



**PRELIMINARY REPORT**

**1st Updated and Amended: February 13, 2019**


Assessor's Parcel No.:	016-021-28	Order No.:	093448-AMG
Property Address:	Vacant Land Dayton NV 89403	Escrow Officer	Amy Gutierrez
		Office Location:	Western Title Company, LLC Carson Office 2310 S. Carson St, Suite 5A Carson City NV
Buyers/Borrowers:	To Follow	Reference No.:	

In response to the above referenced application for a Policy of Title Insurance, **Westcor Land Title Insurance 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 of said Policy or Policies are set forth on the attached cover. 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 on the attached cover. 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.

**Dated as of 02/06/2019 at 07:30 am**

Western Title Company, an authorized agent

By:   
 \_\_\_\_\_  
 Jared Wiss

The form of Policy of Title Insurance contemplated by this report is:

**ALTA 2006 Standard Owner's**

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

**Fee Simple**

Title to said estate or interest at the date hereof is vested in: **WFP Receivership QSF Trust subject to item 11**

**Please read the exceptions shown or referred to below and the Exceptions and Exclusions set forth on the attached cover 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.**

Order No. **093448-AMG**

### **EXCEPTIONS**

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

1. The lien, if any, of supplemental taxes, assessed pursuant to the provision of the Nevada Revised Statutes.
2. Any liens that may be created for Delinquent Water and Sewer Charges by reason of said premises lying within the **Lyon County Utilities District**. Contact the following for sewer and/or Tax Assessment information: **Lyon County Utilities Department (775) 246-6220; Lyon County Treasurer (775) 463-6501**. Delinquent amounts may be added to and collected through the secured real property tax roll of the **Lyon County Assessor's Office** and included in the tax installments referenced above.
3. Any liens that may be created for delinquent waste management charges pursuant to NRS 444.520.
4. Any additional liens which may be levied by reason of said premises being within the **Dayton Utilities District**.
5. The fact that the ownership of said land does not include rights of access to or from any road, street or highway, nor to be served by any contiguous rights of way or easements over adjoining property to any such public road or highway. The following exception will be included in any policy of title insurance concerning the subject property:  
Notwithstanding the insuring clauses of the policy, the Company does not insure against loss or damage by reason of a lack of a right of access to and from the land.
6. Rights of way for any existing roads, trails, canals, streams, ditches, drain ditches, pipe, pole or transmission lines traversing said premises.
7. Water rights, claims or title to water, whether or not recorded.
8. Provisions, Reservations, Easements and the effect thereof, contained in the Patent from the **United States of America**, recorded on **February 1, 1903, in Book N of Deeds, Page 428**, Land Patent Records of Lyon County, Nevada.
9. Provisions, Reservations, Easements and the effect thereof, contained in the Deed from the **Central Pacific Railroad Company**, recorded on **February 17, 1931, in Book Z of Deeds, Page 435**, Official Records of Lyon County, Nevada.
10. Easements, dedications, reservations, provisions, recitals, building set back lines, and any other matters as provided for or delineated on the subdivision map referenced in the legal description contained herein. Reference is hereby made to said plat for particulars. If one is not included herewith, one will be furnished upon request.

11. A Deed of Trust to secure an indebtedness in the amount of **\$32,000.00**, dated **October 19, 2006**, executed by **First Financial Planning Corporation, a Nevada Corporation**, as Trustor, to **First American Title Company, Inc.**, as Trustee, in favor of **Rob Schafer, DBA Schafer Pacific Properties**, as Beneficiary, recorded on **October 25, 2006**, as Document No. **393994**, Official Records of Lyon County, Nevada.  
  
Said document was re-recorded on **November 9, 2006**, as Document No. **394891**, Official Records of Lyon County, Nevada.  
  
