

# HOW TO READ A **PRELIMINARY REPORT**



# TABLE OF CONTENTS



What is a Preliminary Report?..... 3

Preliminary Report Sample..... 4

Schedule A ..... 5

Exhibit A..... 6

Schedule B ..... 7

Owner’s Declaration ..... 12

Requirements Section ..... 13

Informational Notes Section (Lender Supplemental) ..... 14

Preprinted Policy Exclusions & Exceptions (Exhibit B)..... 16

Plat Map Explanation ..... 20

# WHAT IS PRELIMINARY REPORT?

**A preliminary report (often associated or confused with a title commitment in some areas) is a dated report that sets out matters affecting title on a particular parcel of land. Its sole purpose is to facilitate the issuance of the policy.**

Within a short time after a title order has been opened, the matters of record relative to the issuance of the title insurance policy on the subject property have been assembled in the title search and examined by skilled technicians. This is the time when the preliminary report is prepared and sent to the customer. The report reflects the matters which would be shown as exceptions in a policy of the title insurance so that the parties to the transaction will be aware of any of those matters of record that may need to be cleared prior to the closing of the transaction. This report is issued before the title policy hence the name Preliminary Report.

Those matters shown in the report are as follows:

1. The estate or interest covered.
2. The record owner of the estate or interest.
3. A legal description of the parcel of land covered.
4. The recorded easements, liens, encumbrances and other matters which affect the title to the land at the date and time of the report.

Members of the California Land Title Association (CLTA) use the type of report explained on the pages that follow. The investigation of title is normally limited to the public record, with no reference to off record matters.

All references to specific property, dollar amounts, documents, and individual and corporate identification are fictional and for the purpose of educational sample only.

\*Explanations of Report Items are noted in these shaded boxes.\*



# SAMPLE

Our File No.: 86-1234-19  
An Escrow Company  
1313 Insurance Road  
Your Town, CA 91000  
Attn: Lucy Doe  
Your Reference No: 041206M

Identifies customer escrow file number and includes escrow officer initials for identification.

Identifies the company's title order for this transaction.

Title Officer: John Doe  
(JohnDoe@fnf.com)  
234567 City, CA 91000

Property Address: 1234 State Street, City, CA

Address of property to be insured.

## PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, Ticor 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 below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

This paragraph states that the company is prepared to issue the policy elsewhere referred to and points out the fact that there are exceptions and exclusions in the policy form and additional exceptions listed in the report that would not be insured against by the policy, if issued.

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

This paragraph points out the fact that the language of preprinted exceptions and exclusions is set forth verbatim in Exhibit "B" and encourages the reading of the policy forms. This statement is required by California Law.

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.

This paragraph specifies that no liability is intended to be assumed under a preliminary report and further states what should be requested if the customer desires assumption of liability prior to policy issuance.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit B 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 last statement is required by California law.

# SCHEDULE A

Dated as of January 1, 2015, at 7:30 a.m.

The date and time up to which matters affecting the title to the land herein described have been examined and reported. This is referred to as the "plant date", the date of which the title plant records affecting the land have been posted.

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

**CLTA Owner's Policy**  
**ALTA Owner's Policy**  
**ALTA Loan Policy**

This discloses the form of policy requested.

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

**A FEE**

A Fee is the highest type of estate or interest an owner can have in land, one freely transferable and inheritable, and whose owner is entitled to possession. (There are a number of other estates or interests in land that are insured but not shown here. The word "estate" is used to express the degree, quantity, nature, duration, or extent of an interest in land.)

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

**1234 State Street, LLC, a California Limited Liability Company**

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 Any County, State of California, described as follows:  
Lot 6 of Tract 3103 as shown by Map on file in book 288, Page(s) 52 through 54 of maps, Records of Any County, California.

The legal description of the land covered by this preliminary report.

## **Assessor's Parcel Number: 123-456-78**

A number assigned to your property by your county tax assessor. This number is the location of the parcel of land by book, page and parcel reference: 123 = book, 456 = page/block and 78 = parcel number. See page 27 for further explanation.

# SCHEDULE B - SECTION A

The following exceptions will appear in policies when providing standard coverage as outlined below:

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

These are the Western Region Exceptions. If any policy is to be issued in a "standard coverage" format these items will appear in Schedule B as exceptions. These exceptions do not appear in the ALTA Extended Coverage Policy. Similar exceptions are included in the CLTA Policy pre-printed policy jacket, and are not duplicated in a Schedule B of a CLTA Policy.

