



SECURITY TITLE
OF DAVIS COUNTY, INC.

1412 SO LEGEND HILLS DRIVE, SUITE 110
CLEARFIELD, UT 84015

May 15, 2013

JRB DEVELOPMENT, LLC
P.O. BOX 483
Eden, UT 84310

RE: Escrow Number: 133581-VC
Seller: MOUNTAIN PRIME, LLC and FREEMONT INVESTMENTS, LLC
Buyer: JRB DEVELOPMENT, LLC
Property Address: 10448 East Hwy 39, Huntsville, UT 84317

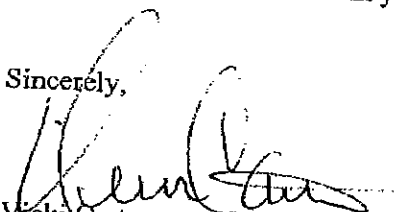
Dear JRB DEVELOPMENT, LLC:

Thank you for your confidence in our ability to serve you. Enclosed please find your original Deed and Owners Policy for the above referenced property. Please place these documents in a safe location.

We realize that you have a choice in your title company needs and we welcome the opportunity to assist you in your business. Please remember that when you are ready to refinance or sale your property, we would love to help you again.

Thank you for your confidence in our ability to serve you, and we look forward to a continuing relationship with you. Should you have any questions or require anything further, please do not hesitate to contact me. Thank you for this opportunity to be of service to you.

Sincerely,


Vicki Carter
Escrow Officer



W2635378

Security Title Of Davis County, Inc. 133581-VC

MAIL TAX NOTICE TO
JRB DEVELOPMENT
P.O. Box 483
Eden, UT 84310

E# 2635378 PG 1 OF 1
ERNEST D. ROWLEY, WEBER COUNTY RECORDER
14-May-13 1056 AM FEE \$10.00 DEP SY
REC FOR: SECURITY TITLE OF DAVIS COUNTY, UT
ELECTRONICALLY RECORDED

Warranty Deed

MOUNTAIN PRIME LLC and FREEMONT INVESTMENTS, LLC

of, County of Weber, State of UTAH, hereby CONVEY and WARRANT to

JRB DEVELOPMENT, LLC

of 10448 East Hwy 39, Huntsville, UT 84317 Grantee for the sum of Ten Dollars and Other Good and Valuable Consideration the following described tract(s) of land in Weber, State of UTAH:

Part of the Northwest Quarter of Section 14, Township 5 North, Range 2 East of the Salt Lake Base and Meridian, U.S. Survey described as follows: Beginning at the Northwest corner of said Section 14, thence South 89°54'16" East 320.27 feet; thence South 00°00'28" East 300.00 feet; thence South 89°54'15" East 587.62 feet to the Northerly right-of-way line of State Road 39; thence along said right-of-way the following 2 courses: (1) South 49°52'00" West 990.81 feet to the beginning of a curve tangent to said line; (2) Southwesterly 177.13 feet along said curve concave to the Northwest, having a radius of 597.30 feet, and a central angle of 16°59'23"; thence North 00°00'28" West 1032.71 feet to the point of beginning.

21-018-0007

Subject to easements restrictions and rights of way appearing of record or enforceable in law and equity and taxes and thereafter.

WITNESS, the hand(s) of said Grantor(s), this 26th of April, 2013.

[Signature]
MOUNTAIN PRIME LLC
BY: NATE MUELLER PC BY NATE MUELLER,
MEMBER

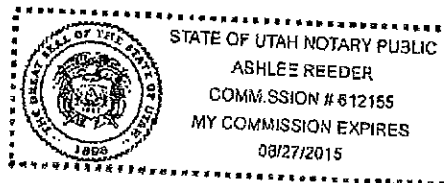
[Signature]
FREEMONT INVESTMENTS, LLC
By: SETH D. FAERBER, MEMBER

STATE OF Utah)
County of Davis) SS.

On this day personally appeared before me NATE MUELLER MEMBER OF NATE MUELLER PC MEMBER OF MOUNTAIN PRIME LLC and SETH D. FAERBER MEMBER OF FREEMONT INVESTMENTS, LLC to me known to be the individual, or individuals described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 26th day of April 2013

Commission Expires: 08/27/15



Security Title Of Davis County, Inc. 133581-VC

MAIL TAX NOTICE TO
JRB DEVELOPMENT
P.O. Box 483
Eden, UT 84310

This document has been recorded electronically.
Please see attached copy to verify County
Recorder's stamp as it now appears in the public
record.