An Assignment of the beneficial interest under said Deed of Trust which names **Robert M. Schafer and Nancy J. Schafer, Trustees of The Schafer Family Trust Dated November 17, 2008**, as Assignee, recorded on **May 20, 2010**, as Document No. **459399**, Official Records of Lyon County, Nevada.
12. The requirement that an Order Confirming and Approving the subject transaction be provided for review and approval prior to close of escrow.
13. A property inspection will be made prior to recording the trust deed to be insured. If such inspection discloses any evidence of commencement of a work of improvement, the coverage for mechanic's lien insurance will be deleted from the policy, unless all the necessary documents for indemnification have been submitted to the Company and such indemnification has been formally approved by the Company, prior to recording the trust deed.
14. Any liens that may be filed for work of improvement in progress or recently completed on said land. (NO NOTICE OF COMPLETION HAS BEEN RECORDED)
15. Pending disbursement of the loan secured by the mortgage described herein, the Company insures only to the extent of the amount actually disbursed but increases as each disbursement is made in good faith and without knowledge of any defects in, or objections to the title, up to the face amount of the policy. Notwithstanding anything contained herein to the contrary, this policy does not guarantee the completion of the improvements, nor the sufficiency of funds for the completion thereof.
16. If the intended transaction involves a Construction Loan wherein the Proposed Lender is requesting ALTA Extended Coverage, including Mechanic's Lien Coverage, the ALTA 32 and ALTA 33 Endorsement procedure will be required to be approved for use by the Lender.

NOTE: Taxes for the fiscal year **2018-2019**, in the amount of **\$566.30** have been paid in full. (APN **016-021-28**)

**Note: The following matters require special consideration and/or resolution prior to the close of escrow:**

1. New construction will require underwriter approval prior to close of escrow, see **Item(s) 13, 14, 15 and 16**, above.
2. **Item No. 12**
3. **Please See Notes to Closer**

THE FOLLOWING NOTES ARE FOR INFORMATION PURPOSES ONLY:

**WESTERN TITLE COMPANY RESERVES THE RIGHT TO AMEND THIS PRELIMINARY TITLE REPORT AT ANY TIME.**

\*\*\*\*\*ATTENTION LENDERS\*\*\*\*\*

*THE 100 ENDORSEMENT IS NO LONGER BEING OFFERED. THE REPLACEMENT ALTERNATIVE IS THE ALTA 9.10-06 AND IS NOW REFLECTED IN THE ALTA SUPPLEMENT IN THE PRELIMINARY TITLE REPORT.*

NOTE: A search of the Official Records for the county referenced in the above order number, for the **24** months immediately preceding the date above discloses the following instruments purporting to convey the title to said land: **Quitclaim Deed**, recorded on **December 27, 2017**, as Document No. **574421**, Official Records of Lyon County, Nevada.

NOTE:

If any current work of improvements have been made on the herein described real property (within the last 90 days) and this Report is issued in contemplation of a Policy of Title Insurance which affords mechanic lien priority coverage (i.e. ALTA POLICY); the following information must be supplied for review and approval prior to the closing and issuance of said Policy: (a) Copy of Indemnity Agreement; (b) Financial Statements; (c) Construction Loan Agreement; (d) If any current work of improvements have been made on the herein described real property Building Construction Contract between borrower and contractor; (e) Cost breakdown of construction; (f) Appraisal; (g) Copy of Voucher or Disbursement Control Statement (if project is complete).

NOTE: This report makes no representations as to water, water rights, minerals or mineral rights and no reliance can be made upon this report or a resulting title policy for such rights or ownership.

NOTE: Notwithstanding anything to the contrary in this Report, if the policy to be issued is other than an ALTA Owner's Policy (6/17/06) or ALTA Loan Policy (6/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this Report. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, 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.

NOTE: The map, if any, attached hereto is subject to the following disclaimer:

WESTERN TITLE COMPANY does not represent this plat as a survey of the land indicated hereon, although believed to be correct, no liability is assumed as to the accuracy thereof.

