

**COMMITMENT FOR TITLE INSURANCE  
 SCHEDULE A**

1. **Effective Date: July 15, 2010 at 8:00 a.m. Commitment No.: NW - 40059624**
2. **Policy or Policies to be issued:**

**ALTA 2003 Homeowner's Policy    ALTA Homeowner's Policy Rate WITH ELECTRONIC DISCOUNT RATE**

<b>Proposed Insured: TO BE DETERMINED</b>			
<b>Amount:</b>	TO COME		
<b>Premium:</b>	<b>\$ 0.00</b>	<b>Agent Portion of Premium:</b>	<b>\$0.00</b>
<b>Tax:</b>	<b>\$ 0.00</b>	<b>Underwriter Portion of Premium</b>	<b>\$0.00</b>
<b>Total:</b>	<b>\$ 0.00</b>		

**ALTA 2006 Loan Policy - Simultaneous Issue**

<b>Proposed Insured: To Be Determined</b>			
<b>Amount:</b>	TO COME		
<b>Premium:</b>	<b>\$ 0.00</b>	<b>Agent Portion of Premium:</b>	<b>\$0.00</b>
<b>Tax:</b>	<b>\$ 0.00</b>	<b>Underwriter Portion of Premium:</b>	<b>\$0.00</b>
<b>Total:</b>	<b>\$ 0.00</b>		

3. **Title to the fee simple estate or interest in the land described or referred to in this Commitment is at the effective date hereof vested in:**

Nicholas A. Reikow and Brittany L. Reikow, husband and wife

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

See Exhibit "A" attached hereto.

Order No. **NW - 40059624**

**EXHIBIT "A"**

UNIT 2, BUILDING B OF SINCLAIR, A CONDOMINIUM RECORDED IN VOLUME 177 OF CONDOMINIUMS, PAGES 22 THROUGH 26, INCLUSIVE, ACCORDING TO THE DECLARATION THEREOF, RECORDED UNDER KING COUNTY RECORDING NO. 20010917001545, AND ANY AMENDMENTS THERETO;

SITUATE in the **County of King**, STATE OF WASHINGTON.

**SCHEDULE B**

**REQUIREMENTS:** Instruments necessary to create the estate or interest to be properly executed, delivered and duly filed for record.

**EXCEPTIONS:** Schedule B of the Policy or Policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

- A. Standard exceptions set forth on the Commitment Cover.
- B. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

**SPECIAL EXCEPTIONS:**

- 1. REAL ESTATE EXCISE TAX PURSUANT TO THE AUTHORITY OF RCW CHAPTER 82.45 AND SUBSEQUENT AMENDMENTS THERETO.

AS OF THE DATE HEREIN, THE TAX RATE FOR SAID PROPERTY IS 1.78%

FOR ALL TRANSACTIONS RECORDED ON OR AFTER JULY 1, 2005:

- A FEE OF \$10.00 WILL BE CHARGED ON ALL EXEMPT TRANSACTIONS;
- A FEE OF \$5.00 WILL BE CHARGED ON ALL TAXABLE TRANSACTIONS IN ADDITION TO THE EXCISE TAX DUE;

- 2. GENERAL PROPERTY TAXES AND SERVICE CHARGES, AS FOLLOWS, TOGETHER WITH INTEREST, PENALTY AND STATUTORY FORECLOSURE COSTS, IF ANY, AFTER DELINQUENCY: (1ST HALF DELINQUENT ON MAY 1; 2ND HALF DELINQUENT ON NOVEMBER 1)

TAX ACCOUNT NO.:	7800000020		
YEAR	BILLED	PAID	BALANCE
2010	\$4,198.00	\$2,099.00	\$2,099.00

TOTAL AMOUNT DUE, NOT INCLUDING INTEREST AND PENALTY: \$2,099.00.

LEVY CODE:	7337	
ASSESSED VALUE LAND:		\$110,500.00
ASSESSED VALUE IMPROVEMENTS:		\$261,500.00

- 3. NOTICE OF TAP OR CONNECTION CHARGES WHICH HAVE BEEN OR WILL BE DUE IN CONNECTION WITH DEVELOPMENT OR RE-DEVELOPMENT OF THE LAND AS DISCLOSED BY RECORDED INSTRUMENT. INQUIRIES REGARDING THE SPECIFIC AMOUNT OF THE CHARGES SHOULD BE MADE TO THE CITY/COUNTY/AGENCY.