Book: _____ Page: _____
Entry: 2635218 Date: 5-14-13 @ 10:56
Submitted by: Security Title of Davis County, Inc.

Warranty Deed

MOUNTAIN PRIME LLC and FREEMONT INVESTMENTS, LLC

of, County of Weber, State of UTAH, hereby CONVEY and WARRANT to

JRB DEVELOPMENT, LLC

of 10448 East Hwy 39, Huntsville, UT 84317 Grantee for the sum of Ten Dollars and Other Good and Valuable
Consideration the following described tract(s) of land in Weber, State of UTAH:

Part of the Northwest Quarter of Section 14, Township 5 North, Range 2 East of the Salt Lake
Base and Meridian, U.S. Survey described as follows: Beginning at the Northwest corner of said
Section 14, thence South 89°54'16" East 320.27 feet; thence South 00°00'28" East 300.00 feet;
thence South 89°54'15" East 587.62 feet to the Northerly right-of-way line of State Road 39;
thence along said right-of-way the following 2 courses: (1) South 49°52'00" West 990.81 feet to
the beginning of a curve tangent to said line; (2) Southwesterly 177.13 feet along said curve
concave to the Northwest, having a radius of 597.30 feet, and a central angle of 16°59'23";
thence North 00°00'28" West 1032.71 feet to the point of beginning.

21-018-0007

Subject to easements restrictions and rights of way appearing of record or enforceable in law and
equity and taxes and thereafter.

WITNESS, the hand(s) of said Grantor(s), this 26th of April, 2013

[Signature]

MOUNTAIN PRIME LLC
BY: NATE MUELLER PC BY NATE MUELLER,
MEMBER

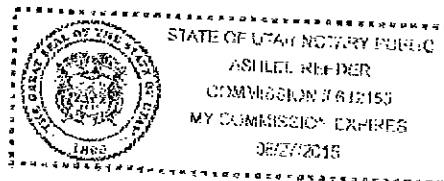
[Signature]
FREEMONT INVESTMENTS, LLC
By: SETH D. FAERBER, MEMBER


STATE OF Utah)
County of Davis) SS.

On this day personally appeared before me NATE MUELLER MEMBER OF NATE MUELLER PC
MEMBER OF MOUNTAIN PRIME LLC and SETH D. FAERBER MEMBER OF FREEMONT
INVESTMENTS, LLC to me known to be the individual, or individuals described in and who executed the within
and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act
and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 26th day of April 2013

[Signature]
Commission Expires: 08/27/15



 <p>First American Title</p> <p>Eagle Policy</p>	<p>Homeowner's Policy of Title Insurance For a One-To-Four Family Residence</p>
	<p>ISSUED BY</p> <p>First American Title Insurance Company</p>
	<p>POLICY NUMBER</p> <p>5020500-0072280e</p>

OWNER'S INFORMATION SHEET

Your Title Insurance Policy is a legal contract between You and Us. It applies only to a one-to-four family residence and only if each insured named in Schedule A is a Natural Person. If the Land described in Schedule A of the Policy is not an improved residential lot on which there is located a one-to-four family residence, or if each insured named in Schedule A is not a Natural Person, contact Us immediately. The Policy insures You against actual loss resulting from certain Covered Risks. These Covered Risks are listed beginning on page 2 of the Policy. The Policy is limited by:

- Provisions of Schedule A
- Exceptions in Schedule B
- Our Duty To Defend Against Legal Actions On Page 3
- Exclusions on page 4
- Conditions on pages 4, 5 and 6.

You should keep the Policy even if You transfer Your Title to the Land. It may protect against claims made against You by someone else after You transfer Your Title.

IF YOU WANT TO MAKE A CLAIM, SEE SECTION 3 UNDER CONDITIONS ON PAGE 4.

The premium for this Policy is paid once. No additional premium is owed for the Policy. This sheet is not Your insurance Policy. It is only a brief outline of some of the important Policy features. The Policy explains in detail Your rights and obligations and Our rights and obligations. Since the Policy - and not this sheet - is the legal document,

YOU SHOULD READ THE POLICY VERY CAREFULLY.

