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Escrow Number: 3630423-02299

Owner:

Bijumon Pazhoor Varkey And Tinumol Kuriakose

Property:

17097 Saint Brendan Loop  
Morgan Hill, Ca 95037

## **PRELIMINARY REPORT**

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit B attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit B. Copies of the policy forms should be read. They are available from the office which issued this report.

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

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

This 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.

Dated as of September 11, 2023 at 7:30 A.M.

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

ALTA/CLTA Homeowner's Policy of Title Insurance (2013), if applicable, or CLTA/ALTA Standard Owner's Policy 1990; and/or ALTA Loan Policy (2006).

A specific request should be made if another form or additional coverage is desired.

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

**Bijumon Pazhoor Varkey and Tinumol Kuriakose, husband and wife as community property with right of survivorship**

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

A Fee as to Parcel(s) 1, an Easement as to Parcel(s) 2 through 5

The Land referred to herein is described as follows:

(See attached Legal Description)

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

1. General and special taxes and/or assessments for the fiscal year 2023-2024, a lien, but not yet due or payable.
2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq. of the Revenue and Taxation Code of the State of California.
3. Said property is included within the boundaries of a Mello Roos assessment district which is collected with the county taxes.
4. Water rights, claims or title to water, whether or not shown by the public records.
5. Easements, recitals, setbacks, and other matters affecting that portion of said land for the purposes stated thereon and incidental purposes as shown upon a filed map

Filed: [Book 905, Page 44](#)

6. Covenants, Conditions, Restrictions, Provisions, Rights, Easements, Liens and Assessments, but omitting covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income or ancestry unless, and only to the extent, they're (a) exempt under Title 42, Section 3607 of the United States Code, or (b) relate to handicap, but does not discriminate against handicapped persons, as provided in an instrument recorded January 11, 2018 as instrument no. [23847029](#) of Official Records, and amendments thereto.

The following information is provided to you in compliance with Senate Bill NO. 1148 and Assembly Bill No. 887 enacted by the California Legislature in September 1999 and October 2011 respectively. The legislation requires the following disclosure to our clients receiving copies of recorded documents:

**"If these documents contain any restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income (as defined in subdivision (p) of Section 12955 of the Government Code) or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.1 of the Government code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."**

Said instrument provides that a violation thereof shall not defeat, or render invalid, the lien of any Mortgage or Deed of Trust made in good faith and for value.

Said document provides for a Homeowners Association (HOA) which may have the right to levy charges and/or assessments. Prior to close verify with the HOA amounts due.

The provisions of said Covenants, Conditions and Restrictions were extended to include the herein described land by a Declaration of Annexation recorded March 13, 2018 as instrument no. [23887000](#) of Official Records.

Modification to the above Covenants, Conditions and Restrictions:

Recorded: July 13, 2018 as instrument no. [23976209](#) of Official Records

Modification to the above Covenants, Conditions and Restrictions:

Recorded: July 23, 2018 as instrument no. [23988140](#) of Official Records

Modification to the above Covenants, Conditions and Restrictions:

Recorded: July 23, 2018 as instrument no. [23988141](#) of Official Records

7. Matters contained, referred to, or disclosed in an instrument,

Entitled: Master Dispute Resolution Declaration for Madison Gate  
Executed By: Tri Pointe Homes, Inc.  
Recorded: January 11, 2018 as instrument no. [23847030](#) of Official Records

8. Non-exclusive easements for Ingress, Egress, Access, Encroachment, Maintenance, Repairs, Drainage, Support, and for other purposes, as reserved in the deed recorded February 28, 2019 as instrument no. [24124912](#) of Official Records.

9. Matters contained, referred to, or disclosed in an instrument,

Entitled: Individual Dispute Resolution Agreement for Madison Gate  
Executed By: Tri Pointe Homes, Inc.  
Recorded: February 28, 2019 as instrument no. [24124914](#) of Official Records

10. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof.

Amount: \$700,000.00  
Dated: July 14, 2021  
Trustor/Borrower: Bijumon Pazhoor Varkey and Tinumol Kuriakose, husband and wife as community property with right of survivorship  
Trustee: First American Title Insurance Company  
Beneficiary: Mortgage Electronic Registration Systems, Inc. ("MERS")  
Lender: Bank of America, N.A.  
Recorded: July 26, 2021 as instrument no. [25039839](#) of Official Records

Note: This loan appears to be registered with Mortgage Electronic Registration Systems, Inc. (MERS). The name, address and telephone number for loan servicing should be obtained by calling the toll-free number, 1-888-679-MERS, and referring to the Mortgage Identification Number (MIN) 100015701016039301.

11. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS Survey and/or inspection of said land.

## REQUIREMENTS

1. The requirement that the owner's affidavit be executed and upon review further requirements may be requested prior to the issuance of any policy of insurance.
2. This transaction may be subject to a confidential order issued pursuant to the Bank Secrecy Act. The policy issuing agent must be provided with certain information necessary to comply with the confidential order prior to the closing. This transaction will not be insured and this issuing agent and/or its underwriter will not be involved in the closing and settlement until this information is submitted, reviewed and found to be complete.
3. The requirement that High Liability approval be obtained prior to the close and issuance of any policy of title insurance. The High Liability process must be completed according to the Policy Underwriter's requirements.

### INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. If this report is preparatory to the issuance of an ALTA Loan Policy we have no knowledge of any fact which would preclude the issuance of the policy with CLTA endorsement forms 100 and 116 and if applicable, 115 and 116.2 attached.

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference a Planned Unit Development known as 17097 Saint Brendan Loop, Morgan Hill, CA 95037.

2. General and special taxes and/or assessments for the fiscal year 2022-2023, as follows:

Assessor's Parcel Number: [726-01-023](#)

TRA: 004-002

1st Installment: \$6,236.17 PAID

2nd Installment: \$6,236.17 PAID

3. There are no conveyances affecting said land within two (2) years of the date of this report, except the following:

None

4. The map attached, if any, may or may not be a survey of the land depicted hereon. Cornerstone Title Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

## LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF MORGAN HILL, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

Parcel 1:

Lot 14, as shown on that certain map entitled "Tract 10418 Madison Gate 2", filed for record August 1, 2017 in [Book 905 of Maps, Pages 44 and 45](#), filed in the office of the County Recorder, County of Santa Clara, State of California. (the "Map").

Parcel 2:

Nonexclusive easements for ingress, egress, access, maintenance, repairs, drainage, encroachment, support, use, enjoyment and all other purposes as described in that certain Declaration of Covenants, Conditions and Restrictions for Madison Gate recorded January 11, 2018, as Document No. [23847029](#), and any proper amendments, modifications or annexations thereto are hereby incorporated by reference into the body of this instrument the same as though fully set forth herein (collectively, the "Declaration"), recorded in the Official Records of Santa Clara County, California. Grantee has read, understands, and agrees to be bound by each and every term, condition and covenant described in the Declaration.

Parcel 3:

A non-exclusive easement for ingress and egress, support, use, enjoyment and rights over, under, upon and through the Association Property and Association Maintenance Areas as defined in the Declaration.

Parcel 4:

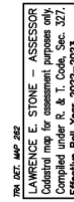
Nonexclusive easements for ingress, egress, access, inspection, maintenance, repairs and all other purposes as described in that certain Individual Dispute Resolution Agreement for Madison Gate recorded for the above Lot shown in Parcel One, as may be amended or supplemented (the "Individual Dispute Agreement"), in the Official Records of Santa Clara County, and any proper amendments, modifications or annexations thereto are incorporated herein by reference into the body of this instrument the same as though fully set forth herein. Grantee has read, understands, and agrees to be bound by each and every term, condition and covenant described in the Individual Dispute Agreement.

Parcel 5:

A non-exclusive easement and right to enter and use Parcels A, B and C of Tract 10385 which map was filed for record on May 1, 2017, in [Book 903 of Maps at Pages 40](#) to 43, inclusive, in the Official Records of Santa Clara County, California, as reflected in the Easement Deed recorded between Tri Pointe Homes, Inc., a Delaware Corporation and the Madison Gate Homeowners Association, a California nonprofit mutual benefit corporation ("Association") for the purposes set forth in the Private Street Maintenance and Reserve Agreement ("Private Street Agreement") between Grantor and the Association. Such rights granted to Grantee under the Easement Deed, as a Member of the Association, includes access to and from the Property identified in Parcel One above. The Easement Deed, the nonexclusive easement and right to enter and use Parcels A, B and C of Tract 10385 for said purposes set forth in the Private Street Agreement shall immediately and automatically extinguish upon conveyance of said Parcels A, B and C to the Association.

