

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

7128



FROM: TLMA - Transportation Department

SUBMITTAL DATE:

SUBJECT: Tract 31210-2
A Schedule "A" Subdivision in the Temescal Canyon Area
Extension of Time Agreements/Substitution of Securities-Lien Agreement

July 15, 2010

RECOMMENDED MOTION:

- 1) That the Board approve the attached Extension of Time Agreements (which grant an extension of time of 48 months to complete improvements); and,
- 2) Authorize the Chairman to execute and file the attached Lien Agreement.

BACKGROUND: On January 7, 2010, the Transportation Department entered into agreements with KB Home Greater Los Angeles, Inc for the improvement of streets and the installation of a water and sewer system within the above referenced subdivision. Accompanying these agreements were faithful performance securities posted by Bond Safeguard Insurance Company as follows:

- \$1,711,000 - Bond #5028461 for the completion of street improvements
- \$194,000 - Bond #5028461 for the completion of the water system
- \$111,500 - Bond #5028461 for the completion of the sewer system
- \$33,200 - Bond #5028462 for the completion of the monumentation


No work has yet taken place, and KB Home Greater Los Angeles, Inc. requests an extension of time for the completion of Tract 31210-2. They have submitted lien agreements as substitution for existing securities in accordance with Section 17.3 of Ordinance 460.150. The agreements for the extension of time and the lien agreement have been approved by County Counsel.



Juan C. Perez
Director of Transportation

HS:lf
Submittals: Vicinity Map
Road/Drainage Imprmnt Agrmts
Water System Imprmnt Agrmts
Sewer System Imprmnt Agrmts
Monumentation Agreements
Lien Agreement

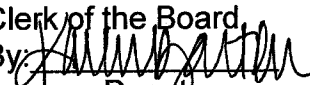
REVIEWED BY EXECUTIVE OFFICE
DATE 8/3/10
Tina Grande
Departmental Concurrence

FORM APPROVED COUNTY COUNSEL
BY: 
DATE 8/23/10
ELENAM M. BOEVA

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Buster, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: August 10, 2010
xc: Transp., COB

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

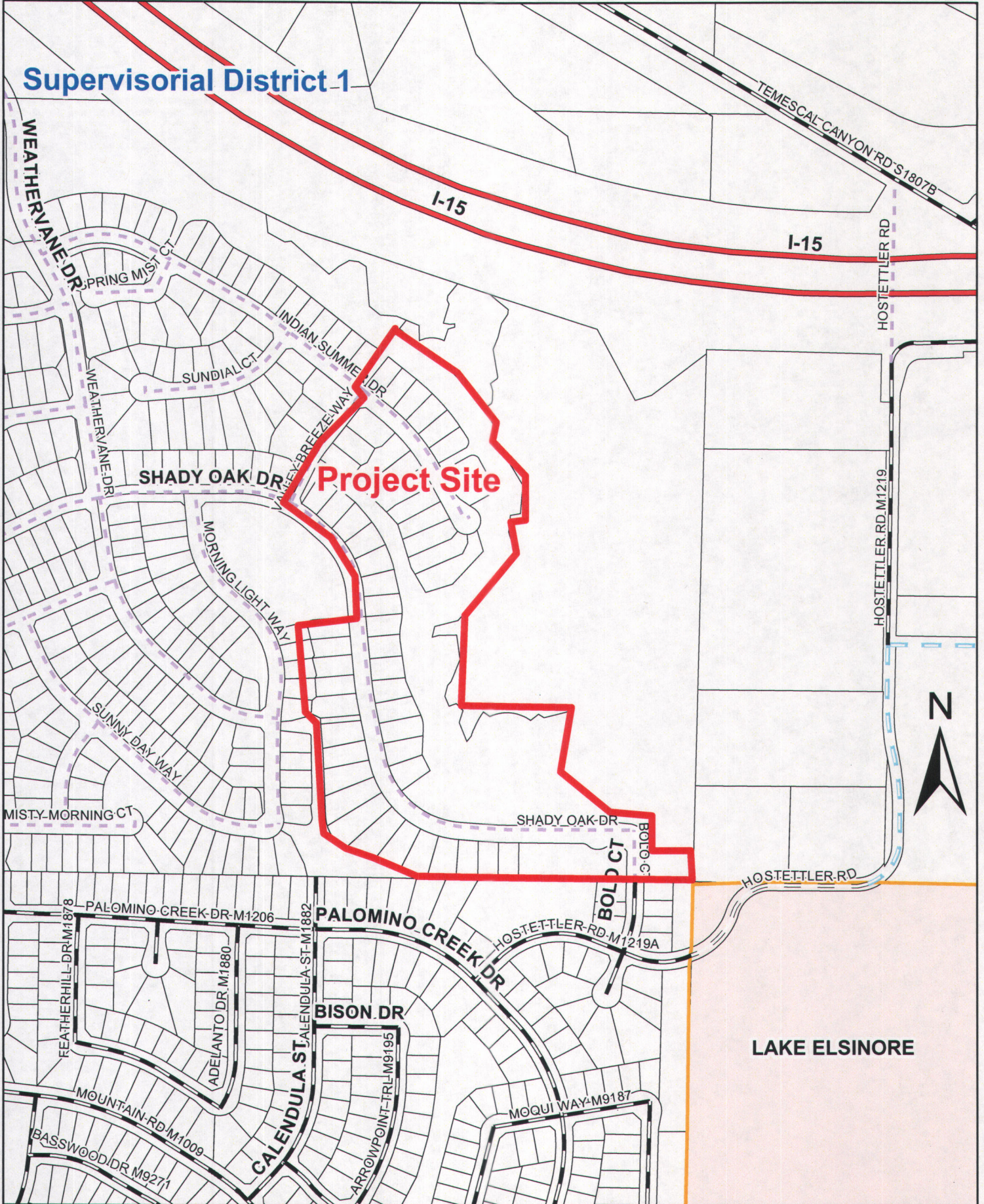
Prev. Agn. Ref. 10/30/07 - 2.21 | District: 1 | Agenda Number:

