

CALIFORNIA LAND TITLE ASSOCIATION  
STANDARD COVERAGE POLICY 1990

CHICAGO TITLE INSURANCE COMPANY

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

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;

and in addition, as to an insured lender only:

5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage, said mortgage being shown in Schedule B in the order of its priority;
7. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule B, or the failure of the assignment shown in Schedule B to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

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

*In Witness Whereof*, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of Date of Policy shown in Schedule A, the policy to become valid when countersigned by an authorized signatory.

Issued by:  
CHICAGO TITLE COMPANY  
925 "B" Street  
San Diego, CA 92101  
(619) 239 - 6081



CHICAGO TITLE INSURANCE COMPANY

By:

*John R. Rau*  
President

By:

*Thomas J. Adams*  
Secretary

Your Ref:  
PW-05003586-LG

**SCHEDULE A**

Amount of Insurance: \$11,240,000.00

Policy No. 203066655 U50

Date of Policy: May 16, 2001 at 3:45 PM

Premium: \$16,622.00

1. Name of Insured:  
STATE OF CALIFORNIA
  
  
  
  
  
  
  
  
  
  
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:  
STATE OF CALIFORNIA
  
  
  
  
  
  
  
  
  
  
4. The land referred to in this policy is described as follows:

SEE ATTACHED DESCRIPTION

This Policy valid only if Schedule B is attached.

## DESCRIPTION

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Policy No. 203066655 U50

## PARCEL 1:

ALL THAT PORTION OF SECTIONS 7, 18 AND 19, TOWNSHIP 17 SOUTH, RANGE 2 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

LOTS 3 AND 4 IN SAID SECTION 7. LOTS 1, 2, 3 AND 4 AND THE WEST ONE-HALF OF THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER IN SAID SECTION 18. LOTS 1, 2, 3 AND 4 AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER IN SAID SECTION 19, TOGETHER WITH:

ALL THAT PORTION OF THE RANCHO JAMUL, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AS THE SAME IS FULLY DESCRIBED IN THE PATENT FROM THE UNITED STATES OF AMERICA TO MARIA A. BURTON ET AL, RECORDED IN BOOK 2 OF PATENTS, AT PAGE 121 ET SEQ., IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, AND AS SHOWN ON THE PLAT OF SAID RANCHO JAMUL ATTACHED TO AND RECORDED WITH SAID PATENT. SAID ENTIRE ABOVE REFERRED PROPERTY DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST NORTHWEST CORNER OF SAID RANCHO JAMUL, SAID POINT BEING CORNER NO. 16; THENCE SOUTH 88° 18' 25" EAST, 529.37 FEET; THENCE SOUTH 01° 47' 43" WEST, 239.63 FEET; THENCE SOUTH 88° 27' 05" EAST, 83.66 FEET; THENCE SOUTH 88° 58' 02" EAST, 388.78 FEET; THENCE SOUTH 86° 24' 51" EAST, 721.24 FEET; THENCE NORTH 21° 34' 27" WEST, 257.03 FEET; THENCE SOUTH 88° 18' 25" EAST, 338.54 FEET TO A POINT ON THE WEST LINE OF CALIFORNIA STATE HIGHWAY 94, SAID POINT BEING A NON-TANGENT 555.84 FOOT RADIUS CURVE, CONCAVE SOUTHWESTERLY, THE RADIAL BEARING FROM SAID POINT BEARS SOUTH 51° 07' 46" WEST; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 06° 07' 25", AN ARC LENGTH OF 59.41 FEET TO THE NORTH BOUNDARY OF SAID RANCHO JAMUL, SAID POINT BEARS SOUTH 88° 18' 25" EAST, 1917.95 FEET FROM SAID POINT OF BEGINNING; THENCE SOUTH 88° 18' 25" EAST, 28.26 FEET TO POINT "X", BEING THE CENTER LINE OF SAID CALIFORNIA STATE HIGHWAY 94 AS IT EXISTED JANUARY 1, 1991, SAID POINT BEARS SOUTH 88° 18' 25" EAST, 1946.20 FEET (1946.5 FEET PER DB 500/150) FROM SAID POINT OF BEGINNING; THENCE ALONG SAID NORTH BOUNDARY OF RANCHO JAMUL SOUTH 88° 18' 25" EAST, 3364.99 FEET TO CORNER NO. 15 OF SAID RANCHO JAMUL; THENCE SOUTH 02° 21' 41" WEST, 1992.17 FEET TO CORNER NO. 14 OF SAID RANCHO JAMUL; THENCE SOUTH 89° 11' 25" EAST, 10567.57 FEET TO CORNER NO. 13 OF SAID RANCHO JAMUL, SAID POINT ALSO BEING A POINT ON THE WEST LINE OF SAID SECTION 18; THENCE LEAVING SAID RANCHO JAMUL BOUNDARY AND PROCEEDING ALONG THE WEST LINE OF SAID SECTION 18 NORTH 00° 06' 09" EAST, 1300.37 FEET TO THE NORTHWEST CORNER OF SAID SECTION 18. SAID POINT ALSO BEING THE SOUTHWEST CORNER OF SAID SECTION 7; THENCE PROCEEDING ALONG SAID SECTION 7 NORTH 00° 05' 15" WEST, 2530.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 3 IN SAID SECTION 7; THENCE ALONG THE NORTH LINE OF SAID LOT 3 IN SECTION 7 SOUTH 89° 32' 56" EAST, 1570.77 FEET TO THE NORTHEAST CORNER OF SAID LOT 3 IN SECTION 7; THENCE SOUTH 00° 36' 32" WEST, 2567.47 FEET TO THE SOUTHEAST CORNER OF SAID LOT 4 SAID SECTION 7; THENCE SOUTH 01° 36' 30" WEST, 2595.48 FEET TO THE SOUTHEAST CORNER OF SAID LOT 3 IN SAID SECTION 18; THENCE SOUTH 01° 33' 37" WEST, 1310.87 FEET TO THE SOUTHEAST CORNER OF SAID LOT 3 IN SAID SECTION 18. SAID POINT ALSO BEING THE NORTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER IN SECTION 18; THENCE NORTH 89° 52' 30" EAST, 1498.88 FEET TO THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER IN SECTION 18; THENCE NORTH 03° 06' 29" EAST, 1302.98 FEET TO THE NORTHWEST CORNER OF SAID WEST ONE-HALF OF THE SOUTHEAST QUARTER IN SAID SECTION 18; THENCE SOUTH 89° 46' 28" EAST, 1386.02 FEET TO THE NORTHEAST CORNER OF SAID WEST ONE-HALF OF THE SOUTHEAST QUARTER IN SAID SECTION 18;