APN: 726-01-023





THIS MAP IS FOR YOUR AID IN LOCATING YOUR LAND IN REFERENCE TO STREETS AND OTHER PARCELS. WHILE THIS MAP IS BELIEVED TO BE CORRECT, THE COMPANY ASSUMES NO LIABILITY FOR ANY LOSS OCCURRING BY REASON OF RELIANCE THEREON.

**NOTICE**

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

If you have any questions about the effect of this new law, please contact your escrow office for more details.

**TRG®**Title  
Resource  
Group

## Protect What You Have From Cyber-Criminals

**CYBER-CRIMINALS** are constantly looking for new victims to wire them commissions, sales proceeds or deposits. Real estate transactions are especially vulnerable. **Here's how you can help guard your money:**

### CALL BEFORE SENDING

**Call us initially.** Before sending funds, call us at a number you know is accurate to verify the instructions. Do not use the phone number in an email – even if the email looks like it is from us.

**Call us if you are suspicious.** Be wary of any email asking for money early or asking for part of the money needed to close. Don't trust an email that change, updates or is "re-sending" wire instructions – call us at a number you know is accurate if you are suspicious.

**Call your bank.** After talking to us, talk to your bank to confirm it has the correct information.

### CALL AFTER SENDING

**Call us after sending us your money.** Call us to make sure we got it. It may take some time but staying in touch is the best way to be sure there is not a problem.

### ACT QUICKLY IF SOMETHING SEEMS WRONG

**Call the bank and the authorities.** If you think your money was sent to a criminal, you might be able to get it back but time is not your friend. You should immediately:

- Contact your bank.
- Ask your bank to contact the bank where the fraudulent wire was sent.
- Contact your local Federal Bureau of Investigation (FBI) office – the FBI can work with other agencies and might be able to help return or freeze the funds.
- File a complaint online with the FBI at [bec.ic3.gov](http://bec.ic3.gov).

For more information about preventing fraud in the home closing process, please visit:

**[TRGC.com/Wire-Fraud-Warning](http://TRGC.com/Wire-Fraud-Warning)**

## Cornerstone Title Company Privacy Statement

Rev 5-10-2023

FACTS	WHAT DOES CORNERSTONE TITLE COMPANY DO WITH YOUR PERSONAL INFORMATION?		
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"><li>■ Social Security number and account balances</li><li>■ payment history and credit card or other debt</li><li>■ checking account information and wire transfer instructions</li></ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>		
How?	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Cornerstone Title Company chooses to share; and whether you can limit this sharing.		
Reasons we can share your personal information	Does Cornerstone Title Company share?	Can you limit this sharing?	
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No	
For our marketing purposes—to offer our products and services to you	No	We don’t share	
For joint marketing with other financial companies	No	We don’t share	
For our affiliates’ everyday business purposes—information about your transactions and experiences	Yes	No	
For our affiliates’ everyday business purposes—information about your creditworthiness	No	We don’t share	
For our affiliates to market to you	No	We don’t share	
For nonaffiliates to market to you	No	We don’t share	
Questions?	Go to <a href="http://www.anywhere.re/privacypolicy">http://www.anywhere.re/privacypolicy</a>		

## Cornerstone Title Company Privacy Statement

Rev. 5-10-2023

Who we are	
Who is providing this notice?	Cornerstone Title Company
What we do	
How does Cornerstone Title Company protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Cornerstone Title Company collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>■ Apply for insurance or pay insurance premiums</li> <li>■ Provide your mortgage information or show your driver's license</li> <li>■ Give us your contact information</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>■ Sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ Affiliates from using your information to market to you</li> <li>■ Sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>Our affiliates include companies that are owned in whole or in part by Anywhere Real Estate Inc., such as Better Homes and Gardens® Real Estate, CENTURY 21®, Coldwell Banker®, Coldwell Banker Commercial®, The Corcoran Group®, ERA®, Sotheby's International Realty®, Anywhere Advisors LLC, Cartus, Anywhere Leads Inc. and Anywhere Integrated Services LLC.</i></li> </ul>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>Cornerstone Title Company does not share with nonaffiliates so they can market to you</i></li> </ul>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>■ <i>Cornerstone Title Company does not share with nonaffiliated financial companies for joint marketing purposes</i></li> </ul>
Other Important Information	
For European Union Customers	Please see our Privacy Policy located at <a href="http://www.anywhere.re/privacypolicy">http://www.anywhere.re/privacypolicy</a>
For our California Customers	Please see our notice about the California Consumer Protection Act located at <a href="http://www.anywhere.re/privacypolicy">http://www.anywhere.re/privacypolicy</a>

**EXHIBIT B (Revised 11-09-2018)**  
**LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (By Policy Type)**

**1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990 (Revised 11/09/2018)**

**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 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 for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their 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.