# SCHEDULE B - SECTION 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:

Items shown in Schedule B are recorded information that affects the property in question including taxes, easements, covenants, conditions and restrictions, liens, judgments, etc.

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 2014-2015 which are a lien not yet payable.

Unpaid Taxes: The first item shown in Schedule B is a statement regarding the amount and status of any unpaid taxes for the current year's taxes (e.g. taxes now a lien, or respective installments).

B. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, for the fiscal year 2014-2015.

Note: Taxes are shown in Schedule B if one or both of the installments are not paid. For both installments paid, the information is shown in the Notes section of the report.

1st Installment:	\$833.45 - This amount is valid until December 10, after which penalties apply
Penalty:	\$83.34 - Due with installment amount if paid after December 10
2nd Installment:	\$833.45 - This amount is valid until April 10, after which penalties apply
Penalty (including cost):	\$93.34 - Due with installment amount if paid after April 10
Land Value:	\$97,000.00
Improvement Value:	\$148,000.00
[ ] Exemption:	\$7,000.00
Code Area:	03012
Assessment No.:	123-456-78

C. Supplemental or escaped assessments of property taxes, if any, assessed pursuant to the Revenue and Taxation Code of the State of California.

Supplemental Taxes: Tax reassessments which attach to the land upon the transfer of ownership or new construction are shown here.

NOTE: From this point on, the items shown in the preliminary report will normally be shown chronologically by date. Although this approach is normal from the standpoint of a title examiner, the items are not necessarily shown in any strict order of priority.



# SCHEDULE B - SECTION B

## 1. Covenants, conditions and restrictions as set forth in the document

Recorded: January 25, 1969, Instrument/File No. 1274, 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.

The referenced document contains covenants, conditions and restrictions. A covenant, condition, or restriction is a limitations or obligations related to the use, condition, maintenance, or other aspects of property. Restrictions affecting a tract of land are commonly used to establish uniformity across a development.

## 2. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to: Your Local Utility Company  
Purpose: Public Utilities and incidental purposes  
Recorded: June 15, 1969, Instrument/File No. 5899, Official Records  
Affects: Said land, more particularly described therein.

An easement is a right or interest of another party in the land which entitles the holder thereof to some use, privilege or benefit (e.g., poles for wires, pipelines for sewer or electricity conduit, to use or make roads for travel). Occasionally, the exact location and/or extent of said easement is not disclosed in the public records.

## 3. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount: \$1,000,000.00  
Dated: January 1, 2014  
Trustor: 1234 State Street, LLC, a California Limited Liability Company  
Trustee: Your Title Company  
Beneficiary: Any Bank  
Loan No.: 123456  
Recorded: January 2, 2014, Instrument/File No. 14-12345, Official Records

Deeds of Trust: A three-party instrument under which an owner of land (trustor) conveys land to a trustee for the benefit of the lender (beneficiary) to secure the owner's obligation (usually payment of money evidenced by a promissory note) to the lender. The trustee has limited powers (e.g. to reconvey or to foreclose non-judicially) as specifically directed by the beneficiary.

# SCHEDULE B - SECTION B

4. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby.

Amount: \$40,000  
Dated: June 15, 2014  
Trustor: 1234 State Street, LLC, a California Limited Liability Company  
Trustee: Your Title Company  
Beneficiary: Wells Fargo Bank  
Loan No.: 89456WB  
Recorded: June 16, 2014, Instrument/File No. 14-56289. Official Records

Said deed of trust recites that it is subordinate to the deed of trust recorded concurrently therewith.

The parties have agreed that this last deed of trust is to be a Junior lien to the Deed of Trust shown previously above. A subordination agreement may be a separate instrument or, in some cases, it may be incorporated within the deed of trust that is to become subordinate.

5. An abstract of judgment for the amount shown below and any other amounts due.

Debtor: 1234 State Street, LLC, a California Limited Liability Company  
Creditor: A Pool Company, a California Corporation  
Date entered: May 25, 2011  
County: Your County  
Court: Municipal Court, Your County Judicial District  
Case No.: 743611  
Amount: \$2365.30, including penalty and costs  
Recorded: June 17, 2011, Instrument/File No. 10005, Official Records

As of the date of recording, an abstract of judgment imposes a lien on this and all other real and personal property now owned or hereafter acquired in the same county in which the abstract is recorded by the debtor until satisfaction or expiration of the lien.

