, among other things, shows the United States as the owner of the land. An acceptable alternative procedure would be for acquiring agencies to get a commitment or binder in advance of closing, and a policy on the TLTA form after.

The guidelines in the Title Standards 2001 are applicable to the preparation of title evidence in land acquisitions in Texas by the United States in all respects except that the forms of title insurance to be used are the ones specified in this section, and the procedures followed in issuing those forms may vary as described.

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10. FORMS

a. Certificate of Title

CERTIFICATE OF TITLE

Name of title company _____ Address _____

To (_____ and) United States of America:

The _____, a Corporation organized and existing under the laws of the State of _____, with its principal office in the City of _____, certifies that it has [made] [obtained a report showing] a thorough search of the title to the property described in Schedule A hereof, beginning with the _____ day of _____, 20____, and hereby certifies that the title to said property was indefeasibly vested in fee simple of record in _____ as of the _____ day of _____, 20____, free and clear of all encumbrances, defects, interests, and all other matters whatsoever, either of record or otherwise known to the corporation, impairing or adversely affecting the title to said property, except as shown in Schedule B hereof.

The maximum liability of the undersigned under this certificate is limited to the sum of \$ _____.

In consideration of the premium paid, this certificate is issued for the use and benefit of (said _____ and) the United States of America (and each of them).

In Witness Whereof, said Corporation has caused these presents to be signed in its name and behalf, sealed with its corporate seal, and delivered by its proper officers thereunto duly authorized, as of the date last above mentioned.

(Name of title company)

By _____
(Name and Title of executing officer)

Attest:

(Name and Title of attesting officer)

SCHEDULE A

The property covered by this certificate is accurately and fully described as follows _____

SCHEDULE B

The property described in Schedule A hereof is free and clear from all interests, encumbrances, and defects of title and all other matters whatsoever of record, or which, though not of record, are known to this corporation to exist, impairing or adversely affecting the title to said property, except the following:

b. Certificate of Inspection and Possession

CERTIFICATE OF INSPECTION AND POSSESSION
(form # 1)

This relates to an acquisition of the following described land, or an interest therein, by the United States of America.

A. Property and project information:

1. The acquiring federal agency is: [name the agency]

2. The name and address of the owner(s) of the property is:

[name and address of owner]

3. The property is identified and/or described as follows:

[insert some or all of the following: agency parcel number and project name, street address, acreage, common name of property or other reference sufficient to identify it; plus the name of the county and state where it is located; plus, if available, a legal description here or on an attached exhibit]

4. The estate(s) to be acquired is/are:

[insert and identify estate (ex: fee simple, utility easement)]

7. The condemnation proceeding name and civil action number are:

[if applicable, insert the condemnation proceeding name and civil action number]

B. Certification: I hereby certify that on [date] _____, I made a personal examination and inspection of that certain tract or parcel of land identified above, and that I am fully informed as to the boundaries, lines and corners of said tract. I also spoke with the above-named owner(s) and with any other occupants (identified below) of said land. On the basis of my inspection and inquiry, I hereby certify that the following statements are accurate, or, if one or more statements is not accurate I have marked it/them and I have indicated on this sheet or on an attachment my findings which vary from the statement:

(date)

(signature)

(print name, title, address and telephone number)

1. No work or labor has been performed or any materials furnished in connection with the making of any repairs or improvements on said land within the past ___ months that would entitle any person to a lien upon said premises for work or labor performed or materials furnished.
2. There are no persons or entities (corporations, partnerships, etc.) which have, or which may have, any rights of possession or other interest in said premises adverse to the rights of the above-named owner(s) or the United States of America.
3. There are no vested or accrued water rights for mining, agricultural, manufacturing, or other purpose; nor any ditches or canals constructed by or being used thereon under authority of the United States, nor any exploration or operations whatever for the development of coal, oil, gas or other minerals on said lands; and there are no possessory rights now in existence owned or being actively exercised by any third party under any reservation contained in any patent or patents heretofore issued by the United States for said land.
5. There are no outstanding rights whatsoever in any person or entity (corporation, partnership, etc.) to the possession of said premises, nor any outstanding right, title, interest, lien, or estate, existing or being asserted in or to said premises except such as are disclosed and evidenced by the public records, as revealed by the government's title evidence.
6. Said premises are now wholly unoccupied and vacant except for the occupancy of the following, from whom disclaimer(s) of all right, title and interest in and to said premises, executed on [date] _____ has (have) been obtained:

CERTIFICATE OF INSPECTION AND POSSESSION
(form # 2)

This relates to an acquisition of the following described land, or an interest therein, by the United States of America:

A. Property and project information:

1. The acquiring federal agency is: [name the agency]

2. The name and address of the owner(s) of the property is:

[name and address of owner]

3. The property is identified and/or described as follows:

[insert some or all of the following: agency parcel number and project name, street address, acreage, common name of property or other reference sufficient to identify it; plus the name of the county and state where it is located; plus, if available, a legal description here or on an attached exhibit]

4. The estate(s) to be acquired is/are:

[insert and identify estate (ex: fee simple, utility easement)]

7. The condemnation proceeding name and civil action number are:

[if applicable, insert the condemnation proceeding name and civil action number]

B. Certification (physical inspection): I hereby certify that on [date] _____ I made a personal examination and inspection of that certain tract or parcel of land identified above, and that I am fully informed as to the boundaries, lines and corners of said tract. On the basis of my inspection, I hereby certify that the following statements are accurate, or, if one or more statements is not accurate I have marked it/them and I have indicated on this sheet or on an attachment my findings which vary from the statement:

(date)

(signature)

(print name, title, address and telephone number)

1. No work or labor has been performed or any materials furnished in connection with the making of any repairs or improvements on said land within the past ___ months that would entitle any person to a lien upon said premises for work or labor performed or materials furnished,

2. ~~There are no persons or entities (corporations, partnerships, etc.) which have, or which~~ may have, any rights of possession or other interest in said premises adverse to the rights of the above-named owner(s) or the United States of America.

3. There are no vested or accrued water rights for mining, agricultural, manufacturing, or other purpose; nor any ditches or canals constructed by or being used thereon under authority of the United States, nor any exploration or operations whatever for the development of coal, oil, gas or other minerals on said lands; and there are no possessory rights now in existence owned or being actively exercised by any third party under any reservation contained in any patent or patents heretofore issued by the United States for said land.

5. There are no outstanding rights whatsoever in any person or entity (corporation, partnership, etc.) to the possession of said premises, nor any outstanding right, title, interest, lien, or estate, existing or being asserted in or to said premises except such as are disclosed and evidenced by the public records, as revealed by the government's title evidence.

6. Said premises are now wholly unoccupied and vacant except for the occupancy of the following, from whom disclaimer(s) of all right, title and interest in and to said premises, executed on [date] _____ has (have) been obtained:

C. Certification (owner inquiry): I hereby certify that on [date] _____ I spoke with the above-named owner(s) and with any other occupants (identified below) of said land. On the basis of my inquiry, I hereby certify that the following statements are accurate, or, if one or more statements is not accurate I have marked it/them and I have indicated on this sheet or on an attachment my findings which vary from the statement:

(date) (signature)

(print name, title, address and telephone number)

1. No work or labor has been performed or any materials furnished in connection with the making of any repairs or improvements on said land within the past ___ months that would entitle any person to a lien upon said premises for work or labor performed or materials furnished,

2. There are no persons or entities (corporations, partnerships, etc.) which have, or which may have, any rights of possession or other interest in said premises adverse to the rights of the above-named owner(s) or the United States of America.
3. There is no outstanding unrecorded deed, mortgage, lease, contract, or other instrument adversely affecting the title to said premises.
4. There are no vested or accrued water rights for mining, agricultural, manufacturing, or other purpose; nor any ditches or canals constructed by or being used thereon under authority of the United States, nor any exploration or operations whatever for the development of coal, oil, gas or other minerals on said lands; and there are no possessory rights now in existence owned or being actively exercised by any third party under any reservation contained in any patent or patents heretofore issued by the United States for said land.
5. There are no outstanding rights whatsoever in any person or entity (corporation, partnership, etc.) to the possession of said premises, nor any outstanding right, title, interest, lien, or estate, existing or being asserted in or to said premises except such as are disclosed and evidenced by the public records, as revealed by the government's title evidence.
6. Said premises are now wholly unoccupied and vacant except for the occupancy of the following, from whom disclaimer(s) of all right, title and interest in and to said premises, executed on [date] _____ has (have) been obtained:

c. Disclaimer

DISCLAIMER

County of _____

ss:

State of _____

We (I) _____ (wife) (husband), being first duly sworn, depose and say (deposes and says) that we are (I am) occupying all (a part) of the land (proposed to be) acquired by the United States of America from _____, described as _____ acres, Tract No.

_____, lying in _____ County, State of _____; that we are (I am) occupying said land as the tenants (tenant) of _____; that we (I) claim no right, title, lien or interest in and to the above-described premises or any part thereof by reason of said tenancy or otherwise and that we (I) will vacate said premises upon demand for the possession of said lands by the United State of America.

Dated this _____ day of _____, _____
(month) (Year)

(Tenant)

Witnesses:

(Spouse)

d. Affidavit of heirship

AFFIDAVIT OF HEIRSHIP

I, _____, residing
(Name of affiant)
at _____ in _____
(Street and number)
_____, _____
(City or town) (State) (County)
being of full legal age, for the purpose of establishing the legal ownership of certain land in
_____,
(City or town)
_____, _____, proposed
(County) (State)
to be purchased by the United States of America from all the lawful heirs
of _____
(Name of decedent)
late of _____,
(City or town) (County)
_____, who died on the _____ day of
(State)
_____, _____, at the age of _____ years, a resident of _____

(City or town) (County) (State)
on oath depose and say as follows:

(1) That I was personally acquainted with the above-named decedent for the period of _____ years from _____ 19__ until his death, and that my relationship to said decedent was _____

(2) That said decedent was married but once and then to _____ at _____ (Spouse) (location) in 19__, who [survived] [predeceased]. (The affiant should cross out any statement enclosed in brackets which is not applicable to said decedent.)

(3) That the following is a list of the full names, relationships to the decedent, ages, marital status, and addresses of all surviving issue or other heirs of said decedent:

| Full name | Relationship to decedent | Age | Married to | Address |
|-----------|--------------------------|-----|------------|---------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

(4) [That said decedent left no will, no issue, or no collateral heirs other than those named above and no unpaid debts or claims except as stated below.] (All statements made by the affiant will be considered to be made on the affiant's personal knowledge unless the contrary is expressly indicated.) [That I have made careful inquiry and that to the best of my information and belief said decedent left no will, no issue, or no collateral heirs other than those named above, and no unpaid debts or claims except as stated below.] (The affiant should cross out any statement enclosed in brackets which is not applicable.)

(Unpaid debts)

(5) That the value of the decedent's entire estate at death, including all property, real and personal, then owned by the decedent, did not exceed \$ _____, and that all funeral expenses and debts against the estate have been paid.

(6) That I am [not] interested financially or by reason of relationship to said decedent in the proposed conveyance to the United States of America in connection with which this affidavit is furnished, and understand that it is secured for the purpose of inducing the United States to purchase land owned by said decedent.

_____, 20__

ss:

Then personally appeared before me the above-named _____, who subscribed the foregoing affidavit and made oath that the statements contained therein are true.

(Title)

e. ALTA U.S. Policy - 9/28/91

ALTA U.S. Policy - 9/28/91

UNITED STATES OF AMERICA
POLICY OF TITLE INSURANCE

Issued by

BLANK TITLE INSURANCE COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, BLANK TITLE INSURANCE COMPANY, a Blank 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.
5. In instances where the insured acquires title to the land by condemnation, failure of the commitment for title insurance, as updated to the date of the filing of the lis pendens notice or the Declaration of Taking, to disclose the parties having an interest in the land as disclosed by the public records.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations. [Witness clause optional]

BLANK TITLE INSURANCE COMPANY

BY: _____
PRESIDENT

BY: _____
SECRETARY

ALTA U.S. Policy - 9/28/91

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 the policy;

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

(d) attaching or created subsequent to Date of Policy.

4. This policy does not insure against the invalidity or insufficiency of any condemnation proceeding instituted by the United States of America, except to the extent set forth in insuring provision 5.

SCHEDULE A

[File No.] Policy No.

Amount of Insurance \$

[Premium \$]

a.m.

Date of Policy _____ [at p.m.]

1. Name of Insured:

2. The estate or interest in the land which is covered by this policy is:
3. Title to the estate or interest in the land is vested in:
4. The land referred to in this policy is described as follows:]

[If Paragraph 4 is omitted, a Schedule C, captioned the same as Paragraph 4, must be used.]

SCHEDULE B

[File No.] Policy No.

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. [POLICY MAY INCLUDE REGIONAL EXCEPTIONS IF SO
2. DESIRED BY ISSUING COMPANY]
3. [VARIABLE EXCEPTIONS SUCH AS TAXES, EASEMENTS, CC & Rs, ETC.]
- 4.

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.

(b) "insured claimant": an insured claiming loss or damage.

(c) "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.

(d) "land": the land described or referred to in Schedule [A][C], 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][C], 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.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "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. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "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 to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

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 the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 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, 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, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the 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 the 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 an 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 this policy. The Company shall have the right to select counsel of its choice (subject to the right of the 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 the insured in the defense of those causes of action which allege matters not insured 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, as insured, or to prevent or reduce loss or damage to the 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, the 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 the insured for this purpose. Whenever requested by the Company, the 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 as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the 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.