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THENCE SOUTH 01° 24' 17" WEST, 2584.41 FEET TO THE SOUTHEAST CORNER OF SAID WEST ONE-HALF OF THE SOUTHEAST QUARTER IN SAID SECTION 18. SAID POINT ALSO BEING THE NORTHWEST CORNER OF THE SAID NORTHWEST QUARTER OF THE SOUTHWEST QUARTER IN SAID SECTION 19; THENCE SOUTH 04° 36' 18" WEST, 2635.21 FEET TO THE SOUTHEAST CORNER OF SAID LOT 4 IN SAID SECTION 19; THENCE ALONG THE SOUTH LINE OF SAID LOT 4 IN SAID SECTION 19 NORTH 89° 11' 02" WEST, 1505.44 FEET, TO INTERSECT THE EASTERLY BOUNDARY OF SAID RANCHO JAMUL BETWEEN CORNER NO. 12 AND CORNER NO. 11; THENCE SOUTHEASTERLY ALONG SAID RANCHO JAMUL BOUNDARY SOUTH 45° 22' 07" EAST, 7775.63 FEET TO SAID RANCHO JAMUL BOUNDARY CORNER NO. 11; THENCE SOUTH 01° 43' 41" WEST, 2628.60 FEET TO SAID RANCHO JAMUL BOUNDARY CORNER NO. 10; THENCE SOUTH 88° 48' 10" EAST, 5264.38 FEET TO SAID RANCHO JAMUL BOUNDARY CORNER NO. 9; THENCE SOUTH 02° 24' 14" WEST, 5235.88 FEET TO THE MOST SOUTHEASTERLY BOUNDARY CORNER NO. 8 OF SAID RANCHO JAMUL, SAID POINT BEARS SOUTH 88° 54' 24" WEST, (183.87 FEET PER DB 500/150) TO POINT "Y", BEING THE CENTER LINE OF CALIFORNIA HIGHWAY 94, AS IT EXISTED JANUARY 1, 1991; THENCE NORTH 88° 54' 24" WEST, 7823.13 FEET TO SAID RANCHO JAMUL BOUNDARY CORNER NO. 7; THENCE NORTH 33° 13' 34" WEST, 7127.45 FEET TO SAID RANCHO JAMUL BOUNDARY CORNER NO. 6; THENCE NORTH 88° 54' 36" WEST, 4729.00 FEET TO SAID RANCHO JAMUL BOUNDARY CORNER NO. 5; THENCE SOUTH 44° 00' 50" WEST, 7597.59 FEET TO SAID RANCHO JAMUL BOUNDARY CORNER NO. 4; THENCE NORTH 42° 28' 10" WEST, 3480.78 FEET TO SAID RANCHO JAMUL BOUNDARY CORNER NO. 3; THENCE SOUTH 49° 31' 20" WEST, 6776.93 FEET TO SAID RANCHO JAMUL BOUNDARY CORNER NO. 2; THENCE SOUTH 74° 06' 08" WEST, 3179.99 FEET TO SAID RANCHO JAMUL BOUNDARY CORNER NO. 1; THENCE NORTH 55° 11' 52" WEST, 2466.74 FEET TO SAID RANCHO JAMUL BOUNDARY CORNER NO. 20; THENCE NORTH 65° 44' 07" EAST, 5426.02 FEET TO SAID RANCHO JAMUL BOUNDARY CORNER NO. 19; THENCE NORTH 05° 51' 43" EAST, 611.40 FEET; THENCE LEAVING SAID RANCHO JAMUL BOUNDARY SOUTH 89° 36' 47" EAST, 183.70 FEET; THENCE NORTH 05° 03' 27" EAST, 3973.34 FEET; THENCE NORTH 89° 36' 47" WEST, 127.65 FEET TO A POINT ON THE WESTERLY RANCHO JAMUL BOUNDARY; THENCE ALONG SAID WESTERLY BOUNDARY NORTH 05° 51' 43" EAST, 8788.18 FEET TO SAID RANCHO JAMUL BOUNDARY CORNER NO. 18; THENCE NORTH 07° 56' 40" WEST, 6731.10 FEET TO SAID RANCHO JAMUL BOUNDARY CORNER NO. 17; THENCE NORTH 03° 44' 23" EAST, 627.20 FEET TO THE POINT OF BEGINNING.

THE ABOVE SAID BEARINGS ARE IN TERMS OF THE CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE 6.

EXCEPTING THEREFROM ALL THAT PORTION LYING SOUTHERLY AND WESTERLY OF SAID CENTER LINE OF CALIFORNIA STATE HIGHWAY 94, AS IT EXISTED JANUARY 1, 1991, SOUTHEASTERLY ALONG SAID CENTER LINE FROM SAID POINT "X", BEING ON THE NORTHERLY RANCHO JAMUL BOUNDARY, TO SAID POINT "Y", BEING ON THE SOUTHERLY RANCHO JAMUL BOUNDARY.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED BY E. S. BABCOCK ET AL, TO ANNA L. MCDONALD BY DEED DATED SEPTEMBER 10, 1896, AND RECORDED IN BOOK 252, PAGE 263 OF DEEDS, DESCRIBED IN SAID DEED AS FOLLOWS:

"A TRACT OF LAND CONTAINING 40 ACRES IN SQUARE FORM, IN THE SOUTHEAST CORNER OF THE RANCHO JAMUL AND PARTICULARLY BOUNDED AS FOLLOWS:

"COMMENCING AT CORNER NO. 8 OF SAID RANCH RUNNING: THENCE NORTHWARD ALONG AND UPON THE EAST LINE OF SAID RANCHO 20 CHAINS; THENCE WESTWARD PARALLEL WITH THE SOUTHERN BOUNDARY LINE OF SAID RANCHO 20 CHAINS; THENCE SOUTHWARD PARALLEL WITH THE EAST LINE OF SAID RANCHO 20 CHAINS TO THE SOUTHERN BOUNDARY LINE OF SAID RANCHO AND THENCE EASTWARD ALONG AND UPON SAID SOUTHERN BOUNDARY LINE OF SAID RANCHO 20 CHAINS TO THE PLACE OF BEGINNING.