**EXCEPTIONS FROM COVERAGE - SCHEDULE B PART 1**

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

1. 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 notice 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.
6. Any lien, or right to a lien, for services, labor or material unless such lien is shown by the public records at Date of Policy.

**2. CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE 2013 / ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE 2013 (Revised 12/02/13)**

Covered Risks 16 (Subdivision Law Violation), 18 (Building Permit), 19 (Zoning) and 21 (Encroachment of boundary walls or fences) are  
subject to Deductible Amounts and Maximum Dollar Limits of Liability

**EXCLUSIONS FROM COVERAGE**

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 building and zoning ordinances and also 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 limit the coverage described in Covered Risk 8a, 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 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 appear in the Public Records;
  - (b) that are Known to You at the Policy Date, but not to Us, unless they appear 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 creditor's rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**3. ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12/02/13)**

**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, attorney's fees or expenses which 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, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
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, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28);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. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. 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 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

#### 4. 2006 ALTA 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 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).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

##### EXCEPTIONS FROM COVERAGE

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

1. 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 notice 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.
6. Any lien, or right to a lien, for services, labor or material unless such lien is shown by the Public Records at Date of Policy.

#### 5. 2006 ALTA 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.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

##### EXCEPTIONS FROM COVERAGE

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

1. 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 notice 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.
6. Any lien, or right to a lien, for services, labor or material unless such lien is shown by the Public Records at Date of Policy.

**Exhibit A**

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF MORGAN HILL, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

Parcel 1:

Lot 14, as shown on that certain map entitled "Tract 10418 Madison Gate 2", filed for record August 1, 2017 in [Book 905 of Maps, Pages 44 and 45](#), filed in the office of the County Recorder, County of Santa Clara, State of California. (the "Map").

Parcel 2:

Nonexclusive easements for ingress, egress, access, maintenance, repairs, drainage, encroachment, support, use, enjoyment and all other purposes as described in that certain Declaration of Covenants, Conditions and Restrictions for Madison Gate recorded January 11, 2018, as Document No. [23847029](#), and any proper amendments, modifications or annexations thereto are hereby incorporated by reference into the body of this instrument the same as though fully set forth herein (collectively, the "Declaration"), recorded in the Official Records of Santa Clara County, California. Grantee has read, understands, and agrees to be bound by each and every term, condition and covenant described in the Declaration.

Parcel 3:

A non-exclusive easement for ingress and egress, support, use, enjoyment and rights over, under, upon and through the Association Property and Association Maintenance Areas as defined in the Declaration.

Parcel 4:

Nonexclusive easements for ingress, egress, access, inspection, maintenance, repairs and all other purposes as described in that certain Individual Dispute Resolution Agreement for Madison Gate recorded for the above Lot shown in Parcel One, as may be amended or supplemented (the "Individual Dispute Agreement"), in the Official Records of Santa Clara County, and any proper amendments, modifications or annexations thereto are incorporated herein by reference into the body of this instrument the same as though fully set forth herein. Grantee has read, understands, and agrees to be bound by each and every term, condition and covenant described in the Individual Dispute Agreement.

Parcel 5:

A non-exclusive easement and right to enter and use Parcels A, B and C of Tract 10385 which map was filed for record on May 1, 2017, in [Book 903 of Maps at Pages 40](#) to 43, inclusive, in the Official Records of Santa Clara County, California, as reflected in the Easement Deed recorded between Tri Pointe Homes, Inc., a Delaware Corporation and the Madison Gate Homeowners Association, a California nonprofit mutual benefit corporation ("Association") for the purposes set forth in the Private Street Maintenance and Reserve Agreement ("Private Street Agreement") between Grantor and the Association. Such rights granted to Grantee under the Easement Deed, as a Member of the Association, includes access to and from the Property identified in Parcel One above. The Easement Deed, the nonexclusive easement and right to enter and use Parcels A, B and C of Tract 10385 for said purposes set forth in the Private Street Agreement shall immediately and automatically extinguish upon conveyance of said Parcels A, B and C to the Association.

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