County of Orange 300 North Flower Street Room 252 or Room 632 Santa Ana, CA 92703

Attn: Scott

Your Reference No:

Property Address:

Our File No: 05306536 - 12 Advisory Title Officer: John

e-mail:

Direct Phone: (949) 223-5520 Fax Number: (949) 261-6927

691 Skyline Drive, Tustin, California

## PRELIMINARY REPORT

Dated as of December 8, 2003 at 7:30 a.m.

In response to the above referenced application for a policy of title insurance, hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

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

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit B of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

## SCHEDULE A

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

### ALTA Loan 1992

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

#### A FEE

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

, husband and wife as community property with rights

### of survivorship

The land referred to herein is situated in the County of Orange, State of California, and is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

# **EXHIBIT "A"**

All that certain real property situated in the County of Orange, State of California, described as follows:

Parcel 4 in the County of Orange, State of California, as per map recorded in Book 70, Page 1 of Parcel Maps, in the Office of the County Recorder of said County.

Assessor's Parcel Number:

503-36 -2

## SCHEDULE B

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

A. Second installment property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, for the fiscal year 2003 - 2004.

Amount:

\$3,587.73

Penalty & Costs:

\$368.77

Exemption:

\$7,000.00

Code Area:

89-076

Assessment No.:

503-36 -2

- B. Supplemental or escaped assessments of property taxes, if any, assessed pursuant to the Revenue and Taxation Code of the State of California.
- C. Special Taxes as disclosed by a "Notice of Special Tax Lien" pursuant to Government Code Section 53328.3 and Streets and Highways Code Section 3114.5, if any, or pending Special Taxes evidenced by the inclusion of said land within the boundaries of a Mello-Roos (or other) Community Facilities District as disclosed by a district map or diagram, if any appearing in the public records.

Said Special Taxes may be collected with the property taxes.

- 1. Water rights, claims or title to water, whether or not shown by the public records.
- An easement for the purposes shown below and rights incidental thereto as shown or as offered for dedication on the recorded map shown below.

Map:

Parcel Map

Recorded:

February 20, 1975 in Book 11343, Page 1283 of Official Records

Easement purpose:

water lines

Affects:

over a portion of said land

Covenants, conditions and restrictions as set forth in the document
Recorded: September 5, 1974 in Book 11236, Page 1962 of Official Records

NOTE: This exception omits any covenant, condition or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that the covenant, condition or restriction (a) is not in violation of state or federal law, (b) is exempt under 42 U.S.C.Section 3607 or (c) relates to a handicap but does not discriminate against handicapped people.

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

Modification(s) of said covenants, conditions and restrictions

Recorded:

September 5, 1975 Book 11503, Page 1834 of Official Records

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

Purpose:

public sewer or sewers and appurtenances

Recorded:

April 10, 1975 as Instrument No. 9129 Book 11375, Page 1315 of

Official Records

Affects:

said land.

The matters contained in a document entitled "Declaration of Establishment of Appurtenant Driveway Easement" recorded May 28, 1975 in Book 11413, Page 1477 of Official Records.

Reference is made to said document for full particulars.

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

Granted to:

Southern California Edison Company

Purpose:

public utilities

Recorded: Affects: June 17, 1975 in Book 11432, , Page 1243 of Official Records

a portion of said land.

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

Recorded:

October 9, 1975 in Book 11534, Page 1912 of Official Records

Affects:

a portion of said land

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

Amount:

\$ 88,000.00

Dated:

January 27, 2003

Trustor:

Trustee:

PRLAP, Inc.

Beneficiary:

Bank of America, N.A., a National Banking Association

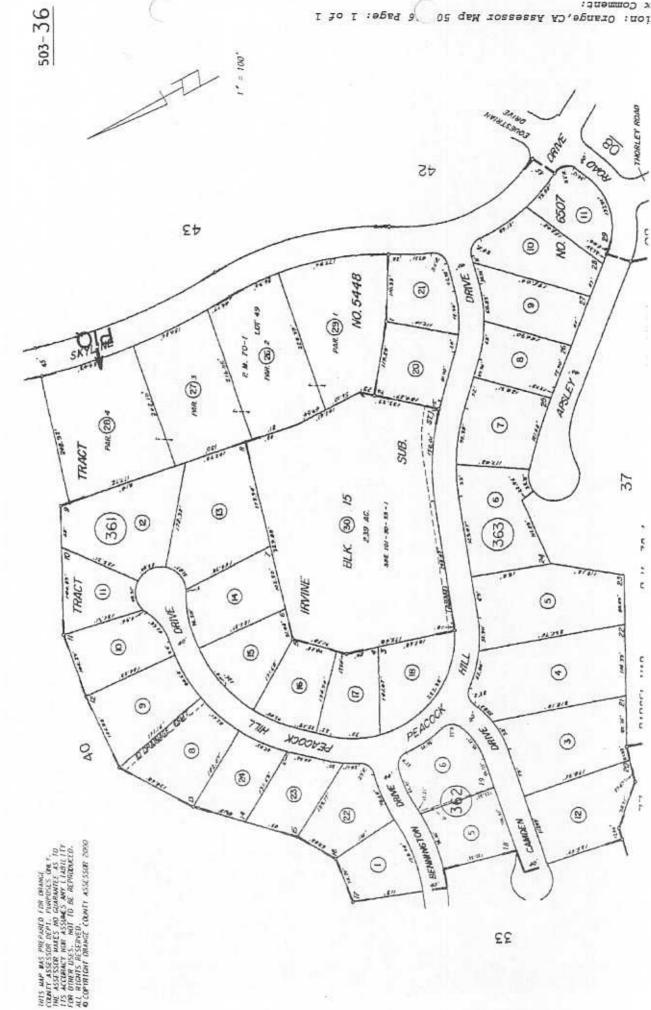
Recorded:

February 4, 2003 as Instrument No. 2003000130512 of Official

Records

### END OF SCHEDULE B EXCEPTIONS

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



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