ALSO EXCEPTING THEREFROM:

BEGINNING AT A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 94, AS SHOWN ON CALTRANS SURVEY MAP NO. 9501, SAID POINT BEING THE EASTERLY TERMINUS OF THAT CERTAIN COURSE SHOWN THEREON AS SOUTH 72°23'11" EAST 1296.09 FEET, SAID POINT ALSO BEING SHOWN AS STATION NO. 307+24.028 B.C; THENCE ALONG SAID NORTHERLY RIGHT OF WAY LINE, NORTH 72°23'11" WEST 1296.09 FEET TO THE BEGINNING OF A TANGENT 1950.00 FOOT RADIUS CURVE, CONCAVE NORTHEASTERLY; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 30°53'13". AN ARC LENGTH OF 1051.20 FEET, SAID POINT HAVING A RADIAL BEARING OF SOUTH 48°30'02" WEST TO SAID POINT; THENCE NON-TANGENT TO SAID CURVE AND LEAVING SAID NORTHERLY RIGHT OF WAY LINE, NORTH 30°25'29" EAST 2170.84 FEET; THENCE SOUTH 56°37'32" EAST 2567.07 FEET; THENCE SOUTH 32°22'28" WEST 1769.82 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF SAID STATE HIGHWAY 94; THENCE ALONG SAID NORTHERLY RIGHT OF WAY LINE, NORTH 70°00'52" WEST 174.22 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THOSE PORTIONS GRANTED TO THE STATE OF CALIFORNIA IN THOSE CERTAIN DEEDS FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 28, 1947 AS FILE NO. 33778 IN BOOK 2376, PAGE 142, FEBRUARY 8, 1961 AS FILE NO. 043453; JANUARY 14, 1971 AS FILE NO. 023630; JANUARY 14, 1975 AS FILE NO. 008449; FEBRUARY 3, 1975 AS FILE NO. 024121; MAY 3, 1984 AS FILE NO. 84-0162735; SEPTEMBER 22, 1993 AS FILE NO. 1993-0624622 OF OFFICIAL RECORDS, KNOWN AS CALIFORNIA STATE HIGHWAY 94.

ALSO EXCEPTING THEREFROM ALL THAT PORTION OF RANCHO JAMUL, IN THE COUNTY SAN DIEGO, STATE OF CALIFORNIA, AS THE SAME IS FULLY DESCRIBED IN THE PATENT FROM THE UNITED STATES OF AMERICA TO MARIA BURTON, ET AL, RECORDED IN BOOK 2 OF PATENTS, AT PAGE 121 ET SEQ., IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND AS SHOWN ON THE PLAT OF SAID RANCHO JAMUL ATTACHED TO AND RECORDED WITH SAID PATENT, SAID PORTION BEING DESCRIBED AS FOLLOWS:

BEGINNING AT RANCHO JAMUL BOUNDARY CORNER NO. 10 AS SHOWN ON SAID PLAT: THENCE ALONG THE BOUNDARY OF SAID RANCHO, SOUTH 88°48'10" EAST, 5264.38 FEET TO RANCHO JAMUL BOUNDARY CORNER NO. 9; THENCE SOUTH 02°24'14" WEST, 5235.88 FEET TO THE MOST SOUTHEASTERLY CORNER OF SAID RANCHO JAMUL, BEING BOUNDARY CORNER NO. 8, SAID POINT BEARS SOUTH 88°54'24" EAST, (183.87 FEET PER DEED BOOK 500, PAGE 155) FROM THE CENTERLINE OF CALIFORNIA HIGHWAY 94 AS IT EXISTED JANUARY 1, 1991; THENCE ALONG THE SOUTHERN BOUNDARY OF SAID RANCHO JAMUL, NORTH 88°54'24" WEST, 5202.71 FEET TO A POINT THAT BEARS SOUTH 1°43'41" WEST, FROM THE POINT OF BEGINNING, SAID POINT HEREINAFTER KNOWN AS "POINT A"; THENCE NORTH 1°43'41" EAST, 5244.38 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, THAT PORTION THEREOF LYING WESTERLY OF A LINE THAT IS PARALLEL WITH AND 155.00 FEET EASTERLY OF THE LINE BETWEEN "POINT A" AND CORNER NO. 10, DESCRIBED ABOVE.

ALSO EXCEPTING THEREFROM, ALL THAT PORTION LYING SOUTHERLY AND WESTERLY OF SAID CENTERLINE OF CALIFORNIA STATE HIGHWAY 94 AS IT EXISTED JANUARY 1, 1991.

ALSO EXCEPTING THEREFROM, THAT PORTION CONVEYED BY E.S. BABCOCK ET AL, TO ANNA L. MCDONALD BY DEED DATED SEPTEMBER 10, 1896, AND RECORDED IN BOOK 252, PAGE 263 OF DEEDS, DESCRIBED IN SAID DEED AS FOLLOWS: "A TRACT OF LAND CONTAINING 40 ACRES IN SQUARE FORM, IN THE SOUTHEAST CORNER OF THE RANCHO JAMUL AND PARTICULARLY BOUNDED AS FOLLOWS:

"COMMENCING AT CORNER NO. 8 OF SAID RANCH RUNNING; THENCE NORTHWARD ALONG AND UPON THE EAST LINE OF SAID RANCHO 20 CHAINS; THENCE WESTWARD PARALLEL WITH THE SOUTHERN BOUNDARY LINE OF SAID RANCHO 20 CHAINS; THENCE SOUTHWARD PARALLEL WITH THE EAST LINE OF SAID RANCHO 20 CHAINS TO THE SOUTHERN BOUNDARY LINE OF SAID RANCHO AND THENCE EASTWARD ALONG AND UPON SAID SOUTHERN BOUNDARY LINE OF SAID RANCHO 20 CHAINS TO THE PLACE OF BEGINNING".