2.16

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

0 212.5 425 850 Feet
1 inch = 417 feet

Tract 31210-2 Vicinity Map



Supervisorial District 1

Project Site

LAKE ELSINORE

EXTENSION OF TIME

**AGREEMENT
FOR THE PLACEMENT OF SURVEY MONUMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and **KB Home Coastal Inc.**, hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 31210-2**, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to set, within **48** months from the date this agreement is executed, in a good and workmanlike manner, all survey monuments and tie points and to furnish to the County Surveyor tie notes for said tract in accordance with the standards set forth in Riverside County Ordinance No. 461 and Section 8771 et seq. of the Business and Professions Code of the State of California. Contractor further agrees to pay, within 30 days of presentation to contractor of the final billing of any surveyor or engineer for work performed by him as provides for in Article 9 of Chapter 4, Division 2 of Title 7 of the Government Code of the State of California (commencing with Section 66495). Contractor further agrees that if payment to the surveyor or engineer is not made within 30 days, the surveyor or engineer notifies County that he has not been paid for setting the final monuments, and the Board of Supervisors, pursuant to Section 66497 of the Government Code, after providing Contractor with an opportunity to present evidence as to whether or not the surveyor or engineer has been paid, orders that payment be made by County to the engineer or surveyor, Contractor will, upon demand, and without proof of loss by County, reimburse County for any funds so expended. Notwithstanding any other provisions herein, the determination of County as to whether the surveyor or engineer has been paid shall be conclusive on Contractor, his surety, and all parties who may have an interest in the agreement or any portion thereof.

All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Surveyor, and shall not be deemed complete until approved and accepted as complete by the County. The estimated cost of said work and improvements is the sum of **Thirty-three thousand two hundred and no/100 Dollars (\$33,200.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the County Surveyor. Contractor further agrees that, if suit is brought upon this agreement or any bond or other security guaranteeing the completion of the monuments, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, his agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, his agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

FOURTH: The Contractor hereby grants to County, the Surety upon any bond or other security, and to the agents, employees and contractors of either of them, the irrevocable permission to enter upon the lands of the subject land division for the purpose of completing the monumentation. This permission shall terminate in the event that Contractor or the Surety has completed work within the time specified or any extension thereof granted by the County. It is further agreed that Contractor shall have control of the ground reserved for the installation of said work, and the streets in which they are to be placed, as is necessary to allow him to carry out this agreement.

FIFTH: Contractor agrees to file with County prior to the date this contract is executed, an acceptable and sufficient improvement security in an amount not less than the estimated cost of the work, as above specified, for the faithful performance of the terms and conditions of this agreement, and for the payment of the amount of the improvement security to the County for the benefit of any surveyor or engineer who has not been paid by the Contractor, as provided for by Section 66495 et seq. of the Government Code of the State of California. Contractor agrees to renew each and every said bond or other security with good and sufficient sureties or increase the amount of said bonds or other security, or both, within ten (10) days after being notified by the Director of Transportation that the sureties or amounts are insufficient. Notwithstanding any other provisions herein, if Contractor fails to take such action as is necessary to comply with said notice, he shall be in default of this agreement unless all required improvements are completed within ninety (90) days of the date on which the Director of Transportation notified Contractor of the insufficiency of the security or the amount of the bonds or both.

SIXTH: Whenever a lien agreement is used as security under the provisions of Government Code Section 66499 (a) (4) and Riverside County Ordinance 460 § 17.3, Contractor agrees, prior to commencing the work, to substitute the lien agreement with a good and sufficient improvement bond or other security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and a good and sufficient security for the payment of the amount of the improvement security to the County for the benefit of any surveyor or engineer who has not been paid by the Contractor, as provided for by Section 66495 et seq. of the Government Code of the State of California.

SEVENTH: If contractor neglects, refuses, or fails to prosecute the work as to insure its completion within the time specifies, or within such extensions of time which have been granted by County, or if Contractor violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this agreement. County shall have the power, on recommendation of the Director of Transportation, to terminate all rights of Contractor in such agreement, but said termination shall not affect or terminate any of the rights of County as against Contractor or his Surety then existing or which thereafter accrue because of such default. The determination of the County Surveyor of the question as to whether any of the terms of the agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Contractor, his Surety, and any and all parties who may have any interest in the agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to County under law. The failure of the Contractor to commence construction shall not relieve the Contractor or surety from completion of the improvements required by this agreement.

EIGHTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds or other security securing this agreement, that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this agreement, extensions of time may be granted, from time to time, by County, either at its own option, or upon request of Contractor, and such extensions shall in no way affect the validity of this agreement or release the surety or sureties on such bonds or other security. Contractor further agrees to maintain the aforesaid bonds or other security in full force and effect during the terms of this agreement, including any extensions of time as may be granted therein.

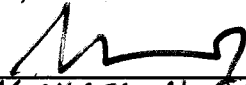
NINTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

TENTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

County
Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

Contractor
KB Home Coastal Inc.
36310 Inland Valley Drive
Wildomar, CA 92595

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

By 
MICHAEL H. FREEMAN
Title VP Land + Planning

By _____

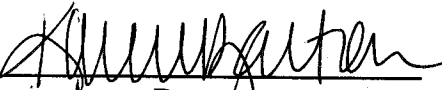
Title _____

COUNTY OF RIVERSIDE

By 
CHAIRMAN, BOARD OF SUPERVISORS MARION ASHLEY

ATTEST:

KECIA HARPER-IHEM,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By 

SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY
AND EXECUTED IN TRIPLICATE

Revised 02/02/10

KB Home Coastal Inc.
38310 Island Valley Drive
Wildomar, CA 92586

ACKNOWLEDGMENT

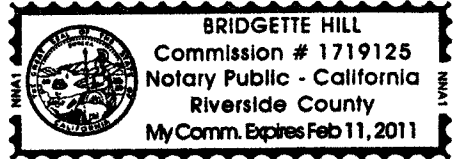
State of California
County of Riverside

On April 28, 2010 before me, Bridgette Hill, Notary Public
(insert name and title of the officer)

personally appeared Michael H. Freeman
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/hers/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.



Signature Bridgette Hill (Seal)

EXTENSION OF TIME

**AGREEMENT
FOR THE CONSTRUCTION OF SEWER SYSTEM IMPROVEMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and **KB Home Coastal Inc.**, hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 31210-2**, hereby agrees, at Contractor's own cost and expense, to commence construction within **36** months and cause to have constructed within **48** months from the date this agreement is executed, in a good and workmanlike manner, a sanitary sewer system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said sanitary sewer system. Contractor further agrees to extend the main or mains from the existing sewer system maintained and operated by **Elsinore Valley Municipal Water District** to connect with the sanitary sewer system required to be constructed by this agreement. All the above required work shall be in accordance with those plans and specifications which have been approved by the Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County and accepted by the above-named agency into its sewer system. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. The estimated cost of said work and improvements is the sum of **One hundred eleven thousand five hundred and no/100 Dollars (\$111,500.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond or other security guaranteeing the completion of the water system improvements, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, his agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, his agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

FOURTH: The Contractor hereby grants to County, or any agent or employee of County, the irrevocable permission to enter upon the lands of the subject land division for the purpose of completing the improvements. This permission shall terminate in the event that Contractor has completed work within the time specified or any extension thereof granted by the County.

FIFTH: The Contractor shall provide adequate notice and warning to the traveling public of each and every hazardous or dangerous condition caused or created by the construction of the works of improvement at all times up to the completion and formal acceptance of the works of improvement. The Contractor shall protect all persons from such hazardous or dangerous conditions by use of traffic regulatory control methods, including, but not limited to, stop signs, regulatory signs or signals, barriers, or detours.

SIXTH: Contractor, his agents and employees, shall give notice to the Director of Transportation at least 48 hours before beginning any work and shall furnish said Director of Transportation all reasonable facilities for obtaining full information with respect to the progress and manner of work.

SEVENTH: If Contractor, his agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time which have been granted by County, or if Contractor violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this agreement and notice of such default shall be served upon him. County shall have the power, on recommendation of the Director of Transportation, to terminate all rights of Contractor because of such default. The determination by the Director of Transportation of the question as to whether any of the terms of the agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Contractor, and any and all parties who may have any interest in the agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to County under law. The failure of the Contractor to commence construction shall not relieve the Contractor or surety from completion of the improvements required by this agreement.

EIGHTH: Contractor agrees to file with County, prior to the date this agreement is executed, a good and sufficient improvement bond or other security prescribed by in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and, in all cases other than where a lien agreement is used, a good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Contractor agrees to renew each and every said bond or other security with good and sufficient sureties or increase the amount of said bond(s) or other security, or both, within ten (10) days after being notified by the Director of Transportation that the sureties or amounts are insufficient. Notwithstanding any other provisions herein, if Contractor fails to take such action as is necessary to comply with said notice, he shall be in default of this agreement unless all required improvements are completed within ninety (90) days of the date on which the Director of Transportation notified Contractor of the insufficiency of the security or the amount of the bonds or both.

NINTH: Whenever a lien agreement is used as security under the provisions of Government Code Section 66499 (a) (4) and Riverside County Ordinance 460 § 17.3, Contractor agrees, prior to commencing the work, to substitute the lien agreement with a good and sufficient improvement bond or other security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

TENTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds or other security securing this agreement, that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this agreement, extensions of time may be granted, from time to time, by County, either at its own option, or upon request of Contractor, and such extensions shall in no way affect the validity of this agreement or release the surety or sureties on such bonds or other security. Contractor further agrees to maintain the aforesaid bonds or other security in full force and effect during the

terms of this agreement, including any extensions of time as may be granted therein.


ELEVENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

TWELFTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

County
Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

Contractor
KB Home Coastal Inc.
36310 Inland Valley Drive
Wildomar, CA 92595

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

By 
MICHAEL H. FREEMAN
Title VP Land + Planning

By _____

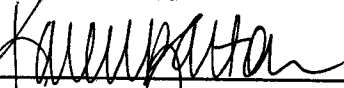
Title _____

COUNTY OF RIVERSIDE

By 
CHAIRMAN, BOARD OF SUPERVISORS MARION ASHLEY

ATTEST:

KECIA HARPER-IHEM,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By 

SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY
AND EXECUTED IN TRIPPLICATE

Revised 02/02/10

KB Home Coastal Inc.
36310 Inland Valley Drive
Wildomar, CA 92582

ACKNOWLEDGMENT

State of California
County of Riverside)

On April 28, 2010 before me, Bridgette Hill, Notary Public
(insert name and title of the officer)

personally appeared Michael H. Freeman
who proved to me on the basis of satisfactory evidence to be the person~~s~~ whose name~~s~~ ~~is~~ ~~are~~
subscribed to the within instrument and acknowledged to me that ~~he~~ ~~she~~ ~~they~~ executed the same in
his ~~her~~ ~~their~~ authorized capacity~~s~~, and that by ~~his~~ ~~her~~ ~~their~~ signature~~s~~ on the instrument the
person~~s~~ or the entity upon behalf of which the person~~s~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Bridgette Hill (Seal)

AMERICAN EXPRESS 11 2011
Riverside County
Notary Public - California
Commission # 1378158
BRIGGETTE HILL



EXTENSION OF TIME

**AGREEMENT
FOR THE CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and KB Home Coastal Inc., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 31210-2**, hereby agrees, at Contractor's own cost and expense, to commence construction within **36** months and cause to have constructed within **48** months from the date this agreement is executed, in a good and workmanlike manner, a water distribution system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said distribution system, and, further, to extend main or mains from the existing supply system maintained and operated by **Elsinore Valley Municipal Water District** to connect with the distribution system described above with all pipe laid at such a depth as to provide a full thirty-six inch (36") minimum cover from the top of the pipe to street grade, unless otherwise specified by the Director of Transportation, all in accordance with those plans and specifications which have been approved by both the County Health Director and Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of **One hundred ninety-four thousand and no/100 Dollars (\$194,000.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond or other security guaranteeing the completion of the water system improvements, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, his agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, his agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

FOURTH: The Contractor hereby grants to County, or any agent or employee of County, the irrevocable permission to enter upon the lands of the subject land division for the purpose of completing the improvements.

This permission shall terminate in the event that Contractor has completed work within the time specified or any extension thereof granted by the County.

FIFTH: The Contractor shall provide adequate notice and warning to the traveling public of each and every hazardous or dangerous condition caused or created by the construction of the works of improvement at all times up to the completion and formal acceptance of the works of improvement. The Contractor shall protect all persons from such hazardous conditions by the use of traffic regulatory control methods, including, but not limited to, stop signs, regulatory signs or signals, barriers, or detours.

SIXTH: Contractor, his agents and employees, shall give notice to the Director of Transportation at least 48 hours before beginning any work and shall furnish said Director of Transportation all reasonable facilities for obtaining full information with respect to the progress and manner of work.

SEVENTH: If Contractor, his agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time which have been granted by County, or if Contractor violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this agreement and notice of such default shall be served upon him. County shall have the power, on recommendation of the Director of Transportation, to terminate all rights of Contractor because of such default. The determination by the Director of Transportation of the question as to whether any of the terms of the agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Contractor, and any and all parties who may have any interest in the agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to County under law. The failure of the Contractor to commence construction shall not relieve the Contractor or surety from completion of the improvements required by this agreement.

EIGHTH: Contractor agrees to file with County, prior to the date this agreement is executed, a good and sufficient improvement bond or other security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and, in all cases other than where a lien agreement is used, a good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Contractor agrees to renew each and every said bond or other security with good and sufficient sureties or increase the amount of said bond(s) or other security, or both, within ten (10) days after being notified by the Director of Transportation that the sureties or amounts are insufficient. Notwithstanding any other provisions herein, if Contractor fails to take such action as is necessary to comply with said notice, he shall be in default of this agreement unless all required improvements are completed within ninety (90) days of the date on which the Director of Transportation notified Contractor of the insufficiency of the security or the amount of the bonds or both.

NINTH: Whenever a lien agreement is used as security under the provisions of Government Code Section 66499 (a) (4) and Riverside County Ordinance 460 § 17.3, Contractor agrees, prior to commencing the work, to substitute the lien agreement with a good and sufficient improvement bond or other security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and a good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

TENTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds or other security securing this agreement, that, in the event it is deemed necessary to extend the time of

completion of the work contemplated to be done under this agreement, extensions of time may be granted, from time to time, by County, either at its own option, or upon request of Contractor, and such extensions shall in no way affect the validity of this agreement or release the surety or sureties on such bonds or other security. Contractor further agrees to maintain the aforesaid bonds or other security in full force and effect during the terms of this agreement, including any extensions of time as may be granted therein.