If You have any questions about Your Policy, contact:

FIRST AMERICAN TITLE INSURANCE COMPANY
 1 First American Way
 Santa Ana, California 92707

Homeowner's Policy of Title Insurance for a One-to-Four Family Residence

TABLE OF CONTENTS

OWNER'S COVERAGE STATEMENT	Page	2	CONDITIONS	Page
COVERED RISKS	2 & 3		1. Definitions	4
OUR DUTY TO DEFEND AGAINST LEGAL ACTIONS	3		2. Continuation of Coverage	4
SCHEDULE A	Insert		3. How to Make a Claim	4 & 5
Policy Number, Premium, Date and Amount			4. Our Choices When We Learn of a Claim	5
Deductible Amounts and Maximum Dollar Limits of Liability			5. Handling a Claim or Legal Action	5
Street Address of the Land			6. Limitation of Our Liability	5 & 6
1. Name of Insured			7. Transfer of Your Rights to Us	6
2. Interest in Land Covered			8. This Policy is the Entire Contract	6
3. Description of the Land			9. Increased Policy Amount	6
SCHEDULE B - EXCEPTIONS	Insert		10. Severability	6
EXCLUSIONS	4		11. Arbitration	6
			12. Choice of Law	6

Form No. 1490 EAGLE (6/98)
CLTA Homeowner's Policy of Title Insurance (6/2/98)
ALTA Homeowner's Policy of Title Insurance (10/17/98)

First American Title Insurance Company

SCHEDULE A

Order No.: **133581-TP** Policy No.: **5020500-0072280e**
Date of Policy: **May 14, 2013 at 10:56AM**
Amount of Insurance: **\$190,000.00** Premium: **\$1,179.00**

1. Name of Insured:

JRB DEVELOPMENT, LLC

2. Your interest in the Land covered by this Policy is:

Fee Simple in the Surface Estate

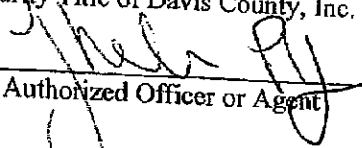
3. Title to the estate or interest in the land is vested in:

JRB DEVELOPMENT, LLC

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

Part of the Northwest Quarter of Section 14, Township 5 North, Range 2 East of the Salt Lake Base and Meridian, U.S. Survey described as follows: Beginning at the Northwest corner of said Section 14, thence South 89°54'16" East 320.27 feet; thence South 00°00'28" East 300.00 feet; thence South 89°54'15" East 587.62 feet to the Northerly right-of-way line of State Road 39; thence along said right-of-way the following 2 courses: (1) South 49°52'00" West 990.81 feet to the beginning of a curve tangent to said line; (2) Southwesterly 177.13 feet along said curve concave to the Northwest, having a radius of 597.30 feet, and a central angle of 16°59'23"; thence North 00°00'28" West 1032.71 feet to the point of beginning.

Security Title of Davis County, Inc.

By: 
Authorized Officer or Agent

First American Title Insurance Company**SCHEDULE B**

Exceptions from Coverage

Order No.: 133581-TP

Policy No.: 5020500-0072280e

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:

Section One:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.
3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.
4. Any water rights or claims or title to water in or under land.

Note: The owner's policy of title insurance committed to be issued will contain **Deductible Amounts and Liability Limits** relative to certain Covered Risks as follows:

Covered Risk 16 (Subdivision Law Violations) has a deductible of 1% of the Policy Amount or \$2,500, whichever is lesser, and a Maximum Dollar Limit of Liability of \$10,000.

Covered Risk 18 (Building Permits) has a deductible of 1% of the Policy Amount or \$5,000, whichever is lesser, and a Maximum Dollar Limit of Liability of \$25,000.

Covered Risk 19 (Zoning) has a deductible of 1% of the Policy Amount or \$5,000, whichever is lesser, and a Maximum Dollar Limit of Liability of \$25,000.

Covered Risk 21 (Encroachment of Boundary Walls or Fences) has a deductible of 1% of the Policy Amount or \$2,500, whichever is lesser, and a Maximum Dollar Limit of Liability of \$5,000.

Section Two:

1. Taxes for the year 2013 now a lien, not yet due. Tax Id. No. 21-018-0007.

Taxes for the year 2012 have been paid in the amount of \$2,894.25, plus interest and penalty. Tax Id. No. 21-018-0007.

Taxes for the year 2011 have been paid in the amount of \$2,968.12, plus interest and penalty. Tax Id. No. 21-018-0007.

Taxes for the year 2010 have been paid in the amount of \$3,978.89, plus interest and penalty. Tax Id. No. 21-018-0007.

2. Said property is included within the boundaries of Weber County General Fund, Weber County G O Bond Fund, Library, Weber School District, Statewide School Basic Levy, Mosquito Abatement District, Weber Basin Water – General, Weber/Morgan Health, Judgment Levy – W.C., Paramedic Fund, Weber Fire District, Assess & Collect/State/County, Ogden Valley Gas Improvement District, Weber School Judgment Levy, Weber Area 911 and emergency Service, Weber Fire G.O. Bond-2006. Weber County G.O. Bond Fund, and is subject to assessments by said Districts.