ALSO EXCEPTING THEREFROM, THOSE PORTIONS GRANTED TO THE STATE OF CALIFORNIA IN THOSE CERTAIN DEEDS FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY; JANUARY 14, 1975 AS FILE NO. 8449; AND MAY 3, 1984 AS FILE NO. 162735; BOTH OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF RANCHO JAMUL, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AS THE SAME IS FULLY DESCRIBED IN THE PATENT FROM THE UNITED STATES OF AMERICA TO MARIA A. BURTON, ET AL, RECORDED IN BOOK 2 OF PATENTS AT PAGE 121, ET SEQ., IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND AS SHOWN ON THE PLAT OF SAID RANCHO JAMUL, ATTACHED TO AND RECORDED WITH SAID PATENT, LYING WITHIN SECTION 29 AND 32, TOWNSHIP 17 SOUTH, RANGE 2 EAST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO LICENSED SURVEY MAP NO. 430 ON FILE IN SAID RECORDER'S OFFICE, SAID PORTION LYING SOUTHERLY OF A LINE THAT IS PARALLEL WITH AND 2,908.90 FEET NORTHERLY OF THE SOUTHERLY LINE OF SAID SECTION 29.

EXCEPTING THEREFROM, ALL THAT PORTION THEREOF LYING SOUTHERLY OF THE CENTERLINE OF CALIFORNIA STATE HIGHWAY 94 AS IT EXISTED JANUARY 1, 1991.

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID SECTION 32 LYING EASTERLY OF A LINE THAT IS 155.00 FEET EASTERLY OF AND PARALLEL WITH THE FOLLOWING DESCRIBED LINE:

BEGINNING AT RANCHO JAMUL BOUNDARY CORNER NO. 10, AS SHOWN ON SAID PLAT; THENCE SOUTH  $01^{\circ}43'41''$  WEST, 5,244.38 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID RANCHO JAMUL, SAID POINT BEARS NORTH  $88^{\circ}54'24''$  WEST, 5,202.71 FEET FROM RANCHO JAMUL BOUNDARY CORNER NO. 8, SAID POINT BEING ALSO THE POINT OF TERMINUS.

RESERVING THEREFROM A NON-EXCLUSIVE 20.00 FOOT WIDE ROAD EASEMENT, WHICH SHALL BE MAINTAINED BY THE DOMINANT TENEMENT PURSUANT TO SECTION 845 OF THE CALIFORNIA CIVIL CODE, ACROSS A PORTION OF RANCHO JAMUL, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AS THE SAME IS FULLY DESCRIBED IN PATENT FROM THE UNITED STATES OF AMERICA TO MARIA A. BURTON ET AL, RECORDED IN BOOK 2 OF PATENTS, AT PAGE 121 ET. SEQ. IN THE OFFICE OF THE COUNTY RECORDER OF AN DIEGO COUNTY, AND AS SHOWN ON THE PLAT OF SAID RANCHO JAMUL ATTACHED TO AND RECORDED WITH SAID PATENT.

THE CENTER LINE OF SAID 20.00 FOOT WIDE ROAD EASEMENT IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 94, AS SHOWN ON CALTRANS SURVEY MAP NO. 9501, SAID POINT BEING THE EASTERLY TERMINUS OF THAT CERTAIN COURSE SHOWN THEREON AS "SOUTH  $72^{\circ}23'11''$  EAST 1296.09 FEET, SAID POINT ALSO BEING SHOWN AS STATION NO. 307+24.028 B.C; THENCE ALONG SAID NORTHERLY RIGHT OF WAY LINE, NORTH  $72^{\circ}23'11''$  WEST, 1034.38 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH  $73^{\circ}20'21''$  EAST, 565.13 FEET; THENCE NORTH  $43^{\circ}50'22''$  EAST, 620.87 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF  $119^{\circ}17'25''$ , NORTHERLY AND WESTERLY, AN ARC DISTANCE OF 41.64 FEET; THENCE TANGENT TO SAID CURVE NORTH  $75^{\circ}27'03''$  WEST, 279.99

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FEET; THENCE SOUTH 81°45'18" WEST, 213.19 FEET; THENCE NORTH 50°50'10" WEST, 870.29 FEET; THENCE SOUTH 48°27'39" WEST, 159.58 FEET TO THE BEGINNING OF A TANGENT 136.00 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 66°30'41", SOUTHERLY AND WESTERLY, AN ARC LENGTH OF 157.88 FEET; THENCE NON-TANGENT TO SAID CURVE NORTH 65°00'08" WEST, 336.35 FEET, TO THE TRUE POINT OF BEGINNING, SAID POINT BEING THE INTERSECTION OF A LINE BEARING NORTH 30°25'29" EAST; THENCE CONTINUING ALONG LAST COURSE NORTH 65°00'08" WEST, 10.87 FEET; THENCE NORTH 30°32'52" EAST, 345.45 FEET TO THE BEGINNING OF A TANGENT 185.50 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 80°09'32", NORTHERLY AND WESTERLY, AN ARC DISTANCE OF 259.74 FEET; THENCE NON-TANGENT TO SAID CURVE NORTH 51°10'02" WEST, 129.66 FEET; THENCE NORTH 48°04'52" WEST, 75.61 FEET; THENCE NORTH 42°19'44" WEST, 63.41 FEET; THENCE NORTH 67°07'56" WEST, 125.62 FEET TO THE BEGINNING OF A TANGENT 170.00 FOOT RADIUS CURVE CONCAVE NORTHERLY; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 50°06'48", WESTERLY AND NORTHERLY, AN ARC DISTANCE OF 148.69 FEET; THENCE NON-TANGENT TO SAID CURVE NORTH 11°51'44" EAST, 417.59 FEET; THENCE SOUTH 74°22'07" EAST, 169.49 FEET TO THE BEGINNING OF A TANGENT 106.00 FOOT RADIUS CURVE CONCAVE NORTHWESTERLY; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 73°42'01", EASTERLY AND NORTHERLY, AN ARC DISTANCE OF 136.35 FEET; THENCE NON-TANGENT TO SAID CURVE NORTH 32°43'51" EAST, 166.21 FEET; THENCE SOUTH 83°35'29" EAST, 290.99 FEET; THENCE NORTH 75°24'00" EAST, 142.05 FEET; THENCE SOUTH 66°20'53" EAST, 140.44 FEET; THENCE SOUTH 71°41'58" EAST, 78.37 FEET; THENCE SOUTH 36°25'13" EAST, 63.77 FEET; THENCE SOUTH 46°09'05" EAST, 198.14 FEET; THENCE SOUTH 02°10'19" EAST, 31.44 FEET TO THE INTERSECTION OF A LINE BEARING SOUTH 56°37'32" EAST, SAID POINT BEING THE TERMINUS OF SAID 20.00 FOOT WIDE ROAD EASEMENT.