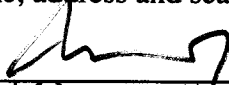
ELEVENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

TWELFTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

County
Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

Contractor
KB Home Coastal Inc.
36310 Inland Valley Drive
Wildomar, CA 92595

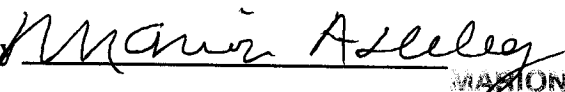
IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

By 
MICHAEL H. FREEMAN
Title VP Land + Planning

By _____

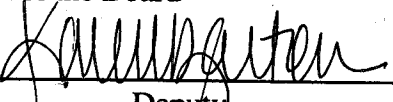
Title _____

COUNTY OF RIVERSIDE

By 
MARION ASHLEY
CHAIRMAN, BOARD OF SUPERVISORS

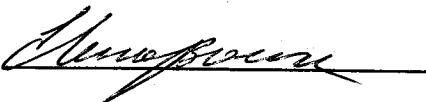
ATTEST:

KECIA HARPER-IHEM,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By 

SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY
AND EXECUTED IN TRIPLICATE

Revised 02/02/10

KB Home Coastal Inc.
38310 Inland Valley Drive
Wilmore, CA 95898

ACKNOWLEDGMENT

State of California
County of Riverside)

On April 28, 2010 before me, Bridgette Hill, Notary Public
(insert name and title of the officer)

personally appeared Michael H. Freeman
who proved to me on the basis of satisfactory evidence to be the person ~~(s)~~ whose name ~~(s)~~ ~~(is/are)~~
subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in
~~his/her/their~~ authorized capacity ~~(ies)~~, and that by ~~his/her/their~~ signature ~~(s)~~ on the instrument the
person ~~(s)~~ or the entity upon behalf of which the person ~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Bridgette Hill (Seal)



EXTENSION OF TIME

**AGREEMENT
FOR THE CONSTRUCTION OF ROAD/DRAINAGE IMPROVEMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and **KB Home Coastal Inc.**, hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 31210-2**, hereby agrees, at Contractor's own cost and expense, to commence construction within **36** months and to furnish all labor, equipment and materials necessary to perform and complete construction within **48** months from the date this agreement is executed, in a good and workmanlike manner, all road and drainage improvements in accordance with those Road Plans for said land division which have been approved by the County Director of Transportation, and are on file in the office of the Riverside County Transportation Department, and do all work incidental thereto in accordance with the standards set forth in Riverside County Ordinance No. 461, as amended, which are hereby expressly made a part of this agreement. All the above required work shall be done under the inspection of and to the satisfaction of the County Director of Transportation, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of **One million seven hundred eleven thousand and no/100 Dollars (\$1,711,000.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond or other security guaranteeing the completion of the road and drainage improvements, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, his agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, his agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

FOURTH: The Contractor hereby grants to County, or any agent or employee of County, the irrevocable permission to enter upon the lands of the subject land division for the purpose of completing the improvements. This permission shall terminate in the event that Contractor has completed work within the time specified or any extension thereof granted by the County.

FIFTH: The Contractor shall provide adequate notice and warning to the traveling public of each and every hazardous or dangerous condition caused or created by the construction of the works of improvement at all times up to the completion and formal acceptance of the works of improvement. The Contractor shall protect all persons from such hazardous or dangerous conditions by use of traffic regulatory control methods, including, but not limited to, stop signs, regulatory signs or signals, barriers, or detours.

SIXTH: Contractor, his agents and employees, shall give notice to the Director of Transportation at least 48 hours before beginning any work and shall furnish said Director of Transportation all reasonable facilities for obtaining full information with respect to the progress and manner of work.

SEVENTH: If Contractor, his agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time which have been granted by County, or if Contractor violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this agreement and notice of such default shall be served upon him. County shall have the power, on recommendation of the Director of Transportation, to terminate all rights of Contractor because of such default. The determination by the Director of Transportation of the question as to whether any of the terms of the agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Contractor, and any and all parties who may have any interest in the agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to County under law. The failure of the Contractor to commence construction shall not relieve the Contractor or surety from completion of the improvements required by this agreement.

EIGHTH: Contractor agrees to file with County, prior to the date this agreement is executed, a good and sufficient improvement bond or other security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and, in all cases other than where a lien agreement is used, a good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Contractor agrees to renew each and every said bond or other security with good and sufficient sureties or increase the amount of said bond(s) or other security, or both, within ten (10) days after being notified by the Director of Transportation that the sureties or amounts are insufficient. Notwithstanding any other provisions herein, if Contractor fails to take such action as is necessary to comply with said notice, he shall be in default of this agreement unless all required improvements are completed within ninety (90) days of the date on which the Director of Transportation notified Contractor of the insufficiency of the security or the amount of the bonds or both.

NINTH: Whenever a lien agreement is used as security under the provisions of Government Code Section 66499 (a) (4) and Riverside County Ordinance 460 § 17.3, Contractor agrees, prior to commencing the work, to substitute the lien agreement with a good and sufficient improvement bond or other security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

TENTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds or other security securing this agreement, that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this agreement, extensions of time may be granted, from time to time, by County, either at its own option, or upon request of Contractor, and such extensions shall in no way affect the validity of this agreement or release the surety or sureties on such bonds or other security. Contractor further agrees to maintain the aforesaid bonds or other security in full force and effect during the

terms of this agreement, including any extensions of time as may be granted therein.

ELEVENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

TWELFTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:


County

Contractor

Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

KB Home Coastal Inc.
36310 Inland Valley Drive
Wildomar, CA 92595

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

By 
MICHAEL H. FREEMAN
Title VP Land + Planning

By _____

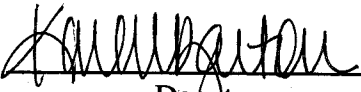
Title _____

COUNTY OF RIVERSIDE

By 
MARION ASHLEY
CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

KECIA HARPER-IHEM,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By 

SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY
AND EXECUTED IN TRIPPLICATE

Revised 02/02/10

KB Home Coastal Inc.
38310 Island Valley Drive
Wildomar, CA 92586

ACKNOWLEDGMENT

State of California
County of Riverside)

On April 28, 2010 before me, Bridgette Hill, Notary Public
(insert name and title of the officer)

personally appeared Michael H. Freeman
who proved to me on the basis of satisfactory evidence to be the person~~s~~ whose name~~s~~ is~~are~~
subscribed to the within instrument and acknowledged to me that he~~/she/they~~ executed the same in
~~his/her/their~~ authorized capacity~~(ies)~~, and that by ~~his/her/their~~ signature~~(s)~~ on the instrument the
person~~s~~, or the entity upon behalf of which the person~~s~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Bridgette Hill (Seal)

WHEN RECORDED PLEASE RETURN TO:

RECORDING REQUESTED BY:

Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

FOR THE BENEFIT OF THE COUNTY

DOC # 2010-0385458
08/16/2010

Customer Copy Label

The paper to which this label is
affixed has not been compared
with the recorded document

Larry W Ward

County of Riverside
Assessor, County Clerk & Recorder

LIEN AGREEMENT

As Subdivision Improvement Security for Tract 31210-2

**THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR
RECORDING INFORMATION**

COPY

AUG 10 2010 2.16

WHEN RECORDED RETURN TO:

Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

LIEN AGREEMENT

THIS LIEN AGREEMENT ("Lien Agreement") is entered into this _____ day of _____, by and among the County of Riverside, a political subdivision of the State of California ("County") and **KB Home Coastal Inc.** ("Owner").

RECITALS

- A. Owner has recorded a Final Map for **Tract 31210-2** referred to herein as "Map," pursuant to the Ordinance No. 460 (the "Subdivision Ordinance").
- B. Owner has previously entered into secured agreements with County dated January 7, 2010, entitled "Subdivision Improvement Agreements" to perform certain acts and construct certain improvements as a condition of County's approval of said Map. Owner is required to extend these agreements.
- C. Owner is required by the Subdivision Improvement Agreement, the Subdivision Ordinance, and the Subdivision Map Act (Gov. Code, §§ 66462 and 66499) to provide security satisfactory to the County to secure its obligations under the Subdivision Improvement Agreement.
- D. Owner warrants that Owner has not sold any of the individual lots in the real property to be divided, as identified on the Map.
- E. With the exception of grading commenced pursuant to a valid grading permit, Owner has not commenced to install or construct any of the improvements required by the Subdivision Improvement Agreement and has not been issued any construction permits, excluding a grading permit, on any of the real property to be divided as identified on the Map.
- F. Owner has provided a title insurance policy and current title report from a title company approved by the County and issued within the 60 days prior to the execution of this Lien Agreement that documents that the Owner is the record owner of the real property to be divided as identified on the Map and the real property to be divided is not subject to any mortgages, deeds of trust, or judgment liens.
- G. Pursuant to the Subdivision Ordinance, § 17.3, County is authorized to defer the posting of securities for the provision of improvements to the land division if the Owner enters into a secured agreement to defer making land division improvements required by Article X of the Subdivision Ordinance.
- H. Owner previously provided a form of security for the Subdivision Improvement Agreement which Owner now desires to replace with security known as a lien agreement, under the provisions of Government

I. County has found and determined that it would not be in the public interest to require the installation of the required improvements sooner than two years after the recordation of this Lien Agreement.

J. Owner represents and County has confirmed that Owner has paid all plan check fees and has a deposit based fee account in good standing with the County.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. Owner's Performance and Obligations

A. Owner hereby grants to County, in accordance with the terms and conditions of this Lien Agreement, a lien upon the property ("Property") described in Exhibit "A" ("Grant Deed"), attached hereto, as security for the following obligations of Owner:

(1) Construction of the improvements ("Improvements") specified in the Subdivision Improvement Agreement, in the estimated amounts and for the purposes specified in Exhibit "B" attached hereto; provided, however, that Owner's obligation hereunder shall extend to the actual cost of construction of the Improvements, notwithstanding that such costs may exceed the estimate set forth in Exhibit "B"; and

(2) Payment of the balance of the fees or provision of the improvements or services described in Article X of the Subdivision Ordinance (collectively, "Fees"), in the amount required in accordance with Ordinance 671, as determined appropriate by the Director of Transportation.

This lien secures said obligation and the remedies provided herein for breach of said obligation.

