



Chicago Title Company

Commercial/Industrial Division,
700 South Flower, Suite 800 Los Angeles, CA 90017 (213) 488-4300

Title Department:

Chicago Title Company
Attn: Clark McKinnon
Email: Clark.McKinnon@CTT.com
Phone: (213) 488-4369
Fax: (213) 488-4385
Order No.: 810076561-X59

PRELIMINARY REPORT

Property Address: Pico Ave., San Marcos, Ca.

Dated as of: December 16, 2008 at 7:30 am

In response to the application for a policy of title insurance referenced herein, Chicago Title 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 herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said Policy forms.

The printed Exceptions and Exclusion from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

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.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One 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.

SCHEDULE A

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

A Fee

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

The State of California

3. The land referred to in this report is situated in the State of California, County of San Diego and is described in the Legal Description, attached hereto:

END OF SCHEDULE A

LEGAL DESCRIPTION

THAT PORTION OF LOT 2 IN BLOCK 61 OF RANCHO LOS VALLECITOS DE SAN MARCOS, IN THE CITY OF SAN MARCOS, COUNTY SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF [NO. 806](#), FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, DECEMBER 21, 1895, DESCRIBED AS FOLLOWS

BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID LOT 2, DISTANT THEREON 362.9 FEET SOUTHERLY FROM THE MOST NORTHERLY CORNER OF SAID LOT 2; THENCE CONTINUING SOUTHERLY ALONG SAID EASTERLY LINE 120 FEET; THENCE WESTERLY PARALLEL WITH THE NORTHERLY LINE OF SAID LOT, 120 FEET; THENCE NORTHERLY PARALLEL WITH THE EASTERLY LINE OF SAID LOT, 120 FEET; THENCE EASTERLY PARALLEL WITH THE NORTHERLY LINE, 120 FEET TO THE POINT OF BEGINNING.

END OF LEGAL DESCRIPTION

SCHEDULE B

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

- A. Said land is shown as exempt on the 2008 County Tax Roll for the fiscal year 2009

Assessors Parcel Number: [220-140-06](#)

- B. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Part 0.5, Chapter 3.5 or Part 2, Chapter 3, Articles 3 and 4 respectively (commencing with Section 75) of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A; or as a result of changes in ownership or new construction occurring prior to date of policy.

1. Covenants, conditions and restrictions (but omitting any covenant or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law) as set forth in the document

Recorded: in [Book 232 Page 344](#) of Deeds

Note: Section [12956.1](#) of the government code provides the following: "If this document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

2. Any easements not disclosed by those public records which impart constructive notice as to matters affecting title to real property and which are not visible and apparent from an inspection of the surface of said land.
3. Water rights, claims or title to water, whether or not disclosed by the public records.
4. Matters which may be disclosed by an inspection and/or by a correct ALTA/ACSM Land Title Survey of said land that is satisfactory to this Company, and/or by inquiry of the parties in possession thereof.

This office must be notified at least 7 business days prior to the scheduled closing in order to arrange for an inspection of the land; upon completion of this inspection you will be notified of the removal of specific coverage exceptions and/or additional exceptions to coverage.

SCHEDULE B
(continued)

5. Any rights of parties in possession of said land, based on any unrecorded lease, or leases.

This Company will require a full copy of any unrecorded lease, together with all supplements, assignments, and amendments for review.

END OF SCHEDULE B

INFORMATIONAL NOTES

Note No. 1: Section 12413.1, California Insurance Code became effective January 1, 1990. This legislation regulates the disbursement of funds deposited with any title entity acting in an escrow or sub-escrow capacity. The law requires that all funds be deposited and collected by the title entity's escrow and/or sub-escrow account prior to disbursement of any funds. Some methods of funding may be subject to a holding period, which must expire before any funds may be disbursed. In order to avoid any such delays, all funding should be done via wire transfer. Funds deposited with the Company via wire transfer may be disbursed upon receipt. Funds deposited by cashiers checks, certified checks, and teller's checks is one business day after the day deposited. Other checks may require hold periods from two to five business days after the day deposited, and may delay your closing. The Company may receive benefits from such banks based upon the balances in such accounts. Such benefits will be retained by the Company as part of its compensation for handling such funds.

Note No. 2: The charge where an order is cancelled after the issuance of the report of title, will be that amount which in the opinion of the Company is proper compensation for the services rendered or the purpose for which the report is used, but in no event shall said charge be less than the minimum amount required under Section 12404.1 of the Insurance Code of the State of California. If the report cannot be cancelled "no fee" pursuant to the provisions of said Insurance Code, then the minimum cancellation fee shall be that permitted by law.

Note No. 3: California Revenue and Taxation Code Section 18668, effective January 1, 1991, requires that the buyer in all sales of California Real Estate, withhold 3-1/3% of the total sales price as California State Income Tax, subject to the various provisions of the law as therein contained, and as amended.

Note No. 4: Wire Transfers

In the event your transaction is being escrowed by a Chicago Title office, contact should be made with the office to obtain correct wiring instructions. Failure to do so could result in a delay in the receipt of funds and subsequent closing of your transaction.

Chicago Title will disburse by wire-out only collected funds or funds received by confirmed wire-in.

The Company's wire-in instructions are:

Bank:	Bank of America 1850 Gateway Blvd. Concord, CA 94520
Bank ABA No.:	0260-0959-3
Account Name:	Chicago Title Company, Broadway Plaza Office
Account No.:	12351-50737
For Credit To:	Chicago Title Company 700 South Flower, Suite 800 Los Angeles, CA 90017
Order No.:	810076561-X59

INFORMATIONAL NOTES

(continued)

LENDER NOTE: On the DATE you fund the Loan and WIRE Funds to Chicago Title and reference the above Order Number, you must send written NOTICE to the Title Officer's Unit by messenger or E-Mail that you sent the Funds.

Chicago Title will send an E-Mail acknowledging receipt of the funds as soon as practicable.

Chicago Title will NOT be responsible for any delay in Closing and Recording the transaction, nor will Chicago Title be liable for any claim of lost Interest unless such written Notice is sent the day of Funding and Chicago Title has acknowledged receipt of funds.

Note No. 5: Your application for title insurance was placed by reference to a street address or assessor's parcel number. Based upon our records, we believe that the description in this report covers the parcel that you requested.

To prevent errors, we require written confirmation that the legal description contained herein covers the parcel that you requested.

Note No. 6: The plat, (map), which is attached to this report, is to assist you in locating land with reference to streets and other parcels. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon.

Note No. 7: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. 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. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.

Note No. 8: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

INFORMATIONAL NOTES
(continued)

[ATTACHMENT ONE](#)

[PRIVACY STATEMENT](#)

IMPORTANT INFORMATION:

For those of you receiving this report by electronic delivery the Privacy Statement and Attachment One are linked to this report. Please review this information by selecting the link. For those of you who are receiving a hard copy of this report, a copy of this information has been submitted for your review.

INFORMATIONAL NOTES
(continued)

NOTICE

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount.

Effective through November 1, 2014