CITY/COUNTY/AGENCY:	NORTHSHORE UTILITY DISTRICT
RECORDED:	07/30/92
RECORDING NO.:	9207300895

- 4. RESERVATIONS CONTAINED IN DEED FROM THE STATE OF WASHINGTON RECORDED UNDER RECORDING NO. 1819582, RESERVING TO THE GRANTOR ALL OIL, GASES, COAL, ORES, MINERALS, FOSSILS, ETC., AND THE RIGHT OF ENTRY FOR OPENING, DEVELOPING AND WORKING THE SAME, AND PROVIDING THAT SUCH RIGHTS SHALL NOT BE EXERCISED UNTIL PROVISION HAS BEEN MADE FOR FULL PAYMENT OF ALL DAMAGES SUSTAINED BY REASON OF SUCH ENTRY.

**SCHEDULE B – continued**

RIGHT OF STATE OF WASHINGTON OR ITS SUCCESSORS, SUBJECT TO PAYMENT OF COMPENSATION THEREFOR, TO ACQUIRE RIGHTS-OF-WAY FOR PRIVATE RAILROADS, SKID ROADS, FLUMES, CANALS, WATER COURSES OR OTHER EASEMENTS FOR TRANSPORTING AND MOVING TIMBER, STONE, MINERALS AND OTHER PRODUCTS FROM THIS AND OTHER LAND, AS RESERVED IN DEED REFERRED TO ABOVE.

5. DECLARATION OF COVENANT IMPOSED BY INSTRUMENT RECORDED ON JUNE 15, 2000, UNDER RECORDING NO. 20000615000738.
  
6. AGREEMENT AND THE TERMS AND CONDITIONS THEREOF:  
RECORDED: DECEMBER 5, 2000  
RECORDING NO.: 20001205000909  
REGARDING: MDU BROADBAND SERVICES AGREEMENT  
MEMORANDUM OF EASEMENT
  
7. NOTICE OF MINIMUM SEWER OUTLET ELEVATION IMPOSED BY INSTRUMENT RECORDED ON NOVEMBER 6, 2001, UNDER RECORDING NO. 20011106000981.
  
8. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:  
GRANTEE: NORTHSHORE UTILITY DISTRICT, A  
MUNICIPAL CORPORATION  
PURPOSE: SANITARY SEWERS  
AREA AFFECTED: COMMON AREA  
RECORDED: OCTOBER 12, 2001  
RECORDING NO.: 20011012000664
  
9. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:  
GRANTEE: NORTHSHORE UTILITY DISTRICT, A  
MUNICIPAL CORPORATION  
PURPOSE: WATER LINES  
AREA AFFECTED: COMMON AREA  
RECORDED: OCTOBER 12, 2001  
RECORDING NO.: 20011012000665
  
10. PROVISIONS SET FORTH ON THE SURVEY MAP AND PLANS AND AMENDMENTS THERETO, RECORDED UNDER KING COUNTY RECORDING NUMBER(S) 20010917001544.  
  
AND AMENDMENTS THERETO:  
  
RECORDING NO.: 20011025000757
  
11. REGULATIONS AND REQUIREMENTS PROVIDED FOR IN THAT CERTAIN DECLARATION DATED 10/05/00, RECORDED 09/17/01, UNDER KING COUNTY RECORDING NUMBER 20010917001545, INCLUDING, BUT NOT LIMITED TO, ASSESSMENTS LEVIED BY THE HOME OWNER'S ASSOCIATION AND OF CHAPTER 64.34 OF REVISED CODE OF WASHINGTON, DESIGNATED AS WASHINGTON CONDOMINIUM ACT AND AMENDMENTS THERETO.  
  
AND AMENDMENTS THERETO:  
  
RECORDING NO.: 20011025000758,20080221000702 AND  
20100528001093

**SCHEDULE B – continued**

12. EASEMENTS FOR INGRESS, EGRESS, PIPELINES, PUBLIC UTILITIES AND OTHER INCIDENTAL PURPOSES THAT AFFECT THE CONDOMINIUM COMMON AREAS, AS DISCLOSED BY INSTRUMENTS OF RECORD. THIS EXCEPTION ONLY AFFECTS THAT PORTION OF THE CONDOMINIUM PROPERTY DEFINED AS A "COMMON ELEMENT" OR "COMMON AREA" BY THE RECORDED DECLARATION..