B. For so long as title to the Property remains subject to this Lien Agreement, Owner shall not: (1) request issuance by the Department of Real Estate of the Final Subdivision Public Report for the Property; (2) sell or permit the sale of any lot shown on the Map; or (3) commence work on any portion of the Improvements except as necessary to correct or prevent threats to the public health, safety or general welfare with the consent of the County. Notwithstanding the above, fee title to the entire property encumbered by this Lien Agreement or to all lots designated on the Map may be sold in the aggregate to a single purchaser, provided that the proposed purchaser, prior to assuming title to the property, executes a new lien agreement or provides acceptable alternative security acceptable to the County.

C. At the time Owner executes this Lien Agreement, Owner shall file with County a cash deposit in the amount of Twelve Thousand Dollars (\$12,000), to be used by County to reimburse County for any costs which County may incur in processing a reversion to acreage initiated pursuant to this Lien Agreement. Any unused portion of such deposit shall be refunded to Owner following completion of such reversion. If the costs of reverting the Property to acreage exceed \$12,000, Owner shall pay such additional costs to County prior to recordation of the reversion to acreage map. The unused portion of this deposit may be applied to the deposit of fees for inspection, tests and other related purposes for the required Improvements upon termination of this Lien Agreement. If fee title to the entire property encumbered by this Lien Agreement or all lots designated on the Map are sold in the aggregate to a single purchaser and the purchaser executes a new lien agreement, the purchaser shall file with County a cash deposit in the amount of Twelve Thousand Dollars (\$12,000) for the purpose of reverting the property to acreage if the purchaser breaches the terms of the lien agreement. Upon

receipt of the substitute deposit from the purchaser and execution of the new lien agreement, the original cash deposit will be refunded to Owner, minus Fees still owed to County by Owner.

D. Prior to obtaining a grading permit or commencing the installation and construction of any portion of the Improvements required by the Subdivision Improvement Agreement, Owner shall deposit fees for inspections, tests and other related purposes, and shall substitute other forms of security satisfactory to County in place of this Lien Agreement; provided, however, that Owner shall not be permitted to obtain said permits, substitute such security or commence the installation and construction of any portion of the Improvements if less than two (2) years have elapsed since the date of recordation of this Lien Agreement.

E. Owner shall make the deposits specified in attached Exhibit "B" in the amounts prescribed for such purposes upon termination of this Lien Agreement. Owner also agrees to provide the substitute forms of security in the amounts and for the purposes set forth in the Subdivision Improvement Agreement, except that the amounts shall be calculated using the estimated cost of the Improvements at the time of substitution, as ascertained by County.

F. Owner shall substitute acceptable security for this Lien Agreement and commence to construct the Improvements required by the Subdivision Improvement Agreement within three (3) years following the date of recordation of this Lien Agreement. At its sole discretion, the County may grant extensions of time for the completion of the improvements in accordance with Section 17.3 of the Subdivision Ordinance. For each extension of time, Owner shall provide a title insurance policy and current title report from a title company approved by the County, and issued within the 60 days prior to the request for an extension of time, that documents that the Owner is the record owner of the real property to be divided as identified on the Map and the real property to be divided is not subject to any mortgages, deeds of trust, or judgment liens.

G. Owner shall pay the balance of the Fees prior to commencement of the work for which the Fees are required or prior to issuance of any building permit, whichever occurs first.

H. Owner agrees that if suit is brought upon this Lien Agreement, all costs and reasonable expenses and fees incurred by the County in successfully enforcing Owners obligations shall be paid by Owner, including attorneys' fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

I. Owner agrees to indemnify, and hold harmless, the County, its officers, employees and agents from any liability whatsoever based or asserted upon any act or omission of Owner, its employees and agents relating to or in any way connected with the accomplishment of work, obligations, or performance of service under this Lien Agreement. As part of the foregoing indemnity, Owner agrees to protect and defend at its own expense, including attorneys' fees, the County, its officers, employees and agents in any legal action based upon such alleged acts or omissions.

II. County's Performance and Obligations

County, upon recordation of this Lien Agreement, shall immediately release the deposits and security which were previously supplied by Owner and for which this Lien Agreement is being substituted.

A. Following (1) County's approval of the substitute forms of security submitted by Owner pursuant to Paragraph I(D) hereof, (2) deposit by Owner of fees for inspections, tests and other specific purposes, and (3) Owner's payment or other performance of the obligations encompassed by the Fees required by Article X of the

Subdivision Ordinance, performance of which are secured by this Lien Agreement, County shall release the Property, from the provisions of this Lien Agreement, and shall execute any necessary release to enable Owner or its transferee to clear the record of title of the Property so released of the lien herein imposed.

B. In no instances shall this Lien Agreement compel the County to construct the required Improvements.

III. Effect of Lien Agreement

A. From the date of recordation of this Lien Agreement, a lien shall attach to the Property which shall have the priority of a judgment lien in an amount necessary to discharge all obligations contained in the Subdivision Improvement Agreement and any Fees. Under no circumstances shall the County agree to subordinate the lien.

B. Owner shall have the right to convey or sell fee title to the entire property encumbered by this Lien Agreement, so long as the purchaser agrees in writing to accept and be bound by the terms and provisions of this Lien Agreement, the applicable Subdivision Improvement Agreement, and the Fees, or has provided alternative security acceptable to the County per Subdivision Ordinance § 17.1.A. Any new lien agreement entered into by a purchaser of the Property must provide for completion of the Improvements by the same date as is specified herein.