Said taxes are collected with the general taxes and as of this date there are no delinquent assessments by reason of said property being included within said districts.
3. Claim, right, title or interest to water or water rights whether or not shown by the Public Records.
4. Subject to all existing roads, streets, alleys, ditches, reservoirs, utilities, canals, pipe lines, power, telephone, sewer, gas or water lines, and right of way and easements thereof.
5. Utah Power & Light Company Pole Line Easement, a perpetual easement and right of way for the erection and continued maintenance alteration and replacement of the electric transmission distribution and telephone of the grantee and no guy anchor and 4 or poles, with the necessary guys, stubs, crossarms and other attachments thereon, or affixed thereto, for the support of said erected and maintained upon and across the premises of the Grantors, recorded March 15, 1938, as Entry No. 34247, in Book X, at Page 596 of Official Records.
6. An Ordinance creating and establishing a County Service Area, recorded December 22, 1981, as Entry No. 849262, in Book 1394, at Page 1772 of Official Records.
7. Agreement, dated August 20, 1974, by and between the State of Utah, acting through the Board of Water Resources and the CO-OP Farm Irrigation Company, recorded September 1, 1976, as Entry No. 674517, in Book 1140, at Page 728 of Official Records.
8. Resolution No. 18-96, creating and establishing the Ogden Valley Natural Gas Improvement District, recorded April 12, 1996, as Entry No. 1399404, in Book 1801, at Page 295 of Official Records.
9. Agreement, dated July 6, 1988, by and between the State of Utah, acting through the Board of Water Resources and the Huntsville Waterworks Corporation, for construction of a secondary irrigation system for the community of Huntsville, recorded May 17, 1996, as Entry No. 1406849, in Book 1806, at Page 2939 of Official Records.
10. Resolution No. 25-96, creating and establishing the Ogden Valley Natural Gas Improvement District, recorded June 18, 1996, as Entry No. 1413086, in Book 1811, at Page 2786 of Official Records.
11. TRUST DEED:

Trustor:	JRB DEVELOPMENT, LLC
Trustee:	RUSSELL EVANS
Beneficiary:	CAPITAL ASSETS 401K PLAN
Amount:	\$106,000.00
Dated:	May 2, 2013
Recorded:	May 14, 2013
Entry No.:	2635379

*ANY PROVISIONS IN THE CONDITIONS AND STIPULATIONS OF
THIS POLICY REFERRING TO ARBITRATION ARE HEREBY DELETED.*

SECTION 14, T.6N., R.2E., S.L.B. & M.

18

IN WEBER COUNTY

SCALE 1" = 400'

TAXING UNIT: 318, 22: VERDA WRIGHT ROZLO TRUSTEE 210180012 TU 318

SEE PAGE 13

EDMAN & BARBARA EDWARDS SUB. SEC. 100
MOUNTAIN PRIDE LLC & FREEMONT INVESTMENTS LLC 210180037 16.16 AC± TU 318

STATE ROAD COMMISSION 210180008 210180009 210180010 TU 318

WEBER COUNTY (210180011) TU 318

CORPORATION OF THE PRESIDING BISHOP OF THE CHURCH OF JESUS CHRIST OF L.D.S. 210180001 80 AC± TU 318

HUNTSVILLE HOLLOW SEE PAGES 56 & 57

DODEN AERIE NO. 2472, FRATERNAL ORDER OF EAGLES 210180015 51.16 AC± TU 318

ROCKING HR RANCHES LLC 210180003 40 AC± TU 318

U.S.A. 210180002 40 AC± TU 318

U.S.A. 210180006 TU 318

U.S.A. 210180014 TU 318

SEE P 18-1 EAGLES WEST DNE DIV. P 106

ROCKING HR RANCHES LLC 210180026 127.27 AC± TU 318

ROCKING HR RANCHES LLC 210180020 160 AC± TU 318

MENKE SUB SEE P. 110


ROCKING HR RANCHES LLC 210180004 127.27 AC± TU 318

SEE PAGE 16

SEE PAGE 17

SEE PAGE 21

SEE PAGE 21

	Homeowner's Policy of Title Insurance For a One-To-Four Family Residence
	ISSUED BY First American Title Insurance Company
	POLICY NUMBER 5020500-0072280e

As soon as You Know of anything that might be covered by this Policy, You must notify Us promptly in writing at the address shown in Section 3 of the Conditions.