(e) Notwithstanding Conditions and Stipulations Section 4(a-d), the Attorney General of the United States shall have the sole right to authorize or to undertake the defense of any matter which would constitute a claim under the policy, and the Company may not represent the insured without authorization. If the Attorney General elects to defend at the Government's expense, the Company shall, upon request, cooperate and render all reasonable assistance in the prosecution or defense of the proceeding and in prosecuting any related appeals. If the Attorney General shall fail to authorize and permit the Company to defend, all liability of the Company with respect to that claim shall terminate; provided, however, that if the Attorney General shall give the Company timely notice of all proceedings and an opportunity to suggest defenses and actions as it shall recommend should be taken, and the Attorney General shall present the defenses and take the actions of which the Company shall advise the

Attorney General in writing, the liability of the Company shall continue and, in any event, the Company shall cooperate and render all reasonable assistance in the prosecution or defense of the claim and any related appeals.

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 the insured claimant shall be furnished to the Company within 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 the insured claimant to provide the required proof of loss or damage, the Company's obligations to the 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, the 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 the 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. Unless prohibited by law or governmental regulation, failure of the 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 shall terminate any liability of the Company under this policy as to 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.

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.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, 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.

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

(i) Subject to the prior written approval of the Attorney General, 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 6(b)(i) or (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. Failure of the Attorney General to give the approval called for in 6(b)(i) shall not prejudice the rights of the insured unless the Company is prejudiced thereby, and then only to the extent of the prejudice.

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 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.

(b) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT.

If the land described in Schedule [A][C] consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro

rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. 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, 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 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.

10. REDUCTION OF INSURANCE: REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. 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.

12. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy or an accurate facsimile 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 30 days thereafter.

13. 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 to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

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.

(b) 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.

(c) No Subrogation to the Rights of the United States.

Notwithstanding the provisions of Conditions and Stipulations Section 13(a) and (b), whenever the Company shall have settled and paid a claim under this policy, the Company shall not be subrogated to the rights of the United States. The Attorney General may elect to pursue any additional remedies which may exist, and the Company may be consulted. If the Company agrees in writing to reimburse the United States for all costs, attorney's fees and expenses, to the extent that funds are recovered they shall be applied first to reimbursing the Company for the amount paid to satisfy the claim, and then to the United States.

14. ARBITRATION ONLY BY AGREEMENT.

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 shall be arbitrated only when agreed to by both the Company and the Insured.

The law of the United States or, if there be no applicable federal law, 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.

15. 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 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.

16. 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.

17. 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 (fill in).

NOTE: Bracketed [] material optional

f. TLTA U.S. Policy form T-11 for use in federal land acquisitions in Texas.

POLICY OF TITLE INSURANCE

Issued by

BLANK TITLE INSURANCE COMPANY

Policy Number _____

Amount \$ _____

Blank Title Insurance Company, a blank corporation, herein called the Company, for a valuable consideration

Hereby Insures

The United States of America

hereinafter called the Insured, against loss or damage not exceeding \$ _____, together with costs and expenses which the Company may become obligated to pay as provided in the Conditions and Stipulations hereof, which the Insured shall sustain by reason of: any defect in or lien or encumbrance on the title to the estate or interest covered hereby in the land described or referred to in Schedule A, existing at the date hereof, not shown or referred to in Schedule B or excluded from coverage by the General Exceptions: All subject, however, to the provisions of Schedules A and B and to the General Exceptions and to the Conditions and Stipulations hereto annexed: all as of the _____ day of _____, 20____, the effective date of this policy.

In Witness Whereof, Blank Title Insurance Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers.

Countersigned:

Blank Title Insurance Company

By _____
President

By _____
Secretary

SCHEDULE A

1. The estate or interest in the land described or referred to in this schedule covered by this policy is:

2. *(Will be shown as a fee or such lesser estate or interest owned by the person or party named in paragraph 2 of this Schedule.)*

2. Title to the estate or interest covered by this policy at the date hereof is vested in: _____

5. The land referred to in this policy is situated in the County of _____ State of _____, and is described as follows:

(This phraseology may be modified to eliminate a specific description by including it by reference to the description as contained in a specific instrument.)

SCHEDULE B

This policy does not insure against loss or damage by reason of the following:

1. Current and delinquent taxes and assessments as follows:
(List all taxing districts in which the land is situated and other taxing authorities that have jurisdiction over said land for the levy of taxes: showing lien date for each and amounts for all such assessments that have not been paid on the date of the policy.)
2. *(Continue with the Special Exceptions such as recorded easements, liens, etc., showing in addition the persons or parties holding such interests of record, and who the Company would require to convey such interest or who would be the proper parties defendant in a condemnation proceeding to eliminate such matter. The writeup could be substantially as follows: An easement for road purposes conveyed to _____, by deed recorded _____.)*

GENERAL EXCEPTIONS Governmental Powers

1. Because of limitations imposed by law on ownership and use of property, or which arise from governmental powers, this policy does not insure against:
 - (a) consequences of the future exercise or enforcement or attempted exercise or enforcement of police power, bankruptcy power, or power of eminent domain, under any existing or future law or governmental regulation;
 - (b) consequences of any law, ordinance or governmental regulation, now or hereafter in force (including building and zoning ordinances), limiting or regulating the use or enjoyment of the property, estate or interest described in Schedule A, or the character, size, use or location of any improvement now or hereafter erected on said property.

Matters Not of Record

2. The following matters which are not of record at the date of this policy are not insured against:
 - (a) rights or claims of parties in possession not shown of record;
 - ~~(b) questions of survey;~~
 - (c) easements, claims of easement or mechanics' liens where no notice thereof appears of record; and

- (d) conveyances, agreements, defects, liens or encumbrances, if any, where no notice thereof appears of record; provided, however the provisions of this subparagraph 2(d) shall not apply if title to said estate or interest is vested in the United States of America on the date hereof.

Matters Subsequent to Date of Policy

3. This policy does not insure against loss or damage by reason of defects, liens or encumbrances created subsequent to the date hereof.

Refusal to Purchase

4. This policy does not insure against loss or damage by reason of the refusal of any person to purchase, lease or lend money on the property, estate or interest described in Schedule A.

CONDITIONS AND STIPULATIONS

Notice of Actions

1. If any action or proceeding shall be begun or defense asserted which may result in an adverse judgment or decree resulting in a loss for which this Company is liable under this policy, notice in writing of such action or proceeding or defense shall be given by the Attorney General to this company within 90 days after notice of such action or proceeding or defense has been received by the Attorney General; and upon failure to give such notice then all liability of this Company with respect to the defect, claim, lien or encumbrance asserted or enforced in such action or proceeding shall terminate. Failure to give notice, however, shall not prejudice the rights of the party insured, (1) if the party insured shall not be a party to such action or proceeding, or (2) if such party, being a party to such action or proceeding be neither served with summons therein nor have actual notice of such action or proceedings, or (3) if this Company shall not be prejudiced by failure of the Attorney General to give such notice.

Notice of Writs.

2. In case knowledge shall come to the Attorney General of the issuance or service of any writ of execution, attachment of other process to enforce any judgment, order or decree adversely affecting the title, estate or interest insured said party shall notify this company thereof in writing within 90 days from the date of such knowledge; and upon a failure to do so, then all liability of this Company in consequence of such judgment, order or decree or matter thereby adjudicated shall terminate unless this Company shall not be prejudiced by reason of such failure to notify.

Defense of Claims

3. This company agrees, but only at the election and request of the Attorney General of the United States, to defend at its own cost and expense the title, estate or interest hereby insured in all actions or other proceedings which are founded upon or in which it is asserted by way of defense, a defect, claim, lien or encumbrance against which this policy insures, provided, however, that the request to defend is given within sufficient time to permit the Company to answer or otherwise participate in the proceeding.

If any action or proceeding shall be begun or defense be asserted in any action or proceeding affecting or relating to the title, estate or interest hereby insured and the Attorney General elects do defend at the Government's expense, the Company shall upon request, cooperate and render all reasonable assistance in the prosecution or defense of such proceeding and in prosecuting appeals.

If the Attorney General shall fail to request and permit the Company to defend, then all liability of the Company with respect to the defect, claim, lien or encumbrance asserted in such action or proceeding shall terminate; provided, however, that if the Attorney General shall give the Company timely notice of all proceedings and an opportunity to suggest such defenses and actions as it shall conceive should be taken and the Attorney General shall present the defenses and take the actions of which the Company shall advise him in writing, then the liability of the Company shall continue; but in any event the Company shall permit the Attorney General without cost or expense to use the information and facilities of the Company for all purposes which he thinks necessary or incidental to the defending of any such action or proceeding or any claim asserted by way of defense therein and to the prosecuting of any appeal.

Compromise of Adverse Claims

4. Any compromise, settlement or discharge by the United States or its duly authorized representative of an adverse claim, without the consent of this Company shall bar any claim against the Company hereunder; provided, however, that the Attorney General may at his election submit to the issuing company for approval or disapproval any proposed compromise, settlement or discharge of any adverse claim and in the event of the consent of the issuing company to the proposed compromise, settlement or discharge it shall be liable for the payment of the full amount paid.

Statement of Loss

5. A statement in writing of any loss or damage sustained by the party insured, and for which it is claimed this Company is liable under this policy, shall be furnished by the Attorney General to this Company within 90 days after said party has notice of such loss or damage and no right of action shall accrue under this policy until 30 days after such statement shall have been furnished. No recovery shall be had under this policy unless suit be brought thereon within one year after said period of 30 days. Failure to furnish such statement of loss or to bring such suit within the times specified shall not affect the Company's liability under this policy unless this company has been prejudiced by reason of such failure to furnish a statement of loss or to bring such suit.

Policy Reduced by Payments of Loss

6. All payments of loss under this policy shall reduce the amount of this policy pro tanto.

Amendment of Policy

7. No provision or condition of this policy can be waived or changed except by writing endorsed hereon or attached hereto signed by the President, a Vice President, the Secretary, and Assistant Secretary or other validating officer of the Company.

Notices, Where Sent

8. All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at (insert proper address).

g. TLTA U.S. Policy Endorsement form T-12 for use in federal land acquisitions in Texas.

ENDORSEMENT

Attached to Policy No.

Issued by

BLANK TITLE INSURANCE COMPANY

1. Schedule A of the above policy is hereby amended in the following particulars:
 - (a) Paragraph 1 of Schedule A is hereby deleted and the following is substituted:
 1. The estate or interest in the land described or referred to in this Schedule covered by this policy is:
(An easement for _____.)
 - (b) Paragraph 2 of Schedule A is hereby deleted and the following is substituted:
 2. Title to the estate or interest covered by this policy at the date hereof is vested in:
THE UNITED STATES OF AMERICA
(Follow with appropriate reference to Declaration of Taking or Deed.)
 - (c) Paragraph 3 of Schedule A is hereby deleted and the following is substituted:
 3. The land referred to in this policy is situated in the County of _____ State of _____, and is described as follows:
(Here give description of land actually acquired.)
2. Schedule B of the above policy is hereby amended in the following particulars:
 - (a) Paragraphs numbered _____, _____, _____ and _____ of Schedule B are hereby deleted.
(Enumerate those paragraphs eliminated by proper releases, conveyances, etc.)
 - (b) Schedule B of the above policy is amended by adding the following paragraphs numbered _____ to _____, inclusive.
3. Subparagraph 2(d) of the General Exceptions of the above policy is hereby deleted.
4. The effective date of the above policy is hereby extended to

_____ (Date of recording of Deed or Notice of Action, since no insurance is to be afforded as to regularity of proceedings.)

The total liability of the Company under said policy and this endorsement thereto shall not exceed, in the aggregate, the sum of \$ _____ and costs which the Company is obligated under the Conditions and Stipulations thereof to pay.

This endorsement is made a part of said policy and is subject to the Schedules, General Exceptions and the Conditions and Stipulations therein, except as modified by the provisions hereof.

Dated:

Blank Title Insurance Company,

By _____
(Authorized officer)

Quick links to Contents:

Table of Contents / Why Title Standards 2001, and who uses it? / Evidence of title / Abstract of Title / Supplemental and Supporting Title Evidence / Title Insurance Policies and Certificates of Title / Final Title Evidence / Title Evidence for Condemnations / The Deed to the United States / Special Standards for Texas / Sample Forms

Tab 2- Glossary of Acronyms

Glossary of Acronyms

ACOE – Army Corp of Engineers – The office with jurisdiction over all the waterways in the United States.

ALJ – Administrative Law Judge – The judge at the OHA who administers & facilitates the probate process and who is charged with the responsibility of making the final determinations for probate orders.

BIA – Bureau of Indian Affairs

BIAM – Bureau of Indian Affairs Manual – Generally used as a guideline for completing functions within the BIA. BIA's "How To" book.

BLM – Bureau of Land Management – The office that maintains all the land records that originated from the General Land Office. Also, the only office that can officially conduct cadastral surveys on Indian lands.

CAT EX – A Categorical Exclusion from NEPA - There is a checklist within the requirements for NEPA that if all the questions are answered no, then a CAT EX generally would apply.

CFI – Commitment for Insurance – A critical item needed for a F/T application that is obtained from the Certified Title Company, with the name of the insured as "The United States or America in Trust for "Tribe name as found in the F.R."

CFR – Code of federal Regulations – The rules implemented to enforce and uphold the Statutory Law.

DOI – Department of Interior

DOJ – Department of Justice – The BIA's attorneys (Solicitor) who are primarily responsible for Title review and acceptance. The Title Standards we use for F/T are issued by the DOJ.

EA – Environmental Assessment – The most commonly used Environmental document to documents and mitigates the effects of the proposed project on the Environment.

EIS – Environmental Impact Statement – The next level of Environmental review that is done if an EA will not satisfy the requirements for NEPA compliance. Most commonly used for Gaming acquisitions.

FOIA – Freedom of Information Act – The act by which individuals and entities can request copies of documents from the Federal Government, with some exceptions.

FR – Federal Register – The publication of all notices for the Federal Government.

FSO – Field Solicitors Office – The local office of the Solicitor – the DOJ representative, with delegated authority.