13. DEED OF TRUST AND THE TERMS AND CONDITIONS THEREOF:

GRANTOR: NICK A. REIKOW AND BRITTANY L. REIKOW, HUSBAND AND WIFE  
TRUSTEE: NORTHWEST TRUSTEE SERVICES, LLC  
BENEFICIARY: WELLS FARGO BANK, N.A.  
ORIGINAL AMOUNT: \$409,974.00  
DATED: AUGUST 26, 2009  
RECORDED: SEPTEMBER 14, 2009  
RECORDING NO.: 20090914000025

14. LIEN CLAIMED BY SINCLAIR CONDOMINIUM OWNERS ASSOCIATION.

AGAINST: NICHOLAS A. REIKOW AND BRITTANY L. REIKOW  
FOR: UNPAID ASSESSMENTS  
AMOUNT: \$951.00  
RECORDED: JUNE 25, 2010  
RECORDING NO.: 20100625000627

15. PENDING PROCEEDINGS IN KING COUNTY SUPERIOR COURT FOR DISSOLUTION OF MARRIAGE/DOMESTIC PARTNERSHIP.

PETITIONER: NICHOLAS REIKOW  
RESPONDENT: BRITTANY L. REIKOW  
CASE NO.: 10-3-01535-7  
ATTORNEY FOR PETITIONER: NOT DISCLOSED  
ATTORNEY FOR RESPONDENT: NOT DISCLOSES

NOTE 1: IN THE PAST 24 MONTHS, THERE HAVE BEEN NO CONVEYANCES OF RECORD FOR THE PROPERTY DESCRIBED IN SCHEDULE A HEREIN. TITLE WAS ACQUIRED BY NICHOLAS A. REIKOW AND BRITTANY L. REIKOW, HUSBAND AND WIFE BY DEED RECORDED ON JUNE 19, 2008, UNDER RECORDING NO. 20080619001690.

NOTE 2: THE COMPANY HAS BEEN ASKED TO ISSUE SIMULTANEOUS POLICIES WITHOUT DISCLOSURE OF THE LIABILITY AMOUNTS. THIS COMMITMENT SHALL BE EFFECTIVE ONLY WHEN THE AMOUNTS OF THE OWNER'S AND LENDER'S POLICIES COMMITTED FOR HAS BEEN INSERTED IN SCHEDULE A HEREOF. THE FORTHCOMING OWNER'S POLICY MUST BE ISSUED IN AN AMOUNT AT LEAST EQUAL TO THE FULL VALUE OF THE ESTATE INSURED IN ACCORDANCE WITH OUR RATING SCHEDULE ON FILE IN THE OFFICE OF THE WASHINGTON STATE INSURANCE COMMISSIONER.

THE COMPANY MAY HAVE FURTHER REQUIREMENTS IF THE UNDISCLOSED AMOUNT TO BE INSURED EXCEEDS THE CURRENT ASSESSED VALUATION.

**SCHEDULE B – continued**

NOTE 3: TITLE WILL BE VESTED IN PARTIES YET TO BE DISCLOSED. WHEN TITLE IS VESTED, THEIR TITLE WILL BE SUBJECT TO MATTERS OF RECORD AGAINST THEIR NAMES.

NOTE 4: THE MATTERS RELATING TO THE QUESTIONS OF SURVEY, RIGHTS OF PARTIES IN POSSESSION AND UNRECORDED LIENS FOR LABOR AND MATERIAL HAVE BEEN CLEARED FOR THE LOAN POLICY, WHICH WHEN ISSUED, WILL CONTAIN THE ALTA 9-06 OR WLTA 100 ENDORSEMENT, AS APPROPRIATE FOR THE POLICY FORM.

THE LOAN POLICY OFFERS ADDITIONAL COVERAGE WHICH WILL NOT BE PROVIDED IN THE OWNER'S POLICY TO BE ISSUED, EXCEPT AS SPECIFIED IN THE WLTA HOMEOWNER'S ADDITIONAL PROTECTION ENDORSEMENT (1/12/95) OR IN THE ALTA 2003 HOMEOWNER'S POLICY.