OWNER'S COVERAGE STATEMENT

This Policy insures You against actual loss, including any costs, attorneys' fees and expenses provided under this Policy. The loss must result from one or more of the Covered Risks set forth below. This Policy covers only Land that is an improved residential lot on which there is located a one-to-four family residence and only when each insured named in Schedule A is a Natural Person.

Your insurance is effective on the Policy Date. This Policy covers Your actual loss from any risk described under Covered Risks if the event creating the risk exists on the Policy Date or, to the extent expressly stated in Covered Risks, after the Policy Date.

Your insurance is limited by all of the following:

- The Policy Amount
- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A
- The Exceptions in Schedule B
- Our Duty To Defend Against Legal Actions
- The Exclusions on page 4
- The Conditions on pages 4, 5 and 6

COVERED RISKS

The Covered Risks are:

1. Someone else owns an interest in Your Title.
2. Someone else has rights affecting Your Title because of leases, contracts, or options.
3. Someone else claims to have rights affecting Your Title because of forgery or impersonation.
4. Someone else has an Easement on the Land.
5. Someone else has a right to limit Your use of the Land.
6. Your Title is defective. Some of these defects are:
 - a. Someone else's failure to have authorized a transfer or conveyance of your Title.
 - b. Someone else's failure to create a valid document by electronic means.
 - c. A document upon which Your Title is based is invalid because it was not properly signed, sealed, acknowledged, delivered or recorded.
 - d. A document upon which Your Title is based was signed using a falsified, expired, or otherwise invalid power of attorney.
 - e. A document upon which Your Title is based was not properly filed, recorded, or indexed in the Public Records.
 - f. A defective judicial or administrative proceeding.
7. Any of Covered Risks 1 through 6 occurring after the Policy Date.
8. Someone else has a lien on Your Title, including a:
 - a. lien of real estate taxes or assessments imposed on Your Title by a governmental authority that are due or payable, but unpaid;
 - b. Mortgage;
 - c. judgment, state or federal tax lien;
 - d. charge by a homeowner's or condominium association; or
 - e. lien, occurring before or after the Policy Date, for labor and material furnished before the Policy Date.
9. Someone else has an encumbrance on Your Title.
10. Someone else claims to have rights affecting Your Title because of fraud, duress, incompetency or incapacity.
11. You do not have actual vehicular and pedestrian access to and from the Land, based upon a legal right.
12. You are forced to correct or remove an existing violation of any covenant, condition or restriction affecting the Land, even if the covenant, condition or restriction is excepted in Schedule B. However, You are not covered for any violation that relates to:
 - a. any obligation to perform maintenance or repair on the Land; or
 - b. environmental protection of any kind, including hazardous or toxic conditions or substances
 unless there is a notice recorded in the Public Records, describing any part of the Land, claiming a violation exists. Our liability for this Covered Risk is limited to the extent of the violation stated in that notice.
13. Your Title is lost or taken because of a violation of any covenant, condition or restriction, which occurred before You acquired Your Title, even if the covenant, condition or restriction is excepted in Schedule B.

Policy #: 5020500-0072280e

COVERED RISKS (Continued)