THE SIDE LINES OF SAID 20.00 FOOT WIDE ROAD EASEMENT TO BE EXTENDED OR SHORTENED TO MEET AT ANGLE POINTS.

## PARCEL 2:

THE EAST ONE-HALF OF THE NORTHWEST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 17 SOUTH, RANGE 2 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

Your Ref:  
PW-05003586-LG

**SCHEDULE B**

Policy No. 203066655 U50

**EXCEPTIONS FROM COVERAGE**

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

**PART I**

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

**PART II**

- c 1. THE RIGHT OF THE PUBLIC TO USE FOR ROAD PURPOSES THAT PORTION OF SECTION 32, TOWNSHIP 17 SOUTH, RANGE 2 EAST, SAN BERNARDINO MERIDIAN, (WITHIN RANCHO JAMUL) LYING SOUTH OF THE COUNTY HIGHWAY COMMISSION ROUTE NO. 16 AND WITHIN THE BOUNDARIES OF OLD ROAD SURVEY NO. 5, AS SHOWN ON MAP THEREOF IN THE OFFICE OF THE COUNTY SURVEYOR OF SAN DIEGO COUNTY, SAID ROAD BEING 66 FEET IN WIDTH AND KNOWN AS THE NATIONAL AVENUE TO CAMPO ROAD.
- D 2. THE RIGHTS OF THE PUBLIC TO USE FOR ROAD PURPOSES THESE PORTIONS OF THE PROPERTY HEREIN DESCRIBED INCLUDED IN ROAD SURVEY NO. 558, AND ROUTE 16, DIVISION 3, AS SHOWN BY MAPS IN THE OFFICE OF THE COUNTY SURVEYOR.
- E 3. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO:	COUNTY OF SAN DIEGO
PURPOSE:	FOR A PUBLIC HIGHWAY
RECORDED:	JANUARY 12, 1899 IN BOOK 275, PAGE 394 OF DEEDS
AFFECTS:	THE EXACT LOCATION AND EXTENT OF SAID EASEMENT IS NOT DISCLOSED OF RECORD.

SAID GRANTOR THEREBY RESERVING THE RIGHT TO MAINTAIN AUTOMATIC GATES ACROSS SAID ROADWAY WHERE SAID ROADWAY PASSES OVER THE WEST AND EAST LINES OF THE LAND THROUGH WHICH SAID ROADWAY IS GRANTED.



## SCHEDULE B (CONT.)

## Part II

- F 4. THE RESERVATION AND EXCEPTIONS CONTAINED IN DEED FROM SOUTHERN CALIFORNIA MOUNTAIN WATER COMPANY RECORDED FEBRUARY 11, 1910 IN BOOK 476, PAGE 430 OF DEEDS, IN WORDS, AS FOLLOWS, TO-WIT:

"EXCEPT, AND THERE IS HEREBY RESERVED BY GRANTOR THE EXCLUSIVE RIGHT TO USE THE BED OF JAMUL CREEK FOR THE PURPOSE OF A WATER CONDUIT AND ALSO EXCEPTING AND THERE IS HEREBY RESERVED BY THE GRANTOR THAT CERTAIN WATER CONDUIT KNOWN AS THE "HARVEY RANCHO CONDUIT" AND THE DAM AT THE HEAD OF SAID CONDUIT ACROSS JAMUL CREEK ON SAID JAMUL RANCHO, AND THE RIGHT TO DIVERT THE WATER OF JAMUL CREEK BY MEANS OF SAID DAM AND CONDUIT AS THE SAME HAS HERETOFORE BEEN DIVERTED FOR USE ON SAID HARVEY RANCH."

BY DEED RECORDED JANUARY 31, 1913, IN BOOK 598, PAGE 54 OF DEEDS, SAID SOUTHERN CALIFORNIA MOUNTAIN WATER COMPANY CONVEYED TO THE CITY OF SAN DIEGO ALL ITS FLOWAGE RIGHTS, RIPARIAN RIGHTS AND RIGHTS OF WAY ALONG THE DULZURA AND JAMUL CREEKS FROM THE WESTERN END OF THE DULZURA CONDUIT TO THE LOWER OTAY RESERVOIR.

BY DEED RECORDED JANUARY 22, 1914 IN BOOK 500, PAGE 240 OF DEEDS, THE CITY OF SAN DIEGO GRANTED TO THE COUNTY OF SAN DIEGO A RIGHT OF WAY 50 FEET WIDE ACROSS THE AFORESAID 100 FOOT RIGHT OF WAY FOR HIGHWAY PURPOSES AS SHOWN BY ROUTE NO. 9 OF THE COUNTY HIGHWAY COMMISSION'S SURVEYS HEREIN MENTIONED.

ROAD SURVEY NO. 558 HERETOFORE MENTIONED APPEARS TO BE A RELOCATION OF THE ROAD DESIGNATED AS ROUTE 9 OF THE COUNTY HIGHWAY COMMISSION'S SURVEYS IN THE OFFICE OF THE COUNTY SURVEYOR OF SAN DIEGO COUNTY.

- G 5. "A RIGHT OF WAY FOR THE CARRYING OF THE WATERS TO BE TAKEN BY SAID GRANTEE FROM THE COTTONWOOD CREEK OR THROUGH THE DULZURA CREEK AND ALSO KNOWN AS JAMUL CREEK AND WATER COURSE, ACROSS AND OVER JAMUL RANCHO, ALONG THE LINE OF THE JAMUL CREEK FROM THE POINT WHERE SAID CREEK ENTERS SAID RANCHO ON THE SOUTH SIDE NEAR THE SOUTHEAST CORNER OF SAID RANCHO TO THE POINT WHERE SAID CREEK LEAVES SAID RANCHO COMING WESTWARD INTO THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 18 SOUTH, RANGE 1 EAST, IN SAID COUNTY, THE SAID RIGHT OF WAY TO BE 100 FEET WIDE AND TO CONSIST OF A STRIP OF LAND 50 FEET WIDE ON EACH SIDE OF THE THREAD OR MIDDLE OF THE BED OF SAID STREAM OR WATER COURSE OF WHICH THE GRANTEE SHALL HAVE EXCLUSIVE OCCUPANCY OR POSSESSION, WITH THE RIGHT TO FENCE THE SAME IN ORDER TO EXCLUDE ALL PERSONS, CATTLE OR STOCK FROM SAID STREAM AND TO PREVENT THE POLLUTION OF THE WATERS CARRIED THEREBY, AS CONVEYED TO THE CITY OF SAN DIEGO BY DEED RECORDED JANUARY 31, 1913, IN BOOK 598, PAGE 54 OF DEEDS; MAY 5, 1916, IN BOOK 705, PAGE 401 OF DEEDS; JANUARY 31, 1913, IN BOOK 595, PAGE 306 OF DEEDS; AUGUST 24, 1915, IN BOOK 689, PAGE 278 OF DEEDS.