6. A tax lien for the amount shown and any other amounts due, in favor of the United States of America, assessed by the District Director of Internal Revenue.

Federal Serial No.: US12345  
Tax Payer: 1234 State Street, LLC, a California Limited Liability Company  
Amount: \$345.21  
Recorded: November 12, 2011, Instrument/File No. 148596, Official Records

Federal tax liens become a lien on all property and the rights to property (including real and personal) of the parties liable.

# SCHEDULE B - SECTION B

7. A lien for the amount shown and any other amounts due, in favor of the State of California.

Amount: \$320.54  
Filed by: State of California  
Taxpayer: 1234 State Street, LLC, a California Limited Liability Company  
Cert Number: 73492  
Recorded: November 12, 2013, Instrument/File No. 137894, Official Records

State tax liens become a lien on all property and the rights to property (including real and personal) of the parties liable.

8. A pending court action as disclosed by a recorded notice.

Plaintiff: ABC Enterprises, LLC, a California Limited Liability Company  
Defendant: 1234 State Street, LLC, a California Limited Liability Company  
County: Your County  
Court: Any Court  
Case No.: 0108094  
Nature of Action: Affects Real Property  
Recorded: May 5, 2014, Instrument/File No. 9784, Official Records

Usually denotes a dispute regarding the land as to ownership, liens or other matters.

## END OF SCHEDULE B EXCEPTIONS

**PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION"  
FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION**

# OWNER'S DECLARATION

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)
  - a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at \_\_\_\_\_  
further described as follows: See Preliminary Report/Commitment No. 23 for full legal description (the "Land").
  - b. Declarant is the \_\_\_\_\_ of \_\_\_\_\_  
("Owner"), which is the owner or lessee, as the case may be, of certain premises located at \_\_\_\_\_  
further described as follows: See Preliminary Report/Commitment No. 23 for full legal description (the "Land").
2. (Fill in the applicable paragraph and strike the other)
  - a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.
  - b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with \_\_\_\_\_ upon the Land in the approximate total sum of \$ \_\_\_\_\_, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: \_\_\_\_\_  
\_\_\_\_\_. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Ticor Title Insurance Company against any and all claims arising therefrom.
3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.
4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records.
5. The Land is currently in use as \_\_\_\_\_; \_\_\_\_\_ occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:  
\_\_\_\_\_
6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.
7. There are no outstanding options to purchase or rights of first refusal affecting the Land.

This declaration is made with the intention that Ticor Title Insurance Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on \_\_\_\_\_ at \_\_\_\_\_

Signature: \_\_\_\_\_

# REQUIREMENTS SECTION

**REQ NO.1:** The Company will require that an Owner's Affidavit be completed by the party(s) named below before the issuance of any policy of title insurance.

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

Parties: **1234 State Street, LLC, A Limited Liability Company**

The owner's declaration provides information to the Title Company for matters which may not appear in the public records (work in progress, bankruptcy, unrecorded liens, etc.) and is used in connection with providing extended coverage.

**REQ NO.2:** The Company will require the following documents for review prior to the issuance of any title assurance predicated upon the conveyance or encumbrance from the entity named below:

Limited Liability Company: **1234 State Street, LLC, a California Limited Liability Company**

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

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

The operating agreement and any amendments are required in order to verify who can execute documents on behalf of the company.

**REQ NO.3:** Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

Because tenants have a right of possession and most leases are not recorded, copies are required of any unrecorded leases that may affect the property.

# INFORMATIONAL NOTES SECTION

**NOTE NO. 1:** The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.

Disclaimer for the attached map which shows your property.

**NOTE NO. 2:** California insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.

This note discusses the California Statute requiring deposits of funds available for withdrawal from the Company's account prior to use for payments of any kind.

**NOTE NO. 3:** The charges which the company will make for next day messenger services (i.e. Federal Express, UPS, DHL, Airborne, Express mail, etc.) Are \$15.00 per letter, standard overnight service, and \$25.00 for larger size packages and/or priority delivery services. Such charges include the cost of such messenger service and the company's expenses for arranging such messenger service and its overhead and profit. Special messenger services will be billed at the cost of such services. There will be no additional charge for pick-up or delivery of packages via the company's regularly scheduled messenger runs.