14. The violation or enforcement of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; or
 - f. environmental protection,
 if there is a notice recorded in the Public Records, describing any part of the Land, claiming a violation exists or declaring the intention to enforce the law or regulation. Our liability for this Covered Risk is limited to the extent of the violation or enforcement stated in that notice.
15. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 14 if there is a notice recorded in the Public Records, describing any part of the Land, of the enforcement action or intention to bring an enforcement action. Our liability for this Covered Risk is limited to the extent of the enforcement action stated in that notice.
16. Because of an existing violation of a subdivision law or regulation affecting the Land:
 - a. You are unable to obtain a building permit;
 - b. You are required to correct or remove the violation; or
 - c. someone else has a legal right to, and does, refuse to perform a contract to purchase the Land, lease it or make a Mortgage loan on it.
 The amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
17. You lose Your Title to any part of the Land because of the right to take the Land by condemning it, if:
 - a. there is a notice of the exercise of the right recorded in the Public Records and the notice describes any part of the Land; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
18. You are forced to remove or remedy Your existing structures, or any part of them – other than boundary walls or fences – because any portion was built without obtaining a building permit from the proper government office. The amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
19. You are forced to remove or remedy Your existing structures, or any part of them, because they violate an existing zoning law or zoning regulation. If You are required to remedy any portion of Your existing structures, the amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
20. You cannot use the Land because use as a single-family residence violates an existing zoning law or zoning regulation.
21. You are forced to remove Your existing structures because they encroach onto Your neighbor's land. If the encroaching structures are boundary walls or fences, the amount of Your insurance for this Covered Risk is subject to Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
22. Someone else has a legal right to, and does, refuse to perform a contract to purchase the Land, lease it or make a Mortgage loan on it because Your neighbor's existing structures encroach onto the Land.
23. You are forced to remove Your existing structures which encroach onto an Easement or over a building set-back line, even if the Easement or building set-back line is excepted in Schedule B.
24. Your existing structures are damaged because of the exercise of a right to maintain or use any Easement affecting the Land, even if the Easement is excepted in Schedule B.
25. Your existing improvements (or a replacement or modification made to them after the Policy Date), including lawns, shrubbery or trees, are damaged because of the future exercise of a right to use the surface of the Land for the extraction or development of minerals, water or any other substance, even if those rights are excepted or reserved from the description of the Land or excepted in Schedule B.
26. Someone else tries to enforce a discriminatory covenant, condition or restriction that they claim affects Your Title which is based upon race, color, religion, sex, handicap, familial status, or national origin.
27. A taxing authority assesses supplemental real estate taxes not previously assessed against the Land for any period before the Policy Date because of construction or a change of ownership or use that occurred before the Policy Date.
28. Your neighbor builds any structures after the Policy Date -- other than boundary walls or fences -- which encroach onto the Land.
29. Your Title is unmarketable, which allows someone else to refuse to perform a contract to purchase the Land, lease it or make a Mortgage loan on it.
30. Someone else owns an interest in Your Title because a court order invalidates a prior transfer of the title under federal bankruptcy, state insolvency, or similar creditors' rights laws.
31. The residence with the address shown in Schedule A is not located on the Land at the Policy Date.
32. The map, if any, attached to this Policy does not show the correct location of the Land according to the Public Records.

OUR DUTY TO DEFEND AGAINST LEGAL ACTIONS

We will defend Your Title in any legal action only as to that part of the action which is based on a Covered Risk and which is not excepted or excluded from coverage in this Policy. We will pay the costs, attorneys' fees, and expenses We incur in that defense.

We will not pay for any part of the legal action which is not based on a Covered Risk or which is excepted or excluded from coverage in this Policy.

We can end Our duty to defend Your Title under section 4 of the Conditions.

This Policy is not complete without Schedules A and B.

Policy #: 5020500-0072280e

EXCLUSIONS

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

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

CONDITIONS**1. DEFINITIONS**

- a. Easement – the right of someone else to use the Land for a special purpose.
- b. Estate Planning Entity – a legal entity or Trust established by a Natural Person for estate planning.
- c. Known – things about which You have actual knowledge. The words "Know" and "Knowing" have the same meaning as Known.
- d. Land – the land or condominium unit described in paragraph 3 of Schedule A and any improvements on the Land which are real property.
- e. Mortgage – a mortgage, deed of trust, trust deed or other security instrument.
- f. Natural Person – a human being, not a commercial or legal organization or entity. Natural Person includes a trustee of a Trust even if the trustee is not a human being.
- g. Policy Date – the date and time shown in Schedule A. If the insured named in Schedule A first acquires the interest shown in Schedule A by an instrument recorded in the Public Records later than the date and time shown in Schedule A, the Policy Date is the date and time the instrument is recorded.
- h. Public Records – records that give constructive notice of matters affecting Your Title, according to the state statutes where the Land is located.
- i. Title – the ownership of Your interest in the Land, as shown in Schedule A.
- j. Trust – a living trust established by a Natural Person for estate planning.
- k. We/Our/Us – First American Title Insurance Company.
- l. You/Your – the insured named in Schedule A and also those identified in Section 2.b. of these Conditions.

2. CONTINUATION OF COVERAGE

- a. This Policy insures You forever, even after You no longer have Your Title. You cannot assign this Policy to anyone else.
- b. This Policy also insures:
 - (1) anyone who inherits Your Title because of Your death;
 - (2) Your spouse who receives Your Title because of dissolution of Your marriage;
 - (3) the trustee or successor trustee of a Trust or any Estate Planning Entity to whom You transfer Your Title after the Policy Date;
 - (4) the beneficiaries of Your Trust upon Your death; or
 - (5) anyone who receives Your Title by a transfer effective on Your death as authorized by law.
- c. We may assert against the insureds identified in Section 2.b. any rights and defenses that We have against any previous insured under this Policy.

3. HOW TO MAKE A CLAIM

- a. Prompt Notice Of Your Claim
 - (1) As soon as You know of anything that might be covered by this Policy, You must notify Us promptly in writing.
 - (2) Send Your notice to **First American Title Insurance Company, Attn: Claims National Intake Center, 1 First American Way, Santa Ana, California 92707. Phone: 888-632-1642.** Please include the Policy number shown in Schedule A, and the county and state where the Land is located. Please enclose a copy of Your policy, if available.
 - (3) If You do not give Us prompt notice, Your coverage will be reduced or ended, but only to the extent Your failure affects Our ability to resolve the claim or defend You.