C. This Lien Agreement shall expire upon release of the Property by the County, except that Owner's obligation to perform and complete the Improvements within four (4) years from the date of recordation of this Lien Agreement (or such date as may have been extended in accordance with the Subdivision Ordinance), as described in Section I(F) above, shall not expire but shall remain in full force and effect until satisfactory completion of the Improvements in full compliance with the Subdivision Improvement Agreement.

D. Notwithstanding any provisions of the Subdivision Ordinance to the contrary, so long as this Lien Agreement is utilized for security as described herein, the County is not obligated to accept offers of dedication for street or drainage purposes on the Property.

IV. Events of Default

Upon the occurrence of any one of the following events, Owner shall be deemed in default hereunder:

A. Failure by Owner to deposit fees for inspections, tests and other specified purposes or to substitute other forms of security satisfactory to County within the time allotted and as prescribed by this Lien Agreement.

B. Commencement of any work on the Improvements by Owner, its agents or employees, prior to substitution of acceptable security with the County in place of this Lien Agreement except as specifically authorized by County to correct or prevent threats to the public health, safety or general welfare.

C. Failure by Owner to substitute acceptable security for this Lien Agreement and complete construction of the Improvements described in the Subdivision Improvement Agreement within the time allotted and as prescribed by this Lien Agreement.

D. Failure by Owner to pay the Fees described in Section I (A) (2), above, at the time required herein.

E. Filing of any proceedings or action by or against Owner to declare Owner bankrupt or to appoint

a receiver or trustee for Owner or to reorganize Owner or to make an assignment for the benefit of creditors or to do anything else of a similar nature or purpose under any state or federal bankruptcy or insolvency laws, if such proceedings or actions are not discharged within sixty (60) days.

F. Levy of any attachment or writ of execution against Owner and the Property whereby the Property is taken or occupied or attempted to be taken or occupied by someone other than Owner and such attachment or execution is not released within (60) days.

G. Sale of any lot shown on the Map prior to release of the lien created by this Lien Agreement, except as provided in subparagraph III (B).

H. Request by Owner of issuance by the Department of Real Estate of the Final Subdivision Public Report for the Property.

I. Breach by Owner of any other term or condition of this Lien Agreement or of the Subdivision Improvement Agreement or Owner's failure to fully and faithfully discharge its obligations hereunder within the time specified herein.

All references to Owner in this section shall be deemed to include Owner's successors, assignees and transferees.

V. County's Remedies

Upon the occurrence of any of the events described in Section IV, above, County may declare a breach of this Lien Agreement by giving thirty (30) days written notice to Owner, and may, at County's option, exercise any one or more of the following remedies:

A. Pursue any or all of the remedies provided in the Subdivision Improvement Agreement;

B. Enforce this lien by appropriate action in court or as provided by law and in the event the enforcement is by action in court, the Owner agrees that the amount of said lien shall include reasonable attorneys' fees which shall be taxed as a cost in any suit for such enforcement;

C. Estimate the cost of the work required to complete the Improvements, and all Fees, and foreclose said lien in said amount;

D. Initiate proceedings for reversion of the real property within the land division to acreage, at the expense of Owner, in accordance with the provisions of the Subdivision Map Act;

E. Pursue any other remedy, legal or equitable, for the foreclosure of a lien. Owner, its heirs and assigns, shall pay reasonable attorneys' fees to be taxed as a cost in said proceedings.

VI. General Provisions

A. Recordation. This Lien Agreement shall be recorded by County with the County Recorder immediately following execution of this Lien Agreement indexed by (1) all parties hereto, and (2) all parties having any record title interest in the subject real property, pursuant to Government Code Section 66436, acknowledging subordination of their interests to this Lien Agreement.

B. Contingency. This Lien Agreement shall not take effect until it has been approved by the County Board of Supervisors.

C. Entire Agreement. This Lien Agreement together with all exhibits and other agreements expressly referred to herein, constitutes the entire agreement between the parties with respect to the subject matter contained herein. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are superseded.

D. Further Assurances. The parties agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Lien Agreement and the intentions of the parties.

E. Governing Law. This Lien Agreement shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California.

F. Headings. The captions and Section headings used in this Lien Agreement are inserted for convenience of reference only and are not intended to define, limit or affect the construction or interpretation of any term or provision hereof.

G. Modification, Waiver. No modification, waiver, amendment or discharge of this Lien Agreement shall be valid unless the same is in writing and signed by all parties.

H. No Other Inducement. The making, execution and delivery of this Lien Agreement by the parties hereto has been induced by no representations, statements, warranties or agreements other than those expressed herein.

I. Severability. If any term, provision, covenant or condition of this Lien Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Lien Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Lien Agreement shall be valid and enforceable to the fullest extent permitted by law.

COUNTY OF RIVERSIDE, ("COUNTY")

By: Marion Ashley
Chairman, Board of Supervisors
MARION ASHLEY

ATTEST:

KECIA HARPER IHEM,
Clerk of the Board

By: Kecia Harper Ihem
Deputy

KB Home Coastal Inc.

("OWNER")

By: Michael H. Freeman
Michael H. Freeman
VP Land & Planning

By: _____

APPROVED AS TO FORM

County Counsel

By: Henry...

SIGNATURES OF OWNER MUST BE ACKNOWLEDGED BY NOTARY

AUG 10 2010 2.16

ACKNOWLEDGMENT

State of California
County of Riverside)