NOTE 5: BASED ON INFORMATION PROVIDED TO THE COMPANY, ON THE DATE OF THIS COMMITMENT IT APPEARS THAT THERE IS LOCATED ON THE LAND:

**A CONDOMINIUM UNIT**

KNOWN AS:  
**7780 NE 122ND LN #2  
KIRKLAND, WA 98034**

NOTE 6: IF YOU WOULD LIKE THE COMPANY TO ACT AS TRUSTEE IN THE PROPOSED DEED OF TRUST, PLEASE NOTE THAT "**COMMONWEALTH LAND TITLE COMPANY OF PUGET SOUND, LLC**" MAY ACT AS TRUSTEE OF A DEED OF TRUST UNDER RCW 61.24.010(1).

NOTE 7: THE COMPANY REQUIRES THE PROPOSED INSURED TO VERIFY THAT THE LAND COVERED BY THIS COMMITMENT IS THE LAND INTENDED TO BE CONVEYED IN THIS TRANSACTION. THE DESCRIPTION OF THE LAND MAY BE INCORRECT, IF THE APPLICATION FOR TITLE INSURANCE CONTAINED INCOMPLETE OR INACCURATE INFORMATION. NOTIFY THE COMPANY WELL BEFORE CLOSING IF CHANGES ARE NECESSARY. CLOSING INSTRUCTIONS MUST INDICATE THAT THE LEGAL DESCRIPTION HAS BEEN REVIEWED AND APPROVED BY ALL PARTIES.

NOTE 8: THE FOLLOWING MAY BE USED AS AN ABBREVIATED LEGAL DESCRIPTION ON THE DOCUMENTS TO BE RECORDED, PER AMENDED RCW 65.04. SAID ABBREVIATED LEGAL DESCRIPTION IS NOT A SUBSTITUTE FOR A COMPLETE LEGAL DESCRIPTION WITHIN THE BODY OF THE DOCUMENT.

**UNIT 2, BUILDING B OF SINCLAIR, A CONDOMINIUM**

NOTE 9: WHEN SENDING DOCUMENTS FOR RECORDING, VIA U.S. MAIL OR SPECIAL COURIER SERVICE, PLEASE SEND TO THE FOLLOWING ADDRESS, UNLESS SPECIFIC ARRANGEMENTS HAVE BEEN MADE WITH YOUR TITLE UNIT:

COMMONWEALTH LAND TITLE COMPANY OF PUGET SOUND  
1501 - 4TH AVENUE, SUITE 300  
SEATTLE, WA 98101  
ATTN: RECORDING DEPT.

COMMONWEALTH PRE-ADDRESSED ENVELOPES MAY STILL BE USED WHEN SENDING DOCUMENTS VIA TDS (TITLE DELIVERY SERVICE) TO THE ADDRESS ON THE FACE OF THE COMMITMENT COVER PAGE OR TO THE ABOVE ADDRESS.

NOTE 10: IN THE EVENT THAT THE COMMITMENT JACKET IS NOT ATTACHED HERETO, ALL OF THE TERMS, CONDITIONS AND PROVISIONS CONTAINED IN SAID JACKET ARE INCORPORATED HEREIN. THE COMMITMENT JACKET IS AVAILABLE FOR INSPECTION AT ANY COMPANY OFFICE.

**SCHEDULE B – continued**

NOTE 11: THE POLICY(S) OF INSURANCE MAY CONTAIN A CLAUSE PERMITTING ARBITRATION OF CLAIMS AT THE REQUEST OF EITHER THE INSURED OR THE COMPANY. UPON REQUEST, THE COMPANY WILL PROVIDE A COPY OF THIS CLAUSE AND THE ACCOMPANYING ARBITRATION RULES PRIOR TO THE CLOSING OF THE TRANSACTION.

**(END OF EXCEPTIONS)**

Investigation should be made to determine if there are any sewer treatment capacity charges or if there are any service, installation, maintenance, or construction charges for sewer, water or electricity.

In the event this transaction fails to close, a cancellation fee will be charged for services rendered in accordance with our rate schedule.

Unless otherwise requested or specified herein, the forms of policy to be issued in connection with this Commitment will be the ALTA 2003 Homeowner's Policy, the ALTA 2006 Loan Policy, or, in the case of standard lender's coverage, the ALTA 2006 Standard Loan Policy.

The Policy committed for or requested may be examined by inquiry at the office that issued the Commitment. A specimen copy of the Policy form(s) referred to in this Commitment will be furnished promptly upon request.