Information regarding additional charges and expenses for messenger service(s). Fee schedules are subject to change without notice.

**NOTE NO. 4:** None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an ALTA Loan Policy, when issued.

Regarding the issuance of CLTA Endorsement Form 100 to a lender only.

**NOTE NO. 5:** The following information will be included in the CLTA Form 116 Endorsement to be issued pursuant to this order:

There is located on said land:

A single-family residence Known as: 1234 State Street, Your Town, California

Regarding the issuance of CLTA Endorsement Form 116 to a lender only.

# INFORMATIONAL NOTES SECTION

**NOTE NO. 6:** There are no conveyances affecting said land recorded within 24 months of the date of this report.

Required by lenders, this is shown if a change in vesting occurred prior to 24 months before the plant date, disclosing recent transfers of the property. If a change in vesting occurred within 24 months, the grantor, grantee and recording date of the document would be shown.

**NOTE NO. 7:** Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, for the fiscal year shown below, are paid. For proration purposes the amounts are:

Fiscal year:	2010–2011
1st Installment:	\$833.45
2nd Installment:	\$833.45
Land Value:	\$97,000.00
Improvement Value:	\$148,000.00
Exemption:	\$7,000.00
Code Area:	3012
Assessment No:	123-456-78
Typist:	kh
Date Typed:	April 26, 2010

# PREPRINTED POLICY EXCLUSIONS & EXCEPTIONS

## Exhibit B

This section sets forth exclusions from coverage on the policies to be issued and should be reviewed.

**Exhibit B (Rev. 04-08-14)  
CALIFORNIA LAND TITLE ASSOCIATION  
STANDARD COVERAGE POLICY—1990  
EXCLUSIONS FROM COVERAGE**

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

1.
  - a. Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (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 notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - a. whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - b. not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - c. resulting in no loss or damage to the insured claimant;
  - d. attaching or created subsequent to Date of Policy; or
  - e. resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws. CLTA Standard Coverage (1990) Rev. 04-08-2014 Exhibit A (06-05-14) WFG National Form No. 3168406-XA .

### EXCEPTIONS FROM COVERAGE — SCHEDULE B, PART I

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.



# PREPRINTED POLICY EXCLUSIONS & EXCEPTIONS

## Exhibit B

3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

### **2021 ALTA LOAN POLICY (07-01-2021) EXCLUSIONS FROM COVERAGE**

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

1.
  - a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
    - i. the occupancy, use, or enjoyment of the Land;
    - ii. the character, dimensions, or location of any improvement on the Land;
    - iii. the subdivision of land; or
    - iv. environmental remediation or protection.
  - b. any governmental forfeiture, police, regulatory, or national security power.
  - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.  
Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
  - a. created, suffered, assumed, or agreed to by the Insured Claimant;
  - b. not Known to the Company, not recorded in the Public Records at the 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 the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser or encumbrancer had been given for the Insured Mortgage at the Date of Policy.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business law.
5. Invalidity or unenforceability of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury law or Consumer Protection Law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction creating the lien of the Insured Mortgage is a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. oidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer:
    - i. to the extent the Insured Mortgage is not a transfer made as a contemporaneous exchange for new value; or
    - ii. for any other reason not stated in Covered Risk 13.b.
7. Any claim of a PACA-PSA Trust. Exclusion 7 does not modify or limit the coverage provided under Covered Risk 8.
8. Any lien on the Title for real estate taxes or assessments imposed by a governmental authority and created or attaching between the Date of Policy and the date of recording of the Insured Mortgage in the Public Records. Exclusion 8 does not modify or limit the coverage provided under Covered Risk 2.b. or 11.b.
9. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

# PREPRINTED POLICY EXCLUSIONS & EXCEPTIONS

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

### 2021 ALTA OWNER'S POLICY (07-01-2021) EXCLUSIONS FROM COVERAGE

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

1.
  - a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
    - i. the occupancy, use, or enjoyment of the Land;
    - ii. the character, dimensions, or location of any improvement on the Land;
    - iii. the subdivision of land; or
    - iv. environmental remediation or protection.
  - b. any governmental forfeiture, police, regulatory, or national security power.
  - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.

Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.

2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
  - a. created, suffered, assumed, or agreed to by the Insured Claimant;
  - b. not Known to the Company, not recorded in the Public Records at the 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 the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
  - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.