Order No. **093448-AMG**

**Legal Description**

All that certain real property situate in the County of Lyon, State of Nevada, described as follows:

The West 1/2, the South 1/2 of the SE 1/4, the NE 1/4 of the SE 1/4, of Section 25, Township 17 North, Range 22 East, M.D.B. & M.

Assessor's Parcel Number(s):  
016-021-28

**Exhibit A (Revised 02-07-14)**

**CALIFORNIA LAND TITLE ASSOCIATION  
STANDARD COVERAGE POLICY – 1990**

**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 or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or 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 of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

## EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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 notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, 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 not shown by the public records.

### CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

#### 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.
- 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.

### ***LIMITATIONS ON COVERED RISKS***

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 _____ (whichever is less)	\$ 10,000.00 _____
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 _____ (whichever is less)	\$25,000.00 _____
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 _____ (whichever is less)	\$25,000.00 _____
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 _____ (whichever is less)	\$ 5,000.00 _____

### **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
  - (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).

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**

Except as provided in Schedule B - Part II, 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:

**PART I**

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:

- 1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that 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 that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- 3. Easements, liens or encumbrances, or claims thereof, 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 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 not shown by the Public Records.

**PART II**

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:

**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:

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:

1. (a) Taxes or assessments that 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; (b) proceedings by a public agency that 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 that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, 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 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 not shown by the Public Records.
7. Variable exceptions such as taxes, easements, CC&R's, etc. shown here.

#### **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, attorneys' 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.

## **PRIVACY POLICY**

The Financial Services Modernization Act recently enacted by Congress has brought many changes to the financial services industry, which includes insurance companies and their agents. One of the changes requires Western Title Company, LLC, a Nevada limited liability company, to explain to you how we collect and use customer information.

Western Title Company has always and will continue to adhere to strict standards of confidentiality when it comes to protecting the privacy, accuracy and security of customer information provided to us.

### **PERSONAL INFORMATION WE MAY COLLECT:**

Western Title collects information about you (for instance, your name, address and telephone number), and information about your transaction, including the identity of the real property you are buying or refinancing. We obtain copies of deeds, notes or mortgages that may be involved in the transaction. We may obtain this information directly from you or from the lender, attorney, or real estate broker or agent that you have chosen. When we provide escrow, or settlement services, or mortgage loan servicing, we may obtain your social security number, along with other information from third parties including appraisals, credit reports, land surveys, loan account balances, and sometimes your bank account information in order to facilitate your transaction.

### **HOW WE USE THIS INFORMATION:**

Western Title Company does *NOT* share your information with marketers outside our own family. There is *NO* need to tell us to keep your information to ourselves because we share your information only to provide the service requested by you, your lender or in other ways permitted by law. The privacy law permits some sharing of information without your approval. We may share your information internally and with nonaffiliated third parties in order to carry out and service your transaction, to protect against fraud or unauthorized transactions, for institutional risk control and to provide information to government and law enforcement agencies. Companies within a family may share certain information among themselves in order to identify and market their own products that they think may be useful to you. Credit information about you is shared only to facilitate your transaction or for some other purpose permitted by law.

### **HOW WE PROTECT YOUR INFORMATION:**

We restrict access to nonpublic information about you to our employees that need the information to provide products and services to you. We maintain physical, electronic and procedural safeguards that comply with the law to guard your nonpublic information. We reinforce Western Title's privacy policy with our employees.

You do not need to respond to this notice, unless you have concerns about any information we have obtained. You can write us at:

Western Title Company, LLC, a Nevada limited liability company  
Attention: Operations Manager  
P.O. Box 3059  
Reno, NV 89505

Western Title Company, LLC, is an agent for Chicago Title Insurance, Westcor Land Title Insurance Company, Fidelity National Title Insurance Company, Old Republic National Title Insurance Company, Commonwealth Land Title, and Stewart Title Guaranty Company. You may receive additional Privacy Policy information from these companies.