- H 6. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO:	COUNTY OF SAN DIEGO
PURPOSE:	FOR ROAD AND INCIDENTAL PURPOSES

## SCHEDULE B (CONT.)

## Part II

RECORDED: JUNE 12, 1913 IN BOOK 500, PAGE 151 OF DEEDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND  
IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

- I 7. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS  
SET FORTH IN A DOCUMENT

GRANTED TO: COUNTY OF SAN DIEGO  
PURPOSE: FOR PUBLIC HIGHWAY  
RECORDED: NOVEMBER 19, 1914 AS FILE NO. 25519, IN BOOK 500, PAGE  
283 OF DEEDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND  
IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

- J 8. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS  
SET FORTH IN A DOCUMENT

GRANTED TO: THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY  
PURPOSE: PUBLIC UTILITIES, INGRESS AND EGRESS  
RECORDED: FEBRUARY 15, 1918 IN BOOK 748, PAGE 280 OF DEEDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND  
IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

RESTRICTIONS ON THE USE, BY THE OWNERS OF SAID LAND, OF THE EASEMENT AREA  
AS PROVIDED IN THE DOCUMENT REFERRED TO ABOVE.

LOCATION CANNOT BE PLOTTED FROM RECORD.

- K 9. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS  
SET FORTH IN A DOCUMENT

GRANTED TO: SAN DIEGO CONSOLIDATED GAS & ELECTRIC COMPANY  
PURPOSE: PUBLIC UTILITIES, INGRESS AND EGRESS  
RECORDED: DECEMBER 18, 1940 IN BOOK 1111, PAGE 170, OFFICIAL  
RECORD  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND  
IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

- L 10. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS  
SET FORTH IN A DOCUMENT

GRANTED TO: SOUTHERN CALIFORNIA TELEPHONE COMPANY  
PURPOSE: TO REMOVE BRUSH AND KEEP SAME REMOVED  
RECORDED: JANUARY 4, 1941 IN BOOK 1120, PAGE 111, OFFICIAL  
RECORDS  
AFFECTS: THE EXACT LOCATION AND EXTENT OF SAID EASEMENT IS NOT  
DISCLOSED OF RECORD.

SCHEDULE B (CONT.)

Part II

- M 11. THE PRIVILEGE AND RIGHT TO EXTEND DRAINAGE STRUCTURES AND EXCAVATION AND EMBANKMENT SLOPES BEYOND THE LIMITS OF ROUTE 200 WHERE REQUIRED FOR THE CONSTRUCTION AND MAINTENANCE OF SAID PUBLIC ROAD AS CONTAINED IN THE DEED RECORDED MARCH 28, 1947 AS FILE NO. 33778, OFFICIAL RECORDS.

- N 12. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: STATE OF CALIFORNIA  
PURPOSE: FOR TRAILS AND ROADWAYS  
RECORDED: APRIL 25, 1949 IN BOOK 3182, PAGE 355, OFFICIAL RECORDS

THE EXACT LOCATION AND EXTENT OF SAID EASEMENT IS NOT DISCLOSED OF RECORD.

- V 13. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: SAN DIEGO GAS & ELECTRIC COMPANY  
PURPOSE: PUBLIC UTILITIES, INGRESS AND EGRESS  
RECORDED: MAY 5, 1949 IN BOOK 3193, PAGE 366, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

- W 14. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: SAN DIEGO GAS & ELECTRIC COMPANY  
PURPOSE: PUBLIC UTILITIES, INGRESS AND EGRESS  
RECORDED: SEPTEMBER 12, 1957 IN BOOK 6744, PAGE 175, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

- X 15. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: SAN DIEGO GAS & ELECTRIC COMPANY  
PURPOSE: PUBLIC UTILITIES, INGRESS AND EGRESS  
RECORDED: OCTOBER 8, 1957 IN BOOK 6782, PAGE 297, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

## SCHEDULE B (CONT.)

## Part II

- o 16. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: STATE OF CALIFORNIA  
PURPOSE: FIRE TRUCK TRAIL  
RECORDED: SEPTEMBER 14, 1948 AS FILE NO. 91563, OFFICIAL RECORDS

AFFECTS: THE ROUTE AFFECTS A PORTION OF SAID PARCEL 2 AS MORE FULLY DESCRIBED IN SAID DOCUMENT

THE EXACT LOCATION AND EXTENT OF SAID EASEMENT IS NOT DISCLOSED OF RECORD.

- y 17. THE PRIVILEGE AND RIGHT TO EXTEND DRAINAGE STRUCTURES AND EXCAVATION AND EMBANKMENT SLOPES BEYOND THE LIMITS OF ROUTE 200 WHERE REQUIRED FOR THE CONSTRUCTION AND MAINTENANCE OF SAID PUBLIC HIGHWAY AS CONTAINED IN THE DEED RECORDED MARCH 10, 1961 AS FILE NO. 43453, OFFICIAL RECORDS.

- p 18. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: COUNTY OF SAN DIEGO  
PURPOSE: COUNTY HIGHWAY  
RECORDED: JUNE 21, 1962 AS FILE NO. 106319, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

- q SAID INSTRUMENT ADDITIONALLY CONTAINS THE PRIVILEGE AND RIGHT TO EXTEND DRAINAGE STRUCTURES AND EXCAVATION AND EMBANKMENT SLOPES BEYOND THE LIMITS OF THE ABOVE DESCRIBED RIGHT OF WAY WHERE REQUIRED FOR THE CONSTRUCTION AND MAINTENANCE THEREOF.

- r 19. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: SAN DIEGO GAS & ELECTRIC COMPANY  
PURPOSE: PUBLIC UTILITIES, INGRESS AND EGRESS  
RECORDED: APRIL 29, 1966 AS FILE NO. 72425, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

- s RESTRICTIONS ON THE USE, BY THE OWNERS OF SAID LAND, OF THE EASEMENT AREA AS PROVIDED IN THE DOCUMENT REFERRED TO ABOVE.