# PREPRINTED POLICY EXCLUSIONS & EXCEPTIONS

## Exhibit B

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer:
    - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
    - ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

### EXCEPTIONS FROM COVERAGE

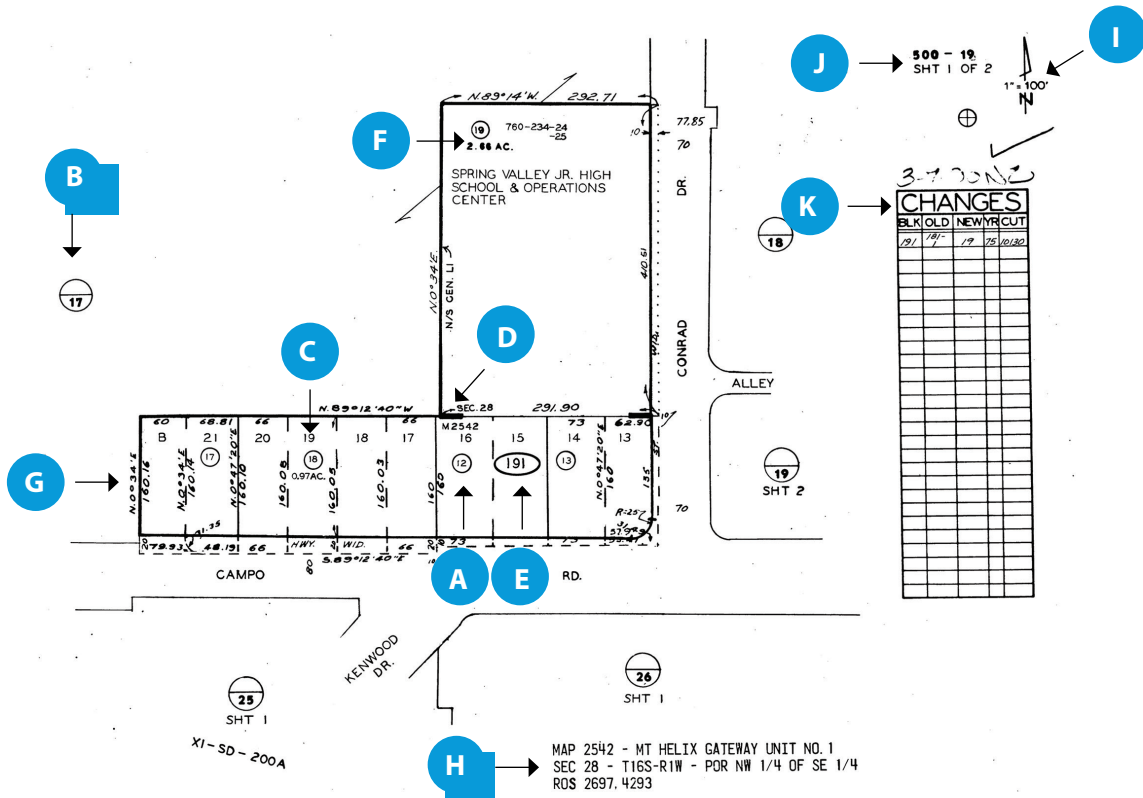
This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

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

End of Exhibit B exclusions from coverage.

# PLAT MAP EXPLANATION

Your state and county tax map layout could vary



- A Parcel Number**  
In small circle (occasionally an oval).
- B Book & Page Circle**  
Indicates what map page (# below the line) adjoins our map and in some cases which Assessor's Book (# above the line).
- C Lot Number**  
Never circled; shows the subdivision lot number (lots 17 through 20 in example).
- D "Picture Corner"**  
Shows the exterior subdivision map boundaries as shown on the plat.
- E Page/Block Number**  
In example, 191 is Block Number; the first two digits of Block are always the Page Number (see also "J").
- F Acreage Figures**  
A decimal number with AC following (not always accurate; us only for estimate).
- G Distances & Bearings**  
Data on borders of the map. This data is from recorded deeds or surveys.
- H Map Information**  
Brief description of properties included on this page.
- I North Arrow**  
Will not always be pointing "up". (SCALE: Useful if map has been printed to proper size).
- J Assessor's Book Number**  
Followed by two digits of the Page Number, located in the upper corners of map.
- K Changes Box**  
Provides the history of the map page.

\*Information deemed reliable but not guaranteed.

# NOTES

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---



# NOTES

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