F/T – Fee to Trust

FTO – Final Title Opinion – Issued by the FSO, one of the final steps in the F/T process.

GLO – General Land Office – The originating office that conducted all the initial surveys of the United States.

IBIA – Interior Board of Indian Appeals – The office responsible for hearing all administrative appeals on Indian issues.

ILCA – Indian Land Consolidation Act – The act that extended acquisition authority to Non-IRA tribes.

IRA – Indian Reorganization Act – The act that gave tribes the authority to acquire real property. Section 5 of the IRA is acquisition authority, for IRA tribes.

LTRO – Land Titles & Records Office – A department within the BIA that houses all the records related to title ownership. BIA's version of a Title Co.

MOU – Memorandum of Understanding – An agreement between parties for services and/or commitments.

MSA – Multi Service Agreement – An agreement between parties, mostly used for agreements between Tribes and local entities, i.e. Fire Department, Police/Sheriff, Ambulatory, water/sewer, etc.

NCAI – National Congress of American Indians – The leading organization for Indian Advocacy and Indian Rights Issues.

NEPA – National Environmental Policy Act – The Federal Law for environmental review.

NIGC – National Indian Gaming Commission – The office has the authority to review tribal ordinances, approve management contracts, conduct background investigations and assess fees for Class III gaming.

OHA - Office of Hearings & Appeals – The department that is responsible for adjudicating all Indian Probates.

OIGM – Office of Indian Gaming Management – The office responsible for Gaming contracts review, approval and compliance.

Phase 1/Level 1 – The survey done in compliance with NEPA to determine if any contaminants exist on the property being taken in to trust.

PRT – Preliminary Title Report – Evidence of title obtained from a Certified Title Company.

PTO – Preliminary Title Opinion – Issued by the FSO, the first opinion of title given at the start of the F/T process.

USC – United States Code – The laws passed by the US Government.

USCA – United States Code Annotated – The Code broken up by specific subject, i.e. 25 USCA is Indian Law.

USGS – United States Geological Survey – A quad map system that is used to show GLO surveys and contours in the land.

Tab 3- Sample Case

- a. Preliminary Title Report
 - b. Title Commitment
 - c. Title Policy
 - d. Document recorded March 23, 1989 as Instrument No. 1989-5791
 - e. Record of Survey Book 19 of Survey, Page 128. (from the legal description)
-

a. Preliminary Title Report



First American Title

1034 Sixth Street
Eureka, CA 95501

RECEIVED
RES 3/25/05

- Tribal Office

P.O. Box

Phone: (

Title Officer:

Phone:

Fax No.:

E-Mail:

Martha

(

(

mmalich@firstam.com

Buyer:

Property:

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

*USE DATE OF TITLE for
all paperwork*

Dated as of March 07, 2005 at 7:30 A.M.

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

to come

A specific request should be made if another form or additional coverage is desired.

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

P. of California

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

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

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

1. General and special taxes and assessments for the fiscal year 2005-2006, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2004-2005.

| | |
|---------------------|----------------|
| First Installment: | \$790.09, PAID |
| Penalty: | \$0.00 |
| Second Installment: | \$790.09, DUE |
| Penalty: | \$0.00 |
| Tax Rate Area: | 057-001 |
| A. P. No.: | ? |
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

4. An unrecorded Agreement of the City of _____ and Occupants Consent for Right of Way disclosed to the Company.

For: road access purposes

Affects: approximately 800 feet and 15 feet in width, adjacent and parallel to the boundary fence between _____ and _____ assignment. as same existed September 25, 1955.

Document(s) declaring modifications thereof recorded July 16, 2003 as Instrument No. 2003-26467-3 of Official Records.

5. An easement for utilities and incidental purposes in the document recorded March 23, 1989 as Instrument No. 1989-5791 of Official Records.

Affects: indefinite as to location

6. Prior to the issuance of any policy of title insurance, the Company will require:

With respect to _____ of California:

- a. A copy of its constitution, bylaws and/or other governing documents.
- b. A certified copy of a resolution of the tribal council or other governing body (or other satisfactory documentation) authorizing the contemplated transaction and designating which individuals shall have the power to execute documents.
- c. The Company's Agreement for Services executed by duly authorized signers together with satisfactory evidence of such authorization.
- d. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

INFORMATIONAL NOTES

1. Short term rate applies.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

*INSURE
ACCURACY*

Order Number: 1;
Page Number: 5

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of _____, State of California,
described as follows:

Parcel 3 of the Record of Survey of the _____ as per Map recorded in Book 19,
Page 128 of Surveys, in the Office of the County Recorder of said County.

APN: _____

NOTICE

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

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

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

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

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:
1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency 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.

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 the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. (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.
3. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
4. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or 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;
(b) resulting in no loss or damage to the insured claimant;
(c) attaching or created subsequent to Date of Policy; or
(d) 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.
5. 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.
6. 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.
7. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

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 the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. (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.
3. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
4. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or 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;
(b) resulting in no loss or damage to the insured claimant;
(c) attaching or created subsequent to Date of Policy; or
(d) 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.
5. 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.
6. 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.
7. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or

created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

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

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

SCHEDULE B

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

Part One

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

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

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

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

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

SCHEDULE B

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

Part One

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

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

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

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

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

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

SCHEDULE B

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

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

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

EXCLUSIONS FROM COVERAGE

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

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

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

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

SCHEDULE B

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

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

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

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - * land use
 - * land division
 - * improvements on the land
 - * environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.
This exclusion does not limit the zoning coverage described in items 12 and 13 of Covered Title Risks.

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:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or area of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14 and 16 of this policy.

EXCLUSIONS FROM COVERAGE

12. SECOND GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)

- In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:
 - Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - building
 - zoning
 - land use
 - land division
 - improvements on the land
 - 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.
- 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.
- 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
 - the taking happened before the Policy Date and is binding on you if you bought the Land without knowing of the taking.
- Risks:
 - that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - that are known to You at the Policy Date, but not to us, unless they appear in the Public Records at the Policy Date;
 - that result in no loss to You; or
 - 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.
- Failure to pay value for Your Title.
- Lack of a right:
 - to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - in streets, alleys, or waterways that touch the Land.
- This exclusion does not limit the coverage described in Covered Risk 11 or 18.

EXCLUSIONS

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

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

11. EAGLE PROTECTION OWNER'S POLICY

- The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
- Title Risks:
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - that result in no loss to you
 - that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
- Failure to pay value for your title.
- Lack of a right:
 - to any land outside the area specifically described and referred to in Item 3 of Schedule A; or
 - in streets, alleys, or waterways that touch your land.
- This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under 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 or 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 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.

SCHEDULE B

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

1. The following existing statutes, reference to which are made part of the ALTA 8.1 Environmental Protection Lien Endorsement incorporated into this Policy following item 28 of Covered Risks: NONE.

13. SECOND GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) WITH REGIONAL EXCEPTIONS

When the American Land Title Association loan policy with EAGLE Protection Added is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 12 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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

Part One:

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

Part Two:

1. The following existing statutes, reference to which are made part of the ALTA 8.1 Environmental Protection Lien Endorsement incorporated into this Policy following item 28 of Covered Risks: None.

PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

b. Title Commitment



First American Title Company

1034 Sixth Street, P.O. Box 88 (95502)
Eureka, CA 95501

February 22, 2006

Order Number:

1

Title Officer:

Tom P

Phone:

Fax No.:

E-Mail:

(408) 443-9100

n

Buyer:

United States of America in Trust for P
California

Property:

We enclose the following:

Commitment For Title Insurance

Thank you for your confidence and support. We at First American Title Company maintain the fundamental principle:

Customer First!

**FIRST AMERICAN TITLE INSURANCE COMPANY
INFORMATION**

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

This information is not part of the title insurance commitment.

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**YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.
If you have any questions about the Commitment,
please contact the issuing office.**

Form No. 1068-2
ALTA Commitment

Commitment No.: 1
Page Number: 2

*get to receive
another 6 mos*

COMMITMENT FOR TITLE INSURANCE

Issued by

First American Title Company

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

- The Provisions in Schedule A.
- The Requirements in Schedule B-1.
- The Exceptions in Schedule B-2.
- The Conditions.

This Commitment is not valid without Schedule A and Sections 1 and 2 of Schedule B.

SCHEDULE A

1. Commitment Date: May :30 A.M.

2. Policy or Policies to be issued: Amount

(A) **ALTA U.S. POLICY FORM 9-28-91** \$87
Proposed Insured:
United States of America in Trust for
California

3. (A) The estate or interest in the land described in this Commitment is:

A fee.

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

of California

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

INS. MUST COVER COST OF PROPERTY

Form No. 1068-2
ALTA Commitment

Commitment No.: _____
Page Number: 4

Real property in the unincorporated area of the County of _____, State of California,
described as follows:

Parcel 3 of the Record of Survey of the _____ as per Map recorded in Book 19,
Page 128 of Surveys, in the Office of the County Recorder of said County.

APN: _____

*Need copy
of Survey*

SCHEDULE B
SECTION ONE
REQUIREMENTS

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (D) 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.
- (E) Releases(s) or Reconveyance(s) of Item(s): 1,2 and 5 of Commitment dated May 9, 2005 at 7:30 a.m.
- (F) Other: NONE
- (G) You must give us the following information:
 - 1. Any off record leases, surveys, etc.
 - 2. Statement(s) of Identity, all parties.
 - 3. Other: Grant Deed from ' State of California to The United States of
America in Trust for I California

SCHEDULE B**SECTION TWO****EXCEPTIONS**

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction. The printed exceptions and exclusions from the coverage of the policy or policies are set forth in Exhibit A attached. Copies of the policy forms should be read. They are available from the office which issued this Commitment.

1. General and special taxes and assessments for the fiscal year 2005-2006, a lien not yet due or payable.
2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
3. An easement for utilities and incidental purposes in the document recorded March 23, 1989 as Instrument No. 1989-5791 of Official Records.

Affects: indefinite as to location

4. Prior to the issuance of any policy of title insurance, the Company will require:

With respect to _____ if California:

- a. A copy of its constitution, bylaws and/or other governing documents.
- b. A certified copy of a resolution of the tribal council or other governing body (or other satisfactory documentation) authorizing the contemplated transaction and designating which individuals shall have the power to execute documents.
- c. The Company's Agreement for Services executed by duly authorized signers together with satisfactory evidence of such authorization.
- d. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

Form No. 1068-2
ALTA Commitment

Commitment No.: 1
Page Number: 7

INFORMATIONAL NOTES

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

CONDITIONS

1. DEFINITIONS

- (a) "Mortgage" means mortgage, deed of trust or other security instrument.
(b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section Two may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section One are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section One
or
eliminate with our written consent any Exceptions shown in Schedule B - Section Two.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

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

EXCEPTIONS FROM COVERAGE

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

EXCLUSIONS FROM COVERAGE

- The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:
1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
 2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
 3. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
 4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
 5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
 6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or

created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

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

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

SCHEDULE B

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

Part One

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

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

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

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

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

SCHEDULE B

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

Part One

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

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

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

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

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

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

SCHEDULE B

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

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

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

EXCLUSIONS FROM COVERAGE

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

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

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

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

SCHEDULE B

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

Part One:

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

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

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - * land use
 - * land division
 - * improvements on the land
 - * environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - * a notice of exercising the right appears in the public records on the Policy Date
 - * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
 - * that are created, allowed, or agreed to by you
 - * that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - * that result in no loss to you
 - * that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
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 landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

11. EAGLE PROTECTION OWNER'S POLICY

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

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

EXCLUSIONS

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. land use
 - d. improvements on the land
 - e. land division
 - f. environmental protectionThis exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This exclusion does not limit the coverage described in Covered Risk 11 or 18.

12. SECOND GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION 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 building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or area of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under 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 at 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 or 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 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.

SCHEDULE B

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

1. The following existing statutes, reference to which are made part of the ALTA 8.1 Environmental Protection Lien Endorsement incorporated into this Policy following item 28 of Covered Risks: NONE.

13. SECOND GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) WITH REGIONAL EXCEPTIONS

When the American Land Title Association loan policy with EAGLE Protection Added is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 12 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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

Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.

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ALTA Commitment

Commitment No.: :
Page Number: 15

5. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

Part Two:

1. The following existing statutes, reference to which are made part of the ALTA 8.1 Environmental Protection Lien Endorsement incorporated into this Policy following item 28 of Covered Risks: None.

PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

c. Title Policy

UNITED STATES OF AMERICA Policy of Title Insurance



ISSUED BY

First American Title Insurance Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California 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:

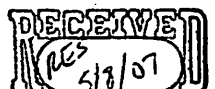
1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.
5. In instances where the insured acquires title to the land by condemnation, failure of the commitment for title insurance, as updated to the date of the filing of the lis pendens notice or the Declaration of Taking, to disclose the parties having an interest in the land as disclosed by the public records.

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

First American Title Insurance Company

BY *Gary L. Keruett* PRESIDENT

ATTEST *Mark A. Arsen* SECRETARY



SCHEDULE A

Premium: \$

Amount of Insurance: \$8

Policy Number:

Date of Policy: 7 at 2:22 P.M.

1. Name of insured:

United States of America in trust for the [*Tribe Name*], California a Federally Recognized Indian Tribe

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:

United States of America in trust for the [*Tribe Name*], California a Federally Recognized Indian Tribe

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

Real property in the unincorporated area of the County of, State of California, described as follows:

Parcel 3 of the Record of Survey of the as per Map recorded in Book 19, Page 128 of Surveys, in the Office of the County Recorder of said County.

APN: 3

SCHEDULE B
EXCEPTIONS FROM COVERAGE

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

1. An easement for utilities and incidental purposes in the document recorded March 23, 1989 as Instrument No. 1989-5791 of Official Records.