Policy # : 5020500-0072280e

CONDITIONS (Continued)

- b. Proof Of Your Loss
- (1) We may require You to give Us a written statement signed by You describing Your loss which includes:
 - (a) the basis of Your claim;
 - (b) the Covered Risks which resulted in Your loss;
 - (c) the dollar amount of Your loss; and
 - (d) the method You used to compute the amount of Your loss.
 - (2) We may require You to make available to Us records, checks, letters, contracts, insurance policies and other papers which relate to Your claim. We may make copies of these papers.
 - (3) We may require You to answer questions about Your claim under oath.
 - (4) If you fail or refuse to give Us a statement of loss, answer Our questions under oath, or make available to Us the papers We request, Your coverage will be reduced or ended, but only to the extent Your failure or refusal affects Our ability to resolve the claim or defend You.
4. **OUR CHOICES WHEN WE LEARN OF A CLAIM**
- a. After We receive Your notice, or otherwise learn, of a claim that is covered by this Policy, Our choices include one or more of the following:
 - (1) Pay the claim;
 - (2) Negotiate a settlement;
 - (3) Bring or defend a legal action related to the claim;
 - (4) Pay You the amount required by this Policy;
 - (5) End the coverage of this Policy for the claim by paying You Your actual loss resulting from the Covered Risk, and those costs, attorneys' fees and expenses incurred up to that time which We are obligated to pay;
 - (6) End the coverage described in Covered Risk 16, 18, 19 or 21 by paying You the amount of Your insurance then in force for the particular Covered Risk, and those costs, attorneys' fees and expenses incurred up to that time which We are obligated to pay;
 - (7) End all coverage of this Policy by paying You the Policy Amount then in force, and those costs, attorneys' fees and expenses incurred up to that time which We are obligated to pay;
 - (8) Take other appropriate action.
 - b. When We choose the options in Sections 4.a. (5), (6) or (7), all Our obligations for the claim end, including Our obligation to defend, or continue to defend, any legal action.
 - c. Even if We do not think that the Policy covers the claim, We may choose one or more of the options above. By doing so, We do not give up any rights.
5. **HANDLING A CLAIM OR LEGAL ACTION**
- a. You must cooperate with Us in handling any claim or legal action and give Us all relevant information.
 - b. If You fail or refuse to cooperate with Us, Your coverage will be reduced or ended, but only to the extent Your failure or refusal affects Our ability to resolve the claim or defend You.
 - c. We are required to repay You only for those settlement costs, attorneys' fees and expenses that We approve in advance.
 - d. We have the right to choose the attorney when We bring or defend a legal action on Your behalf. We can appeal any decision to the highest level. We do not have to pay Your claim until the legal action is finally decided.
- e. Whether or not We agree there is coverage, We can bring or defend a legal action, or take other appropriate action under this Policy. By doing so, We do not give up any rights.
6. **LIMITATION OF OUR LIABILITY**
- a. After subtracting Your Deductible Amount if it applies, We will pay no more than the least of:
 - (1) Your actual loss;
 - (2) Our Maximum Dollar Limit of Liability then in force for the particular Covered Risk, for claims covered only under Covered Risk 16, 18, 19 or 21; or
 - (3) the Policy Amount then in force.
 and any costs, attorneys' fees and expenses that We are obligated to pay under this Policy.
 - b. If We pursue Our rights under Sections 4.a.(3) and 5.e. of these Conditions and are unsuccessful in establishing the Title, as insured:
 - (1) the Policy Amount then in force will be increased by 10% of the Policy Amount shown in Schedule A, and
 - (2) You shall have the right to have the actual loss determined on either the date the claim was made by You or the date it is settled and paid.
 - c.
 - (1) If We remove the cause of the claim with reasonable diligence after receiving notice of it, all Our obligations for the claim end, including any obligation for loss You had while We were removing the cause of the claim.
 - (2) Regardless of 6.c.(1) above, if You cannot use the Land because of a claim covered by this Policy:
 - (a) You may rent a reasonably equivalent substitute residence and We will repay You for the actual rent You pay, until the earlier of:
 - (i) the cause of the claim is removed; or
 - (ii) We pay You the amount required by this Policy. If Your claim is covered only under Covered Risk 16, 18, 19 or 21, that payment is the amount of Your insurance then in force for the particular Covered Risk.
 - (b) We will pay reasonable costs You pay to relocate any personal property You have the right to remove from the Land, including transportation of that personal property for up to twenty-five (25) miles from the Land, and repair of any damage to that personal property because of the relocation. The amount We will pay You under this paragraph is limited to the value of the personal property before You relocate it.
 - d. All payments We make under this Policy reduce the Policy Amount then in force, except for costs, attorneys' fees and expenses. All payments We make for claims which are covered only under Covered Risk 16, 18, 19 or 21 also reduce Our Maximum Dollar Limit of Liability for the particular Covered Risk, except for costs, attorneys' fees and expenses.
 - e. If We issue, or have issued, a Policy to the owner of a Mortgage that is on Your Title and We have not given You any coverage against the Mortgage, then:
 - (1) We have the right to pay any amount due You under this Policy to the owner of the Mortgage, and any amount paid shall be treated as a payment to You under this Policy, including under Section 4.a. of these Conditions;