MM1

Enclosures:

Sketch

Vesting Deed

Paragraphs All recorded encumbrances

Issued by



Commonwealth Land Title Insurance Company

COMMITMENT FOR TITLE INSURANCE

**Commonwealth Land Title Insurance Company**, a Nebraska corporation, herein called the Company, for a valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the exceptions and conditions and stipulations shown herein, the Exclusions from Coverage, the Schedule B exceptions, and the conditions and stipulations of the policy or policies requested. (See the following pages for printed Exclusions from Coverage and Schedule B exceptions contained in various policy forms.)

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement and is subject to the Conditions and Stipulations.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate 180 days after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company.

**NOTE: THE POLICY COMMITTED FOR MAY BE EXAMINED BY INQUIRY AT THE OFFICE WHICH ISSUED THE COMMITMENT, AND A SPECIMEN COPY OF THE POLICY FORM (OR FORMS) REFERRED TO IN THIS COMMITMENT WILL BE FURNISHED PROMPTLY UPON REQUEST.**

COMMONWEALTH LAND TITLE INSURANCE COMPANY



By:

A handwritten signature in black ink, appearing to read "Gregory M. [unclear]", written over a horizontal line.

President

ATTEST

A handwritten signature in black ink, written over a horizontal line.

Secretary

### COMMITMENT CONDITIONS AND STIPULATIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. *The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at < <http://www.alta.org/>>.*



## SCHEDULE OF EXCLUSIONS FROM COVERAGE

### AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)

#### 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 that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

## SCHEDULE OF EXCLUSIONS FROM COVERAGE (continued)

### AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)

#### 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 that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

**SCHEDULE OF EXCLUSIONS FROM COVERAGE (continued)**

**AMERICAN LAND TITLE ASSOCIATION HOMEOWNER'S POLICY OF TITLE  
INSURANCE FOR A ONE-TO-FOUR FAMILY RESIDENCE (10-22-03)**

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

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

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

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

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

The matters listed below each policy form are expressly excepted from the coverage of that policy and that policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason thereof.

**SCHEDULE B EXCEPTIONS APPEARING IN ALTA OWNER'S POLICY – STANDARD COVERAGE  
AND STANDARD COVERAGE LOAN POLICY**

1. Taxes or assessments which are not now payable or 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, or claiming to be in possession, thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land, and that is not shown by the Public Records.
5. Any lien, or right to a lien, for labor, material, services or equipment, or for contributions to employee benefit plans, or liens under Workmans' Compensation Acts, not disclosed by the public records.
6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) Indian treaty or aboriginal rights, including, but not limited to, easements or equitable servitudes; or, (d) water rights, claims or title to water, whether or not the matters excepted under (a), (b), (c) or (d) are shown by the public records.
7. Right of use, control or regulation by the United States of America in the exercise of powers over navigation; any prohibition or limitation on the use, occupancy or improvement of the land resulting from the rights of the public or riparian owners to use any waters which may cover the land or to use any portion of the land which is now or may formerly have been covered by water.
8. Any service, installation, connection, maintenance or construction charges for sewer, water, electricity, or garbage collection or disposal, or other utilities unless disclosed as an existing lien by the public records.

**SCHEDULE B EXCEPTIONS APPEARING IN ALTA OWNER'S POLICY – EXTENDED COVERAGE**

1. Taxes or assessments which are not now payable or 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. Underground easements, servitudes or installations which are not disclosed by the public records.
3. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) Indian treaty or aboriginal rights, including, but not limited to, easements or equitable servitudes; or, (d) water rights, claims or title to water, whether or not the matters excepted under (a), (b), (c) or (d) are shown by the public records.
4. Right of use, control or regulation by the United States of America in the exercise of powers over navigation; any prohibition or limitation on the use, occupancy or improvement of the land resulting from the rights of the public or riparian owners to use any waters which may cover the land or to use any portion of the land which is now or may formerly have been covered by water.
5. Any service, installation, connection, maintenance or construction charges for sewer, water, electricity, or garbage collection or disposal, or other utilities unless disclosed as an existing lien by the public records.

**SCHEDULE B EXCEPTIONS APPEARING IN EXTENDED COVERAGE ALTA LOAN POLICY (06-17-06)  
and ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)**

No general exceptions appear in these policy forms.