Affects: indefinite as to location

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

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 the policy;
 - (c) resulting in no loss or damage to the insured claimant; or
 - (d) attaching or created subsequent to Date of Policy.
4. This policy does not insure against the invalidity or insufficiency of any condemnation proceeding instituted by the United States of America, except to the extent set forth in insuring provision 5.

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.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "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.
- (d) "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.
- (e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (f) "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. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.
- (g) "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 to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

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 and 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 the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 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, 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, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the 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 the 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 an insured in litigation in which any third party asserts a claim adverse to the insured 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 the 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 the insured in the defense of those causes of action which allege matters not insured 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, as insured, or to prevent or reduce loss or damage to the 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, the 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 the insured for this purpose. Whenever requested by the Company, the 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 as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the 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. e. Notwithstanding Conditions and Stipulations Section 4(a-d), the Attorney General of the United States shall have the sole right to authorize or to undertake the defense of any matter which would constitute a claim under the policy, and the Company may not represent the insured without authorization. If the Attorney General elects to defend at the Government's expense, the Company shall, upon request, cooperate and render all reasonable assistance in the prosecution or defense of the proceeding and in prosecuting any related appeals. If the Attorney General shall fail to authorize and permit the Company to defend, all liability of the Company with respect to that claim shall terminate; provided, however, that if the Attorney General shall give the Company timely notice of all proceedings and an opportunity to suggest defenses and actions as it shall recommend should be taken, and the Attorney General shall present the defenses and take the actions of which the Company shall advise the Attorney General in writing, the liability of the Company shall continue and, in any event, the Company shall cooperate and render all reasonable assistance in the prosecution or defense of the claim and any related appeals.

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 the insured claimant shall be furnished to the Company within 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 the insured claimant to provide the required proof of loss or damage, the insured's obligations to the 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, the 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 the 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. Unless prohibited by law or governmental regulation, failure of the insured claimant to submit for examination under oath, produce or otherwise reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to 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. 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 of this option, all liability and obligations to the insured under this policy, other than to make the payment required, 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. b. To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant. 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 under the options provided for in paragraphs 6(b)(i) or (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. Failure of the Attorney General to give the approval called for in 6(b)(i) shall not prejudice the rights of the insured unless the Company is prejudiced thereby, and then only to the extent of the prejudice.

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 shall not exceed the least of:
- the Amount of Insurance stated in Schedule A; or,
 - 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. The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT.

If the land described in Schedule [A][C] consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. 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, 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 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.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. 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.

12. PAYMENT OF LOSS.

a. No payment shall be made without producing this policy or an accurate facsimile 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 30 days thereafter.

13. 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 to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

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.

b. 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.

c. No Subrogation to the Rights of the United States.

Notwithstanding the provisions of Conditions and Stipulations Section 13(a) and (b), whenever the Company shall have settled and paid a claim under this policy, the Company shall not be subrogated to the rights of the United States. The Attorney General may elect to pursue any additional remedies which may exist, and the Company may be consulted. If the Company agrees in writing to reimburse the United States for all costs, attorneys' fees and expenses, to the extent that funds are recovered they shall be applied first to reimbursing the Company for the amount paid to satisfy the claim, and then to the United States.

14. ARBITRATION ONLY BY AGREEMENT.

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 shall be arbitrated only when agreed to by both the Company and the Insured.

The law of the United States, or if there be no applicable federal law, 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.

15 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 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.

16 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.

17 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 1 First American Way, Santa Ana, California 92707, or to the office which issued this policy

e. Record of Survey
Book 19 of Survey,
Page 128.
(from the legal description)

RECORDED AT REQUEST OF
AND WHEN RECORDED RETURN TO
THE CITY OF
P.O. BOX 456

PARCEL [] IN
TRIAL []
INDIVIDUALLY OWNED []
GOVERNMENT OWNED []

GRANT OF EASEMENT FOR RIGHT-OF-WAY

KNOW ALL MEN BY THESE PRESENTS:

THAT the United States of America, acting by and through the
Superintendent Bureau of Indian Affairs, Department of
the Interior, Northern California Agency, hereinafter referred to as

"Grantor," under authority contained pursuant to the authority delegated by
209 DM 8, 230 DM 3, and pursuant to the provisions of the Act of February 5,
1948 (62 Stat. 17, U.S.C. 323-328), and Title 25, Code of Federal Regulations,
Part 169, in consideration of one Dollars

(\$1.00) and other good and valuable consideration, the receipt of
which is acknowledged, does hereby grant to THE CITY OF BLUE LAKE

hereinafter referred to as "Grantee," an easement for a right-of-way for

UTILITY PURPOSES over, across, in, and upon the following
described lands located in the County of _____, State of

CALIFORNIA, to wit: EASEMENTS FOR CONSTRUCTION, RECONSTRUCTION, ACCESS,
AND BELOW GROUND, IN SECTION 19, TOWNSHIP 8 NORTH, RANGE 1 EAST, AS SHOWN ON ATTACHED
PLAN DATED NOVEMBER 9, 1951, PREPARED BY OSCAR LARSON & ASSOCIATES, LICENSED SURVEYORS,
AND DESCRIBED AS FOLLOWS:

EASEMENT ONE
A TEN FOOT WIDE STRIP OF LAND IN THE NORTH HALF OF PARCEL 19 AS SHOWN ON THE RECORD OF
SURVEY OF THE LAKE MANDORLA FILED IN BOOK 17 OF SURVEYS, PAGE 123, MUDROOT COUNTY,
FRISCO, SAID PARCEL 19 BEING BOUND AS FOLLOWS: BEGINNING FROM THE WEST LINE OF
CHARTER ROAD WESTERLY 130 FEET, MORE OR LESS, TO THE WEST LINE OF SAID PARCEL 19;

EASEMENT TWO
THE EASEMENT FOR WHICH EXISTING OR FUTURE APPURTENANCES TO SAID UTILITIES IN EASEMENT ONE
LINE 25 BARS AND ABOVE, AND ALONG THE WEST LINE OF EASEMENT ONE NORTH NORTH
HAVE VALUE AND BEAR INTEREST.

checked for engineering data _____

By SAURJEL L. STANBURY

TITLE REALTY SPECIALIST

Together with the right of access to said right-of-way over and along
existing roads and trails and the right to clear and remove all timber and brush
from the right-of-way.

(TEN) feet on either side of said centerline of right-of-way
and to cut and remove such trees outside of such right-of-way which may endanger
said right-of-way.

RECORDED AT REQUEST OF
CITY OF
1954 5-5791
DATE 3/23/54 TIME 4:32
COUNTY RECORDER
BY S. H. KIDDERSON DEPUTY
FEE None

05791

This easement is subject to any valid existing right of adverse claim and is (without limitation as to tenure) ~~not to be terminated~~ ~~unless~~ ~~by~~ ~~the~~ ~~grantor~~ ~~or~~ ~~his~~ ~~heirs~~ ~~or~~ ~~assigns~~), so long as said easement shall be actually used for the purpose above specified; PROVIDED, that this right-of-way shall be terminable in whole or in part by the Grantor for any of the following causes upon 30 days' written notice and failure of the Grantee within said notice period to correct the basis for termination. (25 CFR 169.20)

1. Failure to comply with any term or condition of the grant or the applicable regulations.
2. Non-use of the right-of-way for consecutive 2-year period for the purpose for which it was granted.
3. An abandonment of the right-of-way.
4. Failure of the Grantee, upon the completion of construction, to file with the Grantor an affidavit of completion pursuant to 25 CFR 169.16.
5. Special requirements imposed by landowner and/or Bureau of Indian Affairs: NONE

The conditions of this easement shall extend to and be binding upon and shall inure to the benefit of the heirs, representatives, successors, and assigns of the Grantee.

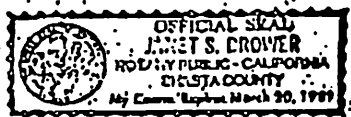
IN WITNESS WHEREOF, Grantor has executed this grant of easement this 15th day of February, 1989.

THE UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

BY Roy L. Dutschke
SUPERINTENDENT Anyk. Dupare
NORTHERN CALIFORNIA AGENCY

State of CALIFORNIA }
County of PLACER } ss.

On this 15th day of February, 1989, before me, a notary public, personally appeared Roy L. Dutschke (Superintendent), known to me to be the person who executed the foregoing instrument, and acknowledged to me that he executed the same.



Clifford J. ...
Notary Public for the State of Cal.
Residing at Redwood
My Commission expires 12/31/89

d. Document recorded
March 23, 1989 as
Instrument No. 1989-5791

AFFIDAVIT OF AREA DIRECTOR

State of California }
 County of Sacramento } SS

I, Leonard M. Hill, being first duly sworn, state that I am the Area Director of the Sacramento Area Office, Bureau of Indian Affairs, United States Department of Interior, and the map subscribed hereto has been prepared under my direction for the specific purpose of recording and conveyance of unrestricted title, under the authority of the Act of August 18, 1958 (72 Stat. 619); to Indians who have vested rights in lands described in a Warranty Deed recorded in Volume 107, page 224 in the records of Humboldt County, State of California.

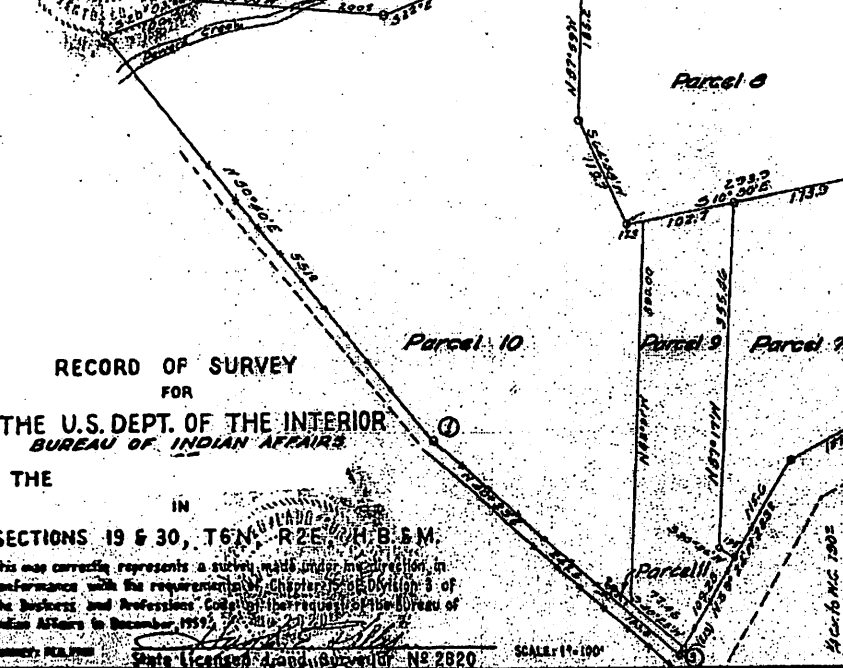
The land described in said deed was purchased by the United States of America for the use and benefits of Indians residing thereon under the provisions of the Act of June 21, 1906 (34 Stat. 322). This map is filed for public record in the County of Humboldt for the purpose of identifying certain parcels of land and conveying marketable and recordable title to said parcels to the Indians in the land pursuant to Sections 3A and 42 of the Act of August 18, 1958 (72 Stat. 619). Title to this land will be conveyed in accordance with the parcels shown on this map under authority which has been delegated to me by Secretarial Order No. 2508, Amendment No. 27 (24 F.R. 272); Order 551, Amendment No. 47 of the Commissioner of Indian Affairs (24 F.R. 1429).

Leonard M. Hill
 LEONARD M. HILL, Area Director

January 22, 1962
 D 418

State of California }
 County of Sacramento } SS

On January 22, 1962 before me ROBERT H. ELLSTON, a Notary Public in and for said County, State of California, personally appeared Leonard M. Hill, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.



COUNTY SURVEYOR'S CERTIFICATE
 Map has been examined for conformance with the requirements of Chapter 15 of Division 3 of the Business and Professions Code this 19th day of February, 1962.

(Signed) Charles H. Walker
 Humboldt County Surveyor

3160 COUNTY RECORDER'S CERTIFICATE
 Filed for record this 19th day of February, 1962, P.M. in Book 1, Amerial page 107 County Records, at the request of Hugh E. K.

(Signed) Emma Cox
 County Recorder

BASIS OF BEARINGS: CONNERS SURVEY
 (For Equation to Bones Survey see E-W Sub-Line)

- Legend**
- Fence evidence found to fit 1 foot of G.W.C.M. Position Only
 - No monument found or set
 - Corner accepted for con
 - Fence accepted as apprx line heretofore
 - 1/2" Galvanized iron pipe by this survey.

GENERAL NOTE:
 This Survey is a retracement of a survey by G.W. Conners the U.S. of A. in 1910 showing the Rancheria as he found ground. Mr. Conners was County Surveyor at the time. His n in Book 5 of Surveys, Page 49.

- ① to ③ Accepted as original fenced line.
- ② Accepted as a Conners' surveyed lot corner.
- ④ Bones witness corner, not on Conners' street line.
- ⑤ Position only of Bones 1/4 corner, set at midpoint.
- ⑥ Bones 1" iron pipe. (See Survey recorded in Book 12 of This pipe falls 25 ft. east of position found by this S
- ⑦ Latitudinal position of City of Blue Lakes' ownarsh Northwest (Point in existing fence 700' N 1/4 from U6 &
- ⑧ Actual and map described position of NW end of r line to disposal plant. (Point in existing fence 772' N 1/4
- ⑩-⑪ Actual position of sewer line, as constructed.

NOTICE:
 This record of survey is not a subdivision as defined in Section 11535 of the and Professions Code; Each parcel shown hereon has a net area of one more, and a tentative map hereof has been submitted to and approved Board of Supervisors of the County of Humboldt as to street alignment a drainage provisions and lot design.