Policy # : 5020500-0072280e

CONDITIONS (Continued)

- (2) Any amount paid to the owner of the Mortgage shall be subtracted from the Policy Amount then in force; and
 - (3) If Your claim is covered only under Covered Risk 16, 18, 19 or 21, any amount paid to the owner of the Mortgage shall also be subtracted from Our Maximum Dollar Limit of Liability for the particular Covered Risk.
 - f. If You do anything to affect any right of recovery You may have against someone else, We can subtract from Our liability the amount by which You reduced the value of that right.
- 7. TRANSFER OF YOUR RIGHTS TO US**
- a. When We settle Your claim, We have all the rights and remedies You have against any person or property related to the claim. You must not do anything to affect these rights and remedies. When We ask, You must execute documents to evidence the transfer to Us of these rights and remedies. You must let Us use Your name in enforcing these rights and remedies.
 - b. We will not be liable to You if We do not pursue these rights and remedies or if We do not recover any amount that might be recoverable.
 - c. We will pay any money We collect from enforcing these rights and remedies in the following order:
 - (1) to Us for the costs, attorneys' fees and expenses We paid to enforce these rights and remedies;
 - (2) to You for Your loss that You have not already collected;
 - (3) to Us for any money We paid out under this Policy on account of Your claim; and
 - (4) to You whatever is left.
 - d. If You have rights and remedies under contracts (such as indemnities, guaranties, bonds or other policies of insurance) to recover all or part of Your loss, then We have all of those rights and remedies, even if those contracts provide that those obligated have all of Your rights and remedies under this Policy.

- 8. THIS POLICY IS THE ENTIRE CONTRACT**
This Policy, with any endorsements, is the entire contract between You and Us. To determine the meaning of any part of this Policy, You must read the entire Policy and any endorsements. Any changes to this Policy must be agreed to in writing by Us. Any claim You make against Us must be made under this Policy and is subject to its terms.
- 9. INCREASED POLICY AMOUNT**
The Policy Amount then in force will increase by ten percent (10%) of the Policy Amount shown in Schedule A each year for the first five years following the Policy Date shown in Schedule A, up to one hundred fifty percent (150%) of the Policy Amount shown in Schedule A. The increase each year will happen on the anniversary of the Policy Date shown in Schedule A.
- 10. SEVERABILITY**
If any part of this Policy is held to be legally unenforceable, both You and We can still enforce the rest of this Policy.
- 11. ARBITRATION**
- a. If permitted in the state where the Land is located, You or We may demand arbitration.
 - b. The law used in the arbitration is the law of the state where the Land is located.
 - c. The arbitration shall be under the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). You can get a copy of the Rules from Us.
 - d. Except as provided in the Rules, You cannot join or consolidate Your claim or controversy with claims or controversies of other persons.
 - e. The arbitration shall be binding on both You and Us. The arbitration shall decide any matter in dispute between You and Us.
 - f. The arbitration award may be entered as a judgment in the proper court.
- 12. CHOICE OF LAW**
The law of the state where the Land is located shall apply to this policy.

In Witness Whereof, First American Title Insurance Company has caused its corporate name to be hereunto affixed by its authorized officers as of Date of Policy shown in Schedule A.

First American Title Insurance Company

For Reference:

File #: 133581-VC
Loan #: xxxxxx



Dennis J. Gilmore
Dennis J. Gilmore
President

Timothy Kemp
Timothy Kemp
Secretary

(This Policy is valid only when Schedules A and B are attached)

This Jacket was created electronically and constitutes an original document

Copyright 2006-2010 American Land Title Association. All rights reserved. The use of this form is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.