- t 20. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: SAN DIEGO GAS & ELECTRIC COMPANY

SCHEDULE B (CONT.)

Part II

PURPOSE: PUBLIC UTILITIES, INGRESS AND EGRESS  
RECORDED: FEBRUARY 3, 1967 AS FILE NO. 15516, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND  
IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

U RESTRICTIONS ON THE USE, BY THE OWNERS OF SAID LAND, OF THE EASEMENT AREA  
AS PROVIDED IN THE DOCUMENT REFERRED TO ABOVE.

Z 21. COVENANTS AND RESTRICTIONS IMPOSED BY A LAND CONSERVATION CONTRACT EXECUTED  
PURSUANT TO SECTION 51200 ET SEQ. CALIFORNIA GOVERNMENT CODE.

DATED: JANUARY 6, 1969.  
EXECUTED BY: LAWRENCE A. DALEY AND DONALD L. DALEY  
RECORDED: JANUARY 16, 1969 AS FILE NO. 950, OF OFFICIAL RECORDS

RESOLUTION OF THE COUNTY OF SAN DIEGO ESTABLISHING DALEY AGRICULTURAL  
PRESERVE NO. 2, RECORDED JANUARY 16, 1969 AS FILE NO. 9500 OF OFFICIAL  
RECORDS.

FIRST AMENDMENT TO SAID AGREEMENT RECORDED FEBRUARY 26, 1971 AS FILE NO.  
37098 OF OFFICIAL RECORDS.

RESOLUTION AMENDING EXHIBIT B OF THE RESOLUTION ESTABLISHING DALEY  
AGRICULTURAL PRESERVE NO. 2, RECORDED 10 4, 1972 AS FILE NO. 266496, OF  
OFFICIAL RECORDS.

FIRST AMENDMENT TO LAND CONSERVATION CONTRACT AP 67-04, RECORDED APRIL 15,  
1983 AS FILE NO. 83-121917, OF OFFICIAL RECORDS

AA 22. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS  
SET FORTH IN A DOCUMENT

GRANTED TO: SAN DIEGO GAS & ELECTRIC COMPANY  
PURPOSE: PUBLIC UTILITIES, INGRESS AND EGRESS  
RECORDED: AUGUST 17, 1970 AS FILE NO. 146495, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND  
IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

AB RESTRICTIONS ON THE USE, BY THE OWNERS OF SAID LAND, OF THE EASEMENT AREA  
AS PROVIDED IN THE DOCUMENT REFERRED TO ABOVE.

AC 23. THE PRIVILEGE AND RIGHT TO EXTEND DRAINAGE STRUCTURES AND EXCAVATION AND  
EMBANKMENT SLOPES BEYOND THE LIMITS OF ROUTE 94 WHERE REQUIRED FOR THE  
CONSTRUCTION AND MAINTENANCE OF SAID HIGHWAY AS CONTAINED IN THE DEED  
RECORDED FEBRUARY 8, 1971 AS FILE NO. 023630, OFFICIAL RECORDS.

AD 24. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS  
SET FORTH IN A DOCUMENT

## SCHEDULE B (CONT.)

## Part II

GRANTED TO: SAN DIEGO GAS & ELECTRIC COMPANY  
PURPOSE: PUBLIC UTILITIES, INGRESS AND EGRESS  
RECORDED: OCTOBER 21, 1975 AS FILE NO. 75-290584, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

AE RESTRICTIONS ON THE USE, BY THE OWNERS OF SAID LAND, OF THE EASEMENT AREA AS PROVIDED IN THE DOCUMENT REFERRED TO ABOVE.

AF 25. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: OTAY MUNICIPAL WATER DISTRICT  
PURPOSE: A PIPELINE OR PIPELINES  
RECORDED: AUGUST 9, 1978 AS FILE NO. 78-337586, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

AH 26. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: SAN DIEGO COUNTY FLOOD CONTROL DISTRICT, ZONE 3  
PURPOSE: DRAINAGE  
RECORDED: AUGUST 22, 1978 AS FILE NO. 78-357930, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

AI 27. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: COUNTY OF SAN DIEGO  
PURPOSE: COUNTY HIGHWAY  
RECORDED: AUGUST 22, 1978 AS FILE NO. 78-357932, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

AJ SAID INSTRUMENT ADDITIONALLY CONTAINS THE PRIVILEGE AND RIGHT TO EXTEND DRAINAGE STRUCTURES AND EXCAVATION AND EMBANKMENT SLOPES BEYOND THE LIMITS OF THE ABOVE DESCRIBED RIGHT OF WAY WHERE REQUIRED FOR THE CONSTRUCTION AND MAINTENANCE THEREOF.

AK 28. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS

## SCHEDULE B (CONT.)

## Part II

SET FORTH IN A DOCUMENT

GRANTED TO: STATE OF CALIFORNIA  
PURPOSE: HIGHWAY, DRAINAGE, AND TEMPORARY CONSTRUCTION PURPOSES  
RECORDED: DECEMBER 2, 1981 AS FILE NO. 81-377950, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

- AL 29. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: STATE OF CALIFORNIA  
PURPOSE: HIGHWAY, DRAINAGE, AND TEMPORARY CONSTRUCTION PURPOSES  
RECORDED: DECEMBER 2, 1981 AS FILE NO. 81-377951, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

- AM 30. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: COUNTY OF SAN DIEGO  
PURPOSE: COUNTY HIGHWAY  
RECORDED: NOVEMBER 4, 1983 AS FILE NO. 83-401200, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

- AN 31. AN AGREEMENT, AND THE TERMS AND CONDITIONS AS CONTAINED THEREIN

DATED: OCTOBER, 1984  
BY AND BETWEEN: RANCHO JAMUL ESTATES HOMEOWNERS ASSOCIATION, LAWRENCE DALEY AND BERTHA DALEY, DONALD L. DALEY AND MARIE A. DALEY  
RECORDED: FEBRUARY 7, 1985 AS FILE NO. 85-042712 OF OFFICIAL RECORDS  
REGARDING: EASEMENT GRANT DEED AND AGREEMENT

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

- AO 32. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: SAN DIEGO GAS & ELECTRIC COMPANY  
PURPOSE: PUBLIC UTILITIES, INGRESS AND EGRESS  
RECORDED: SEPTEMBER 3, 1987 AS FILE NO. 87-502518, OFFICIAL