Tab 4- Sample Case

- a. Title Commitment
- b. Title Policy
- c. Easement recorded June 22, 1967 in Book 128, Page 193.
- d. Record of Survey recorded August 24, 1998 in Book 10, Page 86.
- e. Sewer line easement recorded February 20, 1980, in Book 241, Page 376.
- f. Easement recorded May 27, 2003 as Instrument No. 20033485.

a. Title Commitment



First American Title Company

November /

Title Officer:
Phone:
Fax No.:
E-Mail:

Sally C
(
.
.

Escrow Officer:
Phone:

Mary Z:
.

Buyer:

United States of America

Property:

We enclose the following:

Commitment For Title Insurance

Thank you for your confidence and support. We at First American Title Company maintain the fundamental principle:

Customer First!

FIRST AMERICAN TITLE INSURANCE COMPANY INFORMATION

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

This information is not part of the title insurance commitment.

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| Schedule B-2 - Exceptions | |
| Conditions | |

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.
If you have any questions about the Commitment,
please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

Issued by

First American Title Company

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions.

This Commitment is not valid without Schedule A and Sections 1 and 2 of Schedule B.

SCHEDULE A

1. Commitment Date: October 2'

2. Policy or Policies to be issued:

Amount

(A) **ALTA Standard Policy**
Proposed Insured:
United States of America in Trust for I

\$5:

3. (A) The estate or interest in the land described in this Commitment is:

A fee.

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

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

Real property in the unincorporated area of the County of [redacted], State of California,
described as follows:

PARCEL 10 of F [redacted] Subdivision according to the map thereof filed in the Office of
the County Recorder of [redacted], California on June 1 [redacted] in Book 4 of Maps, page
102.

EXCEPT THEREFROM that portion thereof conveyed to [redacted] by deed recorded August [redacted]
1 [redacted] in Book 1 of Official Records, page 17.

APN: 1

SCHEDULE B

**SECTION ONE
REQUIREMENTS**

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (D) 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.
- (E) Releases(s) or Reconveyance(s) of Item(s):
- (F) Other: None
- (G) You must give us the following information:
 - 1. Any off record leases, surveys, etc.
 - 2. Statement(s) of Identity, all parties.
 - 3. Other: None

SCHEDULE B

SECTION TWO

EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction. The printed exceptions and exclusions from the coverage of the policy or policies are set forth in Exhibit A attached. Copies of the policy forms should be read. They are available from the office which issued this Commitment.

1. General and special taxes and assessments for the fiscal year 2004-2005 are exempt.
2. Rights of the public in and to that portion of the land lying within the boundaries of any public road or highway..
3. An easement for road, utilities and incidental purposes in the document recorded June 22, 1967 as book 128, page 193 of Official Records.
4. The effect of the Record of Survey for General Telephone Company recorded August 24, 1998 in Book 10 of Maps, page 86, Records, which shows the easement referred to above together with part of the exterior boundaries of said property.
5. A Notice by the County of [] regarding non-availability of sewer connection, recorded February 20, 1980 in Book 241 of Official Records, page 376. (Affects the south 100 feet of the east 160 feet only)
6. The policy contemplated by this report/commitment will not insure the title to any mobilehome or manufactured home that may be located on the land.
- 7.
8. An easement for construction, reconstruction, operation, maintenance, repair, replacement, enlargement, removal of electric power distribution and incidental purposes, recorded May 27, 2003 as Instrument No. 20033485 of Official Records.
In Favor of: PacificCorp, an California corporation
Affects: 10 feet wide

-
9. We find no open deeds of trust. Escrow please confirm before closing.

INFORMATIONAL NOTES

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

1. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None
2. Basic rate applies.
3. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) Other known as
City, California.

CONDITIONS

1. DEFINITIONS

- (a) "Mortgage" means mortgage, deed of trust or other security instrument.
(b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section Two may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section One are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section One

or

eliminate with our written consent any Exceptions shown in Schedule B - Section Two.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

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

EXCEPTIONS FROM COVERAGE

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

EXCLUSIONS FROM COVERAGE

- The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:
1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
 2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
 3. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
 4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
 5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
 6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. ~~Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.~~
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or

created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

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

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

SCHEDULE B

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

Part One

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

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

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

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

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

SCHEDULE B

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

Part One

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

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

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

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

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

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

SCHEDULE B

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

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

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

EXCLUSIONS FROM COVERAGE

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

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

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

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

SCHEDULE B

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

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

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

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - * land use
 - * land division
 - * improvements on the land
 - * environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.
This exclusion does not limit the zoning coverage described in items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - * a notice of exercising the right appears in the public records on the Policy Date
 - * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks
 - * that are created, allowed, or agreed to by you
 - * that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - * that result in no loss to you
 - * that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
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 landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

11. EAGLE PROTECTION OWNER'S POLICY

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

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

EXCLUSIONS

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

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

This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This exclusion does not limit the coverage described in Covered Risk 11 or 18.

12. SECOND GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION 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 building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or area of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under 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 at 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 or 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 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.

SCHEDULE B

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

1. The following existing statutes, reference to which are made part of the ALTA 8.1 Environmental Protection Lien Endorsement incorporated into this Policy following item 28 of Covered Risks: NONE.

13. SECOND GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) WITH REGIONAL EXCEPTIONS

When the American Land Title Association loan policy with EAGLE Protection Added is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 12 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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

- Part One:
1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
 2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
 3. Easements, claims of easement or encumbrances which are not shown by the public records.
 4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.

5. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

Part Two:

1. The following existing statutes, reference to which are made part of the ALTA 8.1 Environmental Protection Lien Endorsement incorporated into this Policy following item 28 of Covered Risks: None.

PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity; First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

b. Title Policy

UNITED STATES OF AMERICA Policy of Title Insurance



ISSUED BY

First American Title Insurance Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California 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.
5. In instances where the insured acquires title to the land by condemnation, failure of the commitment for title insurance, as updated to the date of the filing of the lis pendens notice or the Declaration of Taking, to disclose the parties having an interest in the land as disclosed by the public records.

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

First American Title Insurance Company

BY *Gary L. Kerueth* PRESIDENT

ATTEST *Mark A. Arden* SECRETARY



RECEIVED
BUREAU OF REVENUE
PASADENA, CALIF.
2006 JUN 27 AM 9:24
L.A. 10
OFFICE RECORDS

SCHEDULE A

Premium: \$1

Amount of Insurance: \$5

Policy Number: ()

Date of Policy: January

1. Name of insured:

United States of America in trust for the t

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:

United States of America in trust for the F

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

Real property in the unincorporated area of the County of I , State of California,
described as follows:

PARCEL 10 of f
the County Recorder of I
102.

Subdivision according to the map thereof filed in the Office of
County, California on June 17, 1960 in Book 4 of Maps, page

EXCEPT THEREFROM that portion thereof conveyed to
1970 in Book 151 of Official Records, page 427.

by deed recorded August 28,

APN: 1

2006 JUN 27 AM 9:21
LAND TITLE & RECORDS
OFFICE
SURETY OF DEPOSIT
PROPERTY

SCHEDULE B
EXCEPTIONS FROM COVERAGE

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

1. Rights of the public in and to that portion of the land lying within the boundaries of any public road or highway.
2. An easement for road, utilities and incidental purposes in the document recorded June 22, 1967 as book 128, page 193 of Official Records.
3. The effect of the Record of Survey for General Telephone Company recorded August 24, 1998 in Book 10 of Maps, page 86, Del Norte County Records, which shows the easement referred to above together with part of the exterior boundaries of said property.
4. A Notice by the County of [redacted] regarding non-availability of sewer connection, recorded February 20, 1980 in Book 241 of Official Records, page 376. (Affects the south 100 feet of the east 160 feet only)
- 5.
6. An easement for construction, reconstruction, operation, maintenance, repair, replacement, enlargement, removal of electric power distribution and incidental purposes, recorded May 27, 2003 as Instrument No. 20033485 of Official Records.
In Favor of: PacificCorp, an California corporation
Affects: 10 feet wide

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

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 the policy;
 - (c) resulting in no loss or damage to the insured claimant; or
 - (d) attaching or created subsequent to Date of Policy.
4. This policy does not insure against the invalidity or insufficiency of any condemnation proceeding instituted by the United States of America, except to the extent set forth in insuring provision 5.

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.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "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.
- (d) "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.
- (e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (f) "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. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.
- (g) "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 to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

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 and 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 the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 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, 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, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the 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 the 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 an 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 the 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 the insured in the defense of those causes of action which allege matters not insured 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, as insured, or to prevent or reduce loss or damage to the 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, the 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 the insured for this purpose. Whenever requested by the Company, the 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 as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the 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.

e. Notwithstanding Conditions and Stipulations Section 4(a-d), the Attorney General of the United States shall have the sole right to authorize or to undertake the defense of any matter which would constitute a claim under the policy, and the Company may not represent the insured without authorization. If the Attorney General elects to defend at the Government's expense, the Company shall, upon request, cooperate and render all reasonable assistance in the prosecution or defense of the proceeding and in prosecuting any related appeals. If the Attorney General shall fail to authorize and permit the Company to defend, all liability of the Company with respect to that claim shall terminate; provided, however, that if the Attorney General shall give the Company timely notice of all proceedings and an opportunity to suggest defenses and actions as it shall recommend should be taken, and the Attorney General shall present the defenses and take the actions of which the Company shall advise the Attorney General in writing, the liability of the Company shall continue and, in any event, the Company shall cooperate and render all reasonable assistance in the prosecution or defense of the claim and any related appeals.

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 the insured claimant shall be furnished to the Company within 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 the insured claimant to provide the required proof of loss or damage, the Company's obligations to the 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, the 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 the 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. Unless prohibited by law or governmental regulation, failure of the 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 shall terminate any liability of the Company under this policy as to 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.

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. Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, 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.

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

i. Subject to the prior written approval of the Attorney General, 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 6(b)(i) or (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. Failure of the Attorney General to give the approval called for in 6(b)(i) shall not prejudice the rights of the insured unless the Company is prejudiced thereby, and then only to the extent of the prejudice.

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 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.

b. The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT.

If the land described in Schedule [A][C] consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. 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, 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 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.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. 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.

12. PAYMENT OF LOSS.

a. No payment shall be made without producing this policy or an accurate facsimile 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 30 days thereafter.

13. 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 to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

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.

b. 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.

c. No Subrogation to the Rights of the United States.

Notwithstanding the provisions of Conditions and Stipulations Section 13(a) and (b), whenever the Company shall have settled and paid a claim under this policy, the Company shall not be subrogated to the rights of the United States. The Attorney General may elect to pursue any additional remedies which may exist, and the Company may be consulted. If the Company agrees in writing to reimburse the United States for all costs, attorneys' fees and expenses, to the extent that funds are recovered they shall be applied first to reimbursing the Company for the amount paid to satisfy the claim, and then to the United States.

14. ARBITRATION ONLY BY AGREEMENT.

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 shall be arbitrated only when agreed to by both the Company and the Insured.

The law of the United States, or if there be no applicable federal law, 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.

15 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 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.

16 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.

17 NOTICES, WHERE SENT.

Form No. 1037

Order Number:

ALTA U.S. Policy Form (9-28-91)

Page Number: 7

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 1 First American Way, Santa Ana, California 92707, or to the office which issued this policy

c. Easement recorded
June 22, 1967 in Book
128, Page 193.

Walt & Ruth ...

When recorded mail to *Walt & Ruth*

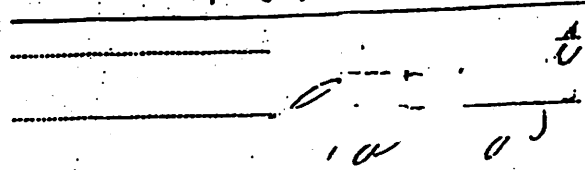
Arlene Spann
ARLENE SPANN
NOTARY PUBLIC, CALIFORNIA
PUBLIC PRINCIPAL OFFICE IN

On this date, June 22, 1967
before me, the undersigned, a Notary Public in and for said
County, personally appeared A
known to me to be the person, whose name is Arlene Spann, sub-
scribed to the within instrument and acknowledged to me that
they executed the same. Witness my hand and official seal.

RECORDED AT REQUEST OF
Arlene Spann
JUN 22 10 53 AM 1967
F. J. ...
Arlene Spann
200

This Space for Recorder

Dated: June 21, 1967



BEGINNING at the southeast corner of Parcel Ten of
Rancherita subdivision according to the map thereof filed on June 17,
1960 in Book 4 of Maps, page 102,
and running
thence north, 100 feet;
thence west, 160 feet;
thence south, 100.30 feet to the south line of said Parcel Ten; and
thence north, 89 degrees 53 minutes 32 seconds east along said south
line, 160 feet to the point of beginning.
RESERVING a right of way for road and utility purposes over the
east 40 feet of the above described parcel.

that real property in the County of _____ State of California, described as follows:

GRANT to Walt and Ruth and Arlene Spann, her husband, as joint tenants

No consideration
DEED

d. Record of Survey
recorded August 24,
1998 in Book 10, Page
86.

MAP OF SUBDIVISION FOR
GENERAL TELEPHONE COMPANY
Showing Easement in Section 22

SURVEYORS' CERTIFICATE

This map and plat were prepared by me or under my direct supervision and to the best of my knowledge and belief they conform to the laws of this State relating to the recording of such maps and plats.

W. J. [Signature]
W. J. [Name]
Surveyor

COUNTY RECORDER'S CERTIFICATE

This map has been examined by me and found to conform to the laws of this State relating to the recording of such maps and plats.

Richard T. [Signature]
COUNTY RECORDER
T.C.R. 8017, Expires 12/31/88

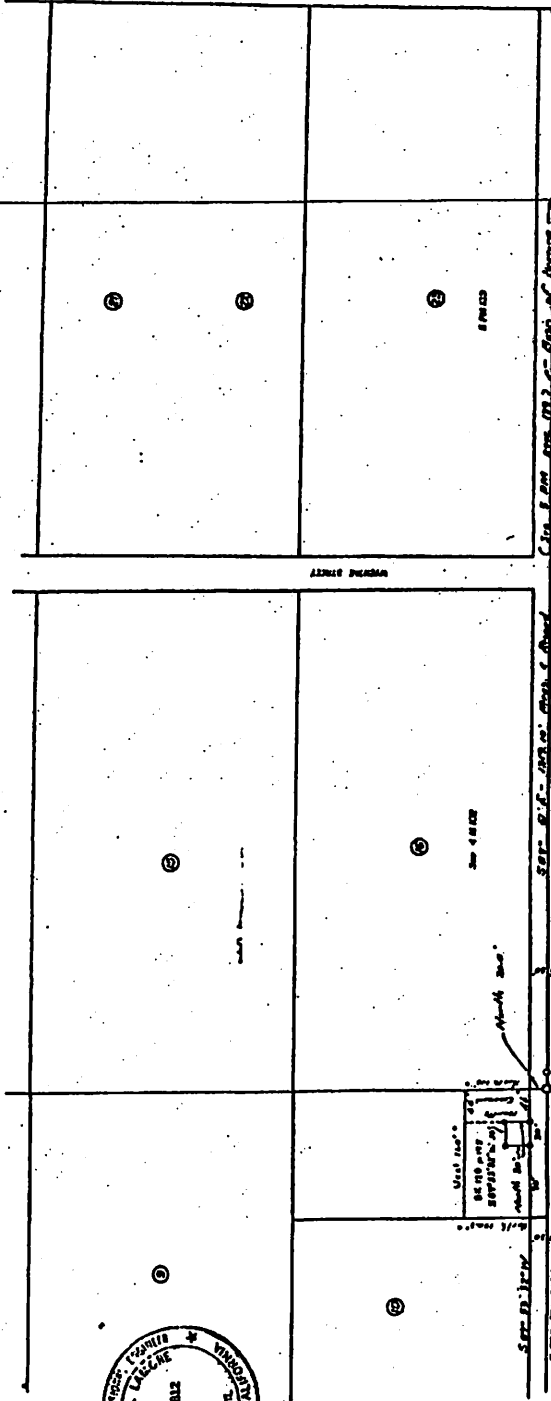


88-3670
CS 5880

COUNTY RECORDER'S CERTIFICATE

This map has been examined by me and found to conform to the laws of this State relating to the recording of such maps and plats.

John D. Alexander
COUNTY RECORDER
by *[Signature]*
Chief Deputy



Area of 1/2 section...
20' width (for same as above)
(for 1/2 section)

*These areas were obtained from deed recorded in
Book 10, Page 86



W. J. [Signature]
Book 10 Maps Page 86

Book 10 Maps Page 86

posted & plotted

e. Sewer line easement
recorded February 20,
1980, in Book 241, Page
376.

80 640
NOTICE

REGARDING AVAILABILITY OF PUBLIC SEWER

Return to
RECORDED AT REQUEST OF
Subscribed
OFFICIAL RECORDS
FEB 70 3 51 PM '80
BY *70 Fan*

FOR: Assessor's Parcel 112-u, as described
Book 128 Official Records Page 193,
Records County

OWNED BY: as joint tenants her husband,

Notice is hereby given by the undersigned, on behalf of
the Board of Directors of County Service Area No. 1,
Assessment District No. 1, that as of the date of recording of
this Notice, permission to connect to the District's Public Sewer
System has not been granted to the owner of the above described
parcel.

Although a sewer lateral has been installed from the public
collector sewer to the property line of said parcel, permission
to connect to the lateral cannot be granted until the owner of
said parcel has been allocated sewer capacity and has paid the
connection fees.

Interested parties should contact the
Director of Public Works for further information.

[Signature]
MANAGER
COUNTY SERVICE AREA NO. 1

f. Easement recorded
May 27, 2003 as
Instrument No.
20033485.

Doc # 20033485
Page 1 of 6
Date: 5/27/2003 10:13A
Filed by: GENERAL PUBLIC
Filed & Recorded in Official Records

RECORDED AT THE REQUEST OF: PACIFIC POWER

COUNTY: WELLS

WHEN RECORDED, MAIL TO:

1
70

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

Row - easement

DOCUMENT TITLE

Separate page pursuant to Gov't Code 27361.6

RIGHT OF WAY EASEMENT

For value received, _____ ("Grantor"), hereby grants to PacificCorp, an California corporation, its successors and assigns, ("Grantee"), an easement for a right of way 10' (ten feet) in width, for the construction, reconstruction, repair, maintenance, repair, replacement, enlargement, and removal of electric power distribution and all necessary or suitable accessories and appurtenances _____, along the general course now located by Grantee on, over or under the site (one of the real property of Grantor in _____ County, State of California, more particularly described as follows and as more particularly described and/or shown on exhibit(s) A and B attached hereto and by this reference made a part hereof:

Assessor's Map No. APN: _____ Tax Parcel No. 21 _____

Together with the right of access to the right of way, all activities in connection with the purposes for which this easement has been granted; and together with the present and (without payment therefor) the future right to keep the right of way and adjacent lands clear of all brush, trees, timber, structures, buildings and other hazards which might endanger Grantee's facilities or impede Grantee's activities.

The rights and obligations of the parties hereto shall be binding upon and shall benefit their respective heirs, successors and assigns; and this easement shall terminate if and when Grantee shall have abandoned all use of the right of way and no longer has any future need therefor.

Dated this 25th day of September, 2002.

(Grantor(s))

INDIVIDUAL ACKNOWLEDGMENT

STATE of _____
COUNTY of _____

This instrument was acknowledged before me on this _____ day of _____, 2002, by _____

Notary Public
My Commission Expires: _____

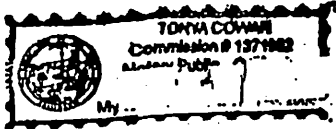
REPRESENTATIVE ACKNOWLEDGMENT

STATE of California

COUNTY of _____

This instrument was acknowledged before me on the 1st day of October, 2002, by

_____ as _____ of _____



Tonya Cowan
Notary Public

My Commission Expires: _____ 6

Tab 5

- Short Form Land Conservation Contract
- Land Conservation
- Title Commitment.

MARCH 12, 1979

28223

ALCC 6657

COUNTY RECORDERS OFFICE

| | |
|---|--|
| Recording Requested by County Board of Supervisors | RECORDERS OFFICE AT _____ MIN. FASST <u>Y A JA</u> MAR 9 1979 GALEN LARSON, County Recorder |
| When returned return to the F. _____ pt. Fr _____ | FEE S _____ BOOK 7 |

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SHORT FORM LAND CONSERVATION CONTRACT

Incorporating Board of Supervisors Resolution by reference.

THIS LAND CONSERVATION CONTRACT, MADE AND EXECUTED THIS 20th day of February, 1979 by and between _____

hereinafter referred to as 'Owner' and the COUNTY OF _____ a political subdivision of the State of California, hereinafter referred to as 'County'.

WITNESSETH:

WHEREAS, Owner possesses certain real property situate in the County of _____ State of California, hereinafter referred to as 'the Subject Property,' and more particularly described in Exhibit 'A' attached hereto and by this reference incorporated herein; and

WHEREAS, the Subject Property is now devoted to agricultural uses and uses compatible thereto; and

WHEREAS, the Subject Property is located in an agricultural preserve heretofore established by the County, and designated as the _____ S _____ 1 _____

NOW, THEREFORE, both Owner and County, in consideration of the mutual promises, covenants and conditions to which reference is made herein and the substantial public benefits to be derived therefrom, do hereby agree as follows:

FIRST: The Subject Property shall be subject to all restrictions and conditions adopted by resolution by the Board of Supervisors of _____ County, California on October 26, 1971 and recorded October 27, 1971 as Instrument Number 25754, Book 5951, Pages 488 through 496 of the Official Records of _____ County, California, and IT IS MUTUALLY AGREED THAT the conditions and restrictions set forth in said resolution are adopted and incorporated herein and made a part hereof as fully as though set forth herein at length and that Owner will observe and perform said provisions.

SECOND: The minimum acreage for new parcels described in Paragraph Seven of the Board of Supervisors' Resolution shall be 40 acres.

THIRD: This Contract shall be effective as of the first day of March, 1979

IN WITNESS WHEREOF, the Owner and County have executed this Contract the day and year first above written.



COUNTY OF _____
Wilbur H. Johnson
Chairman of the Board of Supervisors

ATTEST:

Clerk of the Board of Supervisors

OWNERS

Company - _____

By: _____
Special Agent

MARCH 12, 1979

COUNTY RECORDERS OFFICE,

Use 103 (08) Act. Correction ther. 11-73. Sample

STATE OF CALIFORNIA
COUNTY OF _____

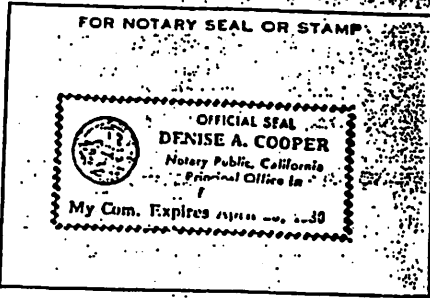
On December 18, 1978 before me,
the undersigned, a Notary Public in and for said County and State,
personally appeared Leighton McMurtry

known to me to be the _____ President, _____

_____ of the corporation that executed the
within Instrument, known to me to be the persons who executed the
within Instrument on behalf of the corporation therein named, and
acknowledged to me that such corporation executed the within
instrument pursuant to its by laws or a resolution of its board of
directors.

Signature: Denise A. Cooper

Name (Typed or Printed)
Notary Public in and for said County and State



Notary Public in and for the
State of _____

STATE OF CALIFORNIA)
COUNTY OF _____) ss:

On this _____ day of _____, in the year 19 _____, before me, H. L. Masini,
County Clerk and Ex-Officio Clerk of the Superior Court in and for said County, which is a court of record having a seal,
personally appeared _____
Chairman of the Board of Supervisors of Fresno County, known to me to be the person described in and whose name is
subscribed to said who executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the said Court, at my office in
the County of _____ the day and year in this Certificate first above written.

GALEN LARSON

County Clerk and Ex-Officio Clerk of the
Superior Court.

By _____ Deputy

MARCH 12, 1979

1 - O COUNTY RECORDERS OFFICE

EXHIBIT
SCHEDULE A

BOOK

NO. 318592

The assurances referred to on the face page are:

That, according to the Company's property records relative to the following described real property (but without examination of those Company records maintained and indexed by name):

The West half of the Northeast quarter and the Northwest quarter of the Southeast quarter of Section 23, Township 11 South, Range 24 East, 1st 6th Meridian, according to the Official Plat thereof.

APN 1.

The last recorded instrument purporting to transfer title to said real property is:

a California corporation

Documentary Transfer Tax \$ --0--

If information was requested by reference to a street address, no guarantee is made that said real property is the same as said address.

Section 41245 of the California Government Code -- to the end that at all times during the continuation of this contract as extended, there shall be a 10-year term of restriction unless notice of non-renewal has been given.

5. REPORT OF VALUE. The County's Assessor shall annually, during the continuation of this contract, report to the Owner and to the County's Board of Supervisors the restricted value and the unrestricted value (i.e. the value the property would have had if not subject to the restrictions imposed by this contract). Thereupon, the Owner may request equalization of said values.

6. CANCELLATION. This contract shall only be subject to cancellation in accordance with the provisions of Government Code Sections 51281 through 51285; provided, however, that instead of the cancellation fees therein provided, the cancellation fees shall be 15 per cent of the market value of the property as determined by the County's Board of Supervisors at the time that such Board approves the Owner's request for cancellation; provided, nevertheless, that the County's Board of Supervisors shall not approve any request for cancellation unless the cancellation fee (calculated in the manner described in Paragraph 7 hereof) equals or exceeds the cancellation fee described in Paragraph (b) of Government Code Section 51283 - except in those instances in which said Board of Supervisors pursuant to Paragraph (c) of said Section 51283 finds that in the public interest all or part of the cancellation fee should be waived.

7. CANCELLATION FEES AND WAIVER FOR PAYMENT. In the event that the Board of Supervisors determines that some portion of the cancellation fee should be waived, it shall specify the net cancellation fee payable; no cancellation shall be effective unless and until such cancellation fees have been paid to the County's Board of Supervisors.

8. EMINENT DOMAIN. In lieu of the provisions of Government Code Section 51295, the Owner's rights arising out of an action in eminent domain or the threat thereof shall be governed by the provisions of Paragraphs 6 and 7 of this contract. In that regard, it is recognized that on occasion, the Owner's right to relief should not be restricted to instances in which the fee of an entire parcel of land subject to contract is being condemned and that in other instances the condemnation of small slivers of a parcel of land may have little, if any, effect on the conduct of agricultural operations on a parcel of land subject to contract.

9. CONSIDERATION. Owner shall not receive any payment from the County in consideration of the obligations imposed hereunder, it being recognized and agreed that the consideration for the execution of the within contract is the substantial benefit to be derived by both parties.

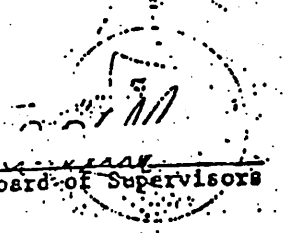
10. SUCCESSORS IN INTEREST. The within contract, its terms and restrictions shall run with the land described herein and shall

be binding upon the heirs, successors, and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have affixed their hands and seals the day and year first above written.

COUNTY OF _____

By [Signature]
Chairman, Board of Supervisors



ATTEST:

Eugene D. Williams
Clerk of the Board

OWNERS:

X [Signature]

[Signature]

*Individually and as administrators with the will annexed of ENCUMBRANCE HOLDERS:

We, the undersigned trust, deed or other encumbrance holders, do hereby agree to and agree to be bound by above imposed restrictions.

Note: (Acknowledgments must be attached)

Ag Type 1

EXHIBIT A

BOOK 26 PAGE 107

The real property which is the subject of this contract is situated within agricultural preserve # 1 as shown by map thereof recorded in preserve map book , page 2 , in the office of the County Recorder of Sonoma County, California, and said real property is more particularly described as follows:

All that real property situate in an unincorporated area, County of Sonoma, State of California, described as follows:

PARCEL SIX:

A tract of land, being a portion of the Rancho Llano de Santa Rosa, and commencing on the boundary line of said Rancho, on the line between Sections 21 and 22 in Township 6 North, Range 8 West, N.D.B.M., at a point in the center of the County Road known as the Santa Rosa and Stony Point Road, from which point the post for the railing of the bridge, across the Laguna and standing on the southeast corner of the same, is North 31° West, 13 links distant; thence from said point of beginning, North 69° 30' East, 11.92 chains, South 39° 05' East, 2.61 chains, South 53° East 1.36 chains; South 64° East, 1.23 chains, South 77° 15' East, 2.62 chains; South 88° 05' East 3.94 chains; North 4° 15' East 1.43 chains, South 88° East 2.03 chains, South 56° East 2.44 chains; North 87° 15' East 22.62 chains to the northwest boundary line of the Cotati Rancho; thence along said line North 29° 15' East 39.44 chains; thence leaving said line West 67.92 chains to the center of the aforesaid road and section line; thence South 32.18 chains to the point of beginning. Magnetic Variation 17° East.

A. P. No.

EXCEPTING THEREFROM everything lying westerly of the east line of the property conveyed by [redacted] and wife, to the [redacted] County Flood Control and Water Conservation District by Deed dated April 25, 1961, and recorded August 15, 1961, under Serial No. G-60050, [redacted] County Records, and by Deed dated February 27, 1963, and recorded September 24, 1963, as Serial No. H-[redacted] County Records, and by Deed dated November 29, 1965, and recorded February 11, 1966, as Serial No. J-[redacted] Records.

FINANCIAL TITLE COMPANY

August 3, 2006

Attn: Loan Closing Department

Order No.

Policy No.

Loan No.

We are pleased to provide you with the enclosed policy of title insurance. It contains information concerning your recently completed real estate transaction. This document should be retained with your important papers. If, for any reason, a change in the enclosed document should be necessary, please return the original to **Financial Title Company**, Attn: Word Processing Dept.

Should you decide to refinance, sell, or assign your interest, the enclosed policy will lay the foundation for a continuing relationship with **Financial Title Company**, which may entitle you to future discounts. Our company has a full range of title and escrow services we can offer you for your existing property, including commercial real estate. We invite you to contact us anytime, as our title and escrow team has the expertise to answer any questions you may have regarding your real estate needs.

Thank you for extending us the opportunity to assist you in this venture. We would be delighted to hear from you in the near future.

Thank you,

Financial Title Company

Enclosure

RECEIVED
RES 8/8/06

First American Title Insurance Company

COMMITMENT OF TITLE INSURANCE

SCHEDULE A

FILE NO.:
LOAN NO.:
POLICY NO.:

1. **Effective Date:** July 10, 2006 at 7:30 A.M.

2. **Policy or Policies to be issued:**

Owner's Policy: : ALTA U.S. Policy Form - 9/28/91 Amount: \$24,052,622.10
Proposed Insured: The United States of America in trust for the

Loan Policy: Amount: \$
Proposed Insured:

Policy: Amount: \$
Proposed Insured:

3. A Fee, as to Parcel One; An Easement, as to Parcels Two and Three interest in the land described in this Commitment is owned, at the Commitment Date,

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

Exhibit A Attached Hereto and Made a Part Hereof.

SL1:8/3/06

**SCHEDULE B - SECTION 2
EXCEPTIONS**

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 2006-2007.
2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California.
3. Water rights, claims or title to water, whether or not shown by the public records.
4. Such rights and easements for navigation and fishery which may exist over that portion of said land lying beneath the waters of:
5. Any adverse claim based upon the assertion that:
 - a) Some portion of said land has been created by artificial means, or has accreted to such portion so created.
 - b) Some portion of said land has been brought within the boundaries thereof by an avulsive movement of the _____, or has been formed by accretion to any such portion.
6. An Easement for the purpose shown below and all rights incidental to the use thereof, as conveyed in the instrument,

To: Pacific Gas and Electric Company, a California corporation (No representation is made as to the present ownership of said easement)

Purpose: Right-of-Way

Recorded: August 10, 1951 in Book 1068 of Official Records, page 281, Serial No. D-47489, Sonoma County Records

A portion of said easement was modified by an Agreement executed by and between the _____ and the Pacific Gas and Electric Company, a California corporation, recorded July 24, 1962 in Book 1902 of Official Records, page 839, Serial No. H-842, Sonoma County Records.

7. An Easement for the purpose shown below and all rights incidental to the use thereof, as conveyed in the instrument,

To: BELLVUE-WILFORD DRAINAGE DISTRICT, A POLITICAL SUBDIVISION (No representation is made as to the present ownership of said easement)
Purpose: For the excavation, installation, maintenance and use of a drainage ditch
Recorded: August 12, 1958 in Book 1607 of Official Records, page 639, Serial No. F-49321, Sonoma County Records

8. Covenants and Restrictions, BUT OMITTING ANY COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN unless and only to the extent said Covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, imposed by a Land Conservation Contract executed pursuant to Section 51200, et seq., of the California Government Code.

Dated: February 21, 1974
Executed by:

ndividually and as
administrators with the will annexed of
deceased, and The County of Sonoma, a political subdivision
Recorded: February 28, 1974 in Book 2841 of Official Records, page 379, Serial No. N-85491, Sonoma County Records

9. An Easement for the purpose shown below and all rights incidental to the use thereof, as conveyed in the instrument,

To: Pacific Gas and Electric Company, a California corporation (No representation is made as to the present ownership of said easement)
Purpose: Poles, aerial wires and associated facilities for the transmission and distribution of electric energy
Recorded: February 6, 1987 as Document No. 87012147 of Official Records of Sonoma County

Said Document also gives Pacific Gas and Electric Company the right to assign to another public utility the use of said easement for communication facilities.

Tab 6

- Covenants, Conditions & Restrictions
- Solicitor's Opinion

When record 11 to:
Peppermint Enterprises, Inc.
P. O. Box 545
Sonoma, California 95379

7814

CC+R'S

8399810
#5

DECLARATION OF COVENANTS RUNNING WITH THE LANDS UNDER
CALIFORNIA CIVIL CODE ARTICLE 1467 and 1468

THIS DECLARATION is made this 23rd day of June 1981 by PEPPERMINT ENTERPRISES, INC., a California Corporation owner of all that certain real property situate in the Unincorporated Territory of the County of _____, State of California, more particularly described as Lots 4 and 5 of _____ recorded in Volume 9 of Subdivisions at Pages 17 and 18 in the Office of the Recorder of _____ County, California on May 27, 1981.

The aforesaid Corporation, being the owners of Lot Number 4 and Lot Number 5, has resolved to subject and impose upon each of said Lots, covenants running with the land for the construction, repair, maintenance, or improvement of the private drive which provides access to each of said lots beginning at the end of the cul-de-sac on _____ Road and extending S. 76° 09' 08" E., 230.25 feet from center of cul-de-sac at end of Nelson Road to boundary of Lots 4 and 5 as depicted on the aforesaid Subdivision Map of _____ Unit Two. Owner further desires to establish as a covenant running with the land for each of the Lots described above the apportionment of costs for construction, repair, maintenance or improvement of the private driveway; owner has determined that both Lots are of equal value at the present time and that each lot will receive an equal benefit from the construction and maintenance of said driveway so that the apportionment of costs among the present and future owners of said Lots 4 and 5 shall be one-half (1/2) for each Lot.

NOW, THEREFORE, Peppermint Enterprises, Inc. resolves that:

(1) The liability for the costs of construction, repair, maintenance and improvement of the private drive and easement therefore shall be a covenant running with the land for the reciprocal benefit of Lot Number 4 and Lot Number 5 shown on the Subdivision Map of _____ UNIT TWO in Volume 9 of Subdivisions at Pages 17 and 18 in the Office of the Recorder of Tuolumne County;

(2) The apportionment of costs for the construction, repair, maintenance or improvement of the private drive and easement shown on the aforesaid map shall be 1/2 thereof for each of said lots.

(3) The determination of the expense outlay, extent of improvement, construction or maintenance shall be determined by either of the owners of the lots served by the private drive, provided, however, that any costs to be shared shall at all times be for the construction, maintenance, repair or improvement of the driveway and easement as a whole;

(4) The agreements set forth herein are expressly made for the mutual and reciprocal benefit of both lots heretofore described and shall be binding upon the owner of each lot, his or her successors in interest including heirs, executors, administrators and assigns and shall operate as covenants running with the land between each of the above described lots.

(5) Owners shall convey title to the above described lots or to any division or part of said lots subject to the covenants running with the land;

(6) The grantee, successor or survivor of any Lot or portion thereof subject to these covenants running with the land and the effect of this declaration by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, transfer or the like whether from owner herein or a subsequent owner of such Lot or portions thereof shall accept such deed, contract, transfer or survivorship upon and subject to each and all of these covenants running with the land and agreements herein contained and by such acceptance shall for himself or herself, heirs, personal representatives, successors or assigns, covenant, consent and agree to and with owners herein, and to and with the grantees or transferees and any subsequent owners of each of the Lots or portions thereof to keep, observe, comply with and perform the terms and conditions of these covenants running with the land;

(7) In the event that any one or more of the provisions herein set forth shall be held by any Court or competent jurisdiction to be null and void, all remaining provisions shall continue unimpaired and in full force and effect;

(8) Any owner or successor in interest to whose benefit these covenants running with the land inure may proceed at law or in equity to prevent the occurrence, continuation or violation of any of the covenants and agreements contained herein and the Court in any such action may award the successful party reasonable expenses in prosecuting such action, including attorneys fees.

(9) In the event that at any time the Driveway and Driveway easement shown on the aforesaid Subdivision Map shall become a part of the County maintained road system of the County of _____ State of California, then and in that event upon the formal acceptance of said road and road easements in their entirety into the _____ County maintained road system these covenants running with the land and the agreements herein shall cease, determine to be of no further force and effect, excepting, however, the liability for any unpaid contributive share of the costs of construction, maintenance, repair or improvement of said road and road easements shall survive and be collectable by the owner or owners entitled thereto.

This Agreement shall inure to the benefit of and be binding upon the heirs, administrators, executors, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF the parties have executed this Declaration of Covenants running with the land the day and year first above written.

PEPPERMINT ENTERPRISES, INC.

Robert E. Cowden, Jr.
Robert E. Cowden, Jr., President

Lavergne E. Cowden
Lavergne E. Cowden, Secretary-Treasurer

RECORDED AT REQUEST OF
ROBERT E. COWDEN, JR.

VOL. 647 PAGE 549

1981 JUN 24 AM 8 23

OFFICIAL RECORDS

RECORDED

FEE

\$5.00 7814

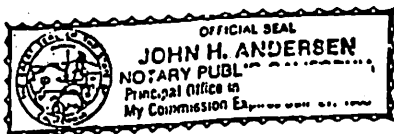
INDEXED

STATE OF CALIFORNIA
COUNTY OF ...

On this 23rd day of JUNE in the year one thousand nine hundred and 81 before me, JOHN H. ANDERSEN a Notary Public, State of California, duly commissioned and sworn, personally appeared ROBERT E. COWDEN, JR. LAVERGNE E. COWDEN PRESIDENT & SECRETARY of the corporation described in and that executed the within instrument, and also known to me to be the person(s) who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the _____ County of _____ the day and year in this certificate first above written.

John H. Andersen
Notary Public, State of California



This document is only a general form which may be used for use in simple transactions and in no way acts, or is intended to act, as a substitute for the advice of an attorney. The publisher does not make any warranty, either express or implied, as to the legal validity of any provision or the suitability of these forms in any specific transaction.

Cowdery's Form No. 28 - Acknowledgment Corporation (C. C. Sect. 1190 - 1190.1)

Pursuant to a Solicitor's opinion, the covenants, conditions and restrictions for road maintenance on a private roadway between Lots 4 and 5 are not acceptable to the Department of the Interior and must be eliminated prior to issuance of the ALTA policy. Such conditions are a violation of the federal Anti-Deficiency Act (31 U.S.C. Sec. 1341) which prohibits an officer or employee of the U.S. Government from making or authorizing an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation; and no officer or employee may involve the government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law. The subject affirmative covenant would require the United States to pay for one-half of any maintenance, construction, or repair of this road; therefore, it is unacceptable under the Anti-Deficiency Act. It was proposed that the Bureau and the Tribe enter into an indemnification agreement in which the Tribe would agree to indemnify the United States for any liability which arises under the covenant. Unfortunately, such an agreement cannot remedy the problem of the U.S. actually assuming the liability when it acquires the land; even though, under the agreement, the Tribe would promise to reimburse the Government, it is the United States which has acquired the liability, and it is the United States which will be held legally liable.

However, the covenants may be distinguished if all parties desire to terminate the condition. "A person entitled to enforce the benefit of a covenant (in the present case, the owners of lots four - the Tribe - and five] may extinguish this right by means of a written and recorded release." Courts generally hold that existing prohibitions or obligations cannot be amended or terminated without the consent of all parties affected by such restrictions.

Tab 7

- **Road Maintenance Agreement**
-

APRIL 16, 1980

FRENO COUNTY RECORDERS OFFICE

McPheters, Drake & Anderson
814 N. Van Ness Avenue
Fresno, CA 93728
(209) 268-0858

38995

| | |
|---|---|
| RECORDED IN OFFICIAL RECORDS OF FRENO COUNTY, CALIFORNIA | |
| APR 22 1980 | |
| APR 16 1980 | |
| GALVIN LARSON County Recorder | 5 |

171
508 7514 301 157

COVENANT TO IMPROVE PRIVATE ROAD

The undersigned represent that they are the sole owners of that parcel of real property being divided by Parcel Map No. 5038 and situate in the County of Fresno, State of California, and more particularly described as follows:

See Exhibit "A" attached hereto and made a part hereof.

That access through the above-described real property from a county road is over and across a non-exclusive private road easement as is more particularly delineated upon said parcel map.

That in accordance with the tentative parcel map approved by the Director of Public Works of the County of Fresno on the 7th day of Sept. 1979 and in accordance with the provisions of the Ordinance Code of the County of Fresno, the undersigned do hereby covenant on behalf of themselves and their successors in interest that they will pay their proportionate share of the cost of designing and constructing such private road to the A-15 Improvement Standard of the County of Fresno at such time as a demand for its improvement is made by the owners of the parcels created by said parcel map, whose properties at the time of demand constitute fifty percent (50%) or more of the assessed valuation of the land and improvements as shown on the last equalized county assessment roll.

This covenant shall run with the land and be binding upon the undersigned, their heirs, successors and assigns.

DATED: Apr 8-1980

Walter E. Lambrecht
WALTER E. LAMBRECHT

Joanne E. Lambrecht
JOANNE E. LAMBRECHT

APRIL 16, 1980

BOOK 75174 PAGE 758

FRESNO COUNTY RECORDERS OFFICE

EXHIBIT "A"

All that portion of the East half of the Northeast quarter of Section 11, Township 11 South, Range 21 East, Mount Diablo Base and Meridian, according to the Official Plat thereof, lying Easterly of the Easterly right of way line of Sky Harbor Drive, as granted to the County of Fresno by deeds recorded December 21, 1964, in Book 5109 Page 487 of Official Records, Document No. 98539, and April 29, 1965, in Book 5162 Page 580 of Official Records, Document No. 36168:

EXCEPTING THEREFROM all that portion lying North of the South line of the following described parcel:

All that portion of the Northeast quarter of Section 11, Township 11 South, Range 21 East, Mount Diablo Base and Meridian, according to the Official Plat thereof, described as follows:

Beginning at the Northeast corner of said Section 11; thence $N88^{\circ}09'14''W$, along the North line of the Northeast quarter of the Northeast quarter of Section 11, 654.36 feet to a point on the Southeastery right of way line of Sky Harbour Drive; thence Southwesterly along said right of way line as follows: $S67^{\circ}00'00''W$, 204.23 feet; thence $S76^{\circ}35'00''W$, 214.00 feet; thence leaving said right of way line $S66^{\circ}42'38''E$, 484.67 feet; thence South 200.00 feet; thence $S57^{\circ}14'49''W$, 576.69 feet; thence West 177.36 feet to a point on the Easterly right of way line of Sky Harbour Drive; thence Southeastery along said right of way line, $S10^{\circ}08'00''E$, 49.29 feet; thence along a curve to the left with a radius of 1960.00 feet, through a central angle of $7^{\circ}20'00''$, an arc length of 250.86 feet; thence $S17^{\circ}28'00''E$, 55.21 feet; thence along a curve to the right with a radius of 140.00 feet through a central angle of $20^{\circ}09'01''$, an arc length of 260.25 feet; thence leaving said Easterly right of way line, $S88^{\circ}32'08''E$, 1115.62 feet to a point on the East line of said Section 11; thence $N1^{\circ}20'28''E$, along said East line, 1442.31 feet to the point of beginning.

APRIL 16, 1980



FRESNO COUNTY RECORDERS OFFICE

BOOK 7504 PAGE 759

STATE OF CALIFORNIA
COUNTY OF FRESNO



GENERAL ACKNOWLEDGMENT
Form No. 16

} ss

ON April 8, 1980, before me, the undersigned, a Notary Public in and for said County and State, personally appeared WALTER E. LAMBRECHT and JOANNE E. LAMBRECHT

known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

Notary's Signature: David G. Drake

Tab 8

- Interim Binder
 - Declaration of Protective Restrictions
 - Solicitor's Opinion
-



**LandAmerica
Commonwealth**

Commonwealth Land Title Company
325 W. Hospitality Ln
Ste 100
San Bernardino, Ca 92408
Phone:

September 20, 2004

YOUR REF: 2598002-09
OUR NO.: 02598002

Attached is your Binder policy of title insurance, per your instructions.



LandAmerica
Commonwealth

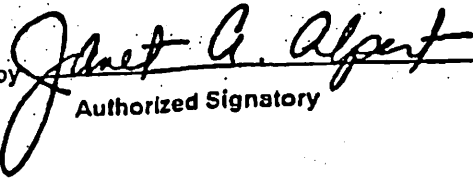
INTERIM BINDER FORM A

Issued by

Commonwealth Land Title Insurance

Commonwealth Land Title Insurance, A CORPORATION, HEREBY AGREES THAT IT WILL ISSUE, AS OF THE DATE SHOWN IN SCHEDULE A, ITS POLICY OF TITLE INSURANCE IN THE FORM AND WITH A LIABILITY NOT EXCEEDING THE AMOUNT SHOWN IN SCHEDULE A, INSURING TITLE TO THE ESTATE OR INTEREST DESCRIBED TO BE VESTED IN THE VESTEE NAMED HEREIN SUBJECT ONLY TO THE EXCEPTIONS SHOWN IN SCHEDULE B AND TO ALL OF THE PROVISIONS OF THE POLICY; OR, IN THE ALTERNATIVE, IF A VALID AND SUFFICIENT INSTRUMENT CREATING AN INSURABLE ESTATE, INTEREST OR LIEN IN FAVOR OF THE PARTY NAMED OR REFERRED TO IN PARAGRAPH 1 OF SCHEDULE A IS EXECUTED, DELIVERED AND RECORDED WITHIN 730 DAYS FROM THE DATE SHOWN IN SCHEDULE A, THE POLICY WILL BE ISSUED AS OF THE DATE OF RECORDING THE INSTRUMENT, INSURING THE ESTATE, INTEREST OR LIEN SUBJECT ONLY TO THE AFORESAID EXCEPTIONS AND PROVISIONS OF THE POLICY AND TO LIENS, ENCUMBRANCES, AND ANY OTHER MATTERS AFFECTING TITLE WHICH SHALL HAVE INTERVENED, OR OCCURRED, OR BECOME FOR THE FIRST TIME DISCLOSED OF RECORD BETWEEN THE DATE SHOWN IN SCHEDULE A AND THE DATE OF RECORDING THE INSTRUMENT, INCLUDING THOSE MATTERS AFFECTING TITLE WHICH MAY ATTACH AS A RESULT OF RECORDING.

THIS BINDER IS NULL AND VOID 730 DAYS FROM THE DATE SHOWN IN SCHEDULE A OR WHEN THE POLICY IS ISSUED, WHICHEVER SHALL FIRST HAPPEN.

by 
Authorized Signatory

SCHEDULE A

Dated: August 27, 2004 at 8:00 A.M.
Liability: \$40,000.00
Premium: \$414.70
File No: 02598002

TYPE OF POLICY TO BE ISSUED: ALTA U.S. Policy 9-28-91

1. Name of party in whose favor an estate, interest or lien is to be created:
a purchaser from the vestee shown in Paragraph 3 of this Schedule A
2. The estate or interest in the land described or referred to herein is:
A FEE
3. Title to said estate or interest covered at the date hereof is vested in:
_____, an unmarried man
4. The land referred to herein is described as follows:
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

Exhibit "A"

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

Lot 44 of Block 1 of Desert Hills Subdivision No. 1, in the County of _____, State of
California, as per Map recorded in Book 23, pages 26 and 27 of Maps, in the Office of the
County Recorder of said County.

Except an undivided one-half interest in all oil, gas and other hydrocarbon substances
lying in or under said lot as reserved in deed from

_____ ; recorded February 4, 1947 in Book 808 page 585 of Official
Records. By Quitclaim Deed recorded April 5, 1955 as Instrument No. 22239, such rights
were surrendered, relinquished and disclaimed by said parties upon the surface and
within 500.00 feet beneath the surface;

Also except the metals, minerals, petroleum, natural gas and other hydrocarbon
substances in or under said property which are disclosed by Declarations, Restrictions
executed by Desert Hills Development Company., recorded January 13, 1949 as
Instrument No. 1363, by Quitclaim Deed recorded April 5, 1955 as Instrument No. 22240
such rights were surrendered, relinquished and disclaimed by said Parties upon the
surface and within 500.00 feet beneath the surface.

Assessor's Parcel Number: 519-121-020

SCHEDULE B

The policy will not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of the Exceptions shown below and the applicable printed Exceptions and Exclusions shown on the attached List of Exceptions and Exclusions for the type of policy to be issued as set forth in Schedule A.

EXCEPTIONS:

- A. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, to be levied for the fiscal year 2004 - 2005 which are a lien not yet payable.
- B. Supplemental or escaped assessments of property taxes, if any, assessed pursuant to the Revenue and Taxation Code of the State of California.
1. Water rights, claims or title to water, whether or not shown by the public records.
2. An easement for the purposes shown below and rights incidental thereto as shown or as offered for dedication on the recorded map of said tract.
- Purpose: Public utilities
Affects: along the Easterly 15 feet
3. Covenants, conditions and restrictions as set forth in the document
Recorded: June 7, 1963 as Instrument No. 59601, of Official Records

This exception omits any covenant, condition or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that the covenant, condition or restriction (a) is not in violation of state or federal law, (b) is exempt under 42 U.S.C. Section 3607 or (c) relates to a handicap but does not discriminate against handicapped people.

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

Modification(s) of said covenants, conditions and restrictions
Recorded: December 31, 1964 as Instrument No. 155338, of Official Records

MODIFICATION
OF
DECLARATION OF PROTECTIVE RESTRICTIONS
DESERT HILLS

WHEREAS, the undersigned, DESERT HILLS DEVELOPMENT CO., a California corporation, hereinafter referred to as "Declarant," executed under date of November 15, 1948, a Declaration of Protective Restrictions covering real property situated in the County of Riverside, State of California, described as follows:

Blocks 1 to 6 inclusive of Desert Hills being a portion of the East Half of Section 7, T 3 S, R 2 E, S.B.B.&M.

which said Declaration was recorded in the office of the County Recorder of said County on the 13th day of January, 1949, in Book 1044, at Page 120;

WHEREAS, Declarant desires to authorize C2 commercial use for Lot 8 of Block 1;

WHEREAS, the action of Declarant being taken hereby has been approved by and has the consent of the owners of the property involved and of the owners of record of more than sixty-five per cent (65%) of all of the lots of said tract lying within five hundred (500) feet in any direction of the outer boundaries of Lot 8, said written approval being attached hereto as Exhibit A.

NOW, THEREFORE, in consideration of the premises the undersigned Declarant hereby modifies the aforesaid Declaration of Protective Restrictions recorded in the office of the County Recorder of the County of Riverside, State of California, in Book 1044, at Page 120, as follows:

Dec. 31, 1964

155338

I
Section 5. of Paragraph III shall be modified to read as follows:

"ZONE C-2. COMMERCIAL. This zone includes lots described as follows:

Block 1 - Lots 5, 6, 7 and 8 -
Block 2 - Lots 9 and 14 to 19 inclusive

"USES. The lots in this Zone C-2 shall be used only for the following uses: Automobile agency, automobile garage, automobile service or filling station (no body or fender work or painting or upholstering, except as incidental thereto), cleaning establishment, contractor's establishment (building, painting, plastering, roofing, cement work, etc.), laundry agency, plumbing shop, stage or bus station, taxi business; all of the foregoing, except filling stations, shall be completely enclosed buildings, except as specifically permitted in writing by the Architectural Committee, and such other uses shall be permitted as Declarant shall determine to be substantially similar to or of the same character as those specifically permitted in this zone.

"SETBACKS. No building or structure shall be erected or maintained within ten (10) feet of the front or street line or lines by which any lot in this zone is bounded."

II

Section 3, of Paragraph III shall be corrected to read as follows:

"3. ZONE R-2. MULTIPLE DWELLINGS. This zone includes lots described as follows:

Block 2 - Lots 10 to 13 inclusive
Block 3 - Lots 15 to 22 inclusive

"USES. The lots in Zone R-2 shall be used only for the uses permitted in Zones R-1A and R-1B and in addition may be used for multiple dwelling units, including, courts, flats and apartments, and ~~for buildings accessory to the permitted uses, but not including motels or hotels.~~

"SETBACKS. No building or part thereof, excepting fence, wall, hedge or other planting, steps and porches, and then only with the written permission of the Architectural Committee shall ever

Dec. 31, 1961

155338

Pursuant to a Solicitor's opinion, the "Declaration of Protective Restrictions," that affect Block 1, Lot 41, of the Desert Hills, Exception 3, created various restrictions that affect a portion of real property in the East Half of Section 7 T.3 S., R2E, S.B.B. & M. The restriction does not conform to Attorney General's Title Standards, which prohibits "covenants and conditions in the deed to the United States...that may limit the use of property in a manner which prevents the sale and disposition of the property under laws relation to the disposition of surplus property so as to prevent the recovery of a substantial portion of the Government's investment in the property." Specifically, land-use, building restrictions, setback restrictions, height restrictions, etc., qualify as such concerns the DOJ seeks to eliminate from title. The United States believes that Indians should not be restricted in how they use their trust land. However, Exception 3 has had many modifications that have lessened the restrictive conditions placed upon title which may allow removal from title. Such modification can occur if 65% of the owners agree. Consequently, the subject land may not be taken into trust unless the conditions are removed or a waiver of the Attorney General Title Standards is requested and granted.