**SCHEDULE B** (CONT.)

Part II

- RECORDS
- AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.
- AP RESTRICTIONS ON THE USE, BY THE OWNERS OF SAID LAND, OF THE EASEMENT AREA AS PROVIDED IN THE DOCUMENT REFERRED TO ABOVE.
- AQ 33. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT
- GRANTED TO: PACIFIC BELL  
PURPOSE: COMMUNICATION FACILITIES  
RECORDED: APRIL 23, 1991 AS FILE NO. 91-0182722, OFFICIAL RECORDS  
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.
- AR 34. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT
- GRANTED TO: SAN DIEGO GAS AND ELECTRIC COMPANY  
PURPOSE: PUBLIC UTILITIES, INGRESS AND EGRESS  
RECORDED: JUNE 23, 1993 AS FILE NO. 1993-0396191 OF OFFICIAL RECORDS  
AFFECTS: A STRIP OF LAND, INCLUDING ALL OF THE AREA LYING BETWEEN THE EXTERIOR SIDELINES, WHICH SIDELINES SHALL BE THREE (3) FEET, MEASURED AT RIGHT ANGLES, ON EACH SIDE OF EACH EXTERIOR SIDE OF EACH AND EVERY FACILITY WITHIN SAID PROPERTY ON OR BEFORE DECEMBER 31, 1993
- THE EXACT LOCATION AND EXTENT OF SAID EASEMENT IS NOT DISCLOSED OF RECORD.
- AS 35. A CERTIFICATE OF COMPLIANCE
- DATED: JULY 29, 1993  
EXECUTED BY: DEPARTMENT OF PLANNING AND LAND USE  
COMPLIANCE NO.: C93-0038BA(C) I  
RECORDED: JULY 29, 1993 AS FILE NO. 1993-0486473 OF OFFICIAL RECORDS
- AT 36. AN UNRECORDED LEASE AFFECTING THE PREMISES HEREIN DESCRIBED, EXECUTED BY AND BETWEEN THE PARTIES HEREIN NAMED, WITH CERTAIN TERMS, COVENANTS, CONDITIONS AND PROVISIONS SET FORTH THEREIN
- LESSOR: THE LAWRENCE A. DALEY TRUST  
LESSEE: UNITED STATES OF AMERICA  
DISCLOSED BY: RECORD OF SURVEY MAP NO. 15414



**SCHEDULE B** (CONT.)

Part II

RECORDED: JANUARY 24, 1997 AS FILE NO. 1997-0033782 OF OFFICIAL RECORDS

THE PRESENT OWNERSHIP OF THE LEASEHOLD CREATED BY SAID LEASE AND OTHER MATTERS AFFECTING THE INTEREST OF THE LESSEE ARE NOT SHOWN HEREIN.

AU 37. A DOCUMENT ENTITLED "MEMORANDUM OF OPTION AGREEMENT", DATED JUNE 14, 2000 EXECUTED BY LAWRENCE A. DALEY AND LAWRENCE A. DALEY TRUST AND COUNTY OF SAN DIEGO, SUBJECT TO ALL THE TERMS, PROVISIONS AND CONDITIONS THEREIN CONTAINED, RECORDED SEPTEMBER 7, 2000 AS FILE NO. 2000-0479346, OF OFFICIAL RECORDS.

AFFECTS: THE HEREIN DESCRIBED LAND AND OTHER LAND.

AV 38. THE EFFECT OF A 100 FOOT WIDE FLOWAGE RIGHT OF WAY AS DISCLOSED BY ASSESSORS MAPS OF SAID LAND.

BI 39. AN UNRECORDED LEASE AFFECTING THE PREMISES HEREIN DESCRIBED, EXECUTED BY AND BETWEEN THE PARTIES HEREIN NAMED, WITH CERTAIN TERMS, COVENANTS, CONDITIONS AND PROVISIONS SET FORTH THEREIN

LESSOR: BARBARA DALEY, SUCCESSOR TRUSTEE OF THE LAWRENCE A. DALEY TRUST

LESSEE: UNITED STATES OF AMERICA

DISCLOSED BY: MEMORANDUM OF LEASE

RECORDED: MAY 16, 2001 AS FILE NO. 2001-0311662 OF OFFICIAL RECORDS

BJ 40. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS RESERVED IN A DOCUMENT (NO REPRESENTATION IS MADE AS TO THE PRESENT OWNERSHIP OF SAID EASEMENT)

PURPOSE: ROAD

RECORDED: MAY 16, 2001 AS FILE NO. 2001-0311663 OF OFFICIAL RECORDS

AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT.

AY END OF SCHEDULE B

BK LO



## 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 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 this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.

## CONDITIONS AND STIPULATIONS

### 1. DEFINITION OF TERMS

The following terms when used in this policy mean:

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

mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

### 2. CONTINUATION OF INSURANCE

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

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

(c) **Amount of Insurance.** The amount of insurance after the acquisition or after the conveyance by an insured lender shall in neither event exceed the least of:

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

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

An insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in 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 or the lien of the insured mortgage, as insured, and

## 8. LIMITATION OF LIABILITY

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title or, if applicable, to the lien of the insured mortgage, as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

(d) The Company shall not be liable to an insured lender for: (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

## 9. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

(a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto. However, as to an insured lender, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of the insurance afforded under this policy as to any such insured except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.

(b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A.

(c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company to an insured lender except as provided in Section 2(a) of these Conditions and Stipulations.

## 10. LIABILITY NONCUMULATIVE

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

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

## 11. PAYMENT OF LOSS

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

## 12. SUBROGATION UPON PAYMENT OR SETTLEMENT

### (a) The Company's Right of Subrogation.

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

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

If a payment on account of a claim does not fully cover the loss of the

insured claimant, the Company shall be subrogated (i) as to an insured owner, to all rights and remedies in the proportion which the Company's payment bears to the whole amount of loss; and (ii) as to an insured lender, to all rights and remedies of the insured claimant after the insured claimant shall have recovered its principal, interest, and costs of collection.

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

### (b) The Insured's Rights and Limitations.

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

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

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

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

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

## 13. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

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

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

## 14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the insured mortgage, or of the title to the estate or interest covered hereby, or by any action asserting such claim shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

## 15. SEVERABILITY

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

## 16. NOTICES, WHERE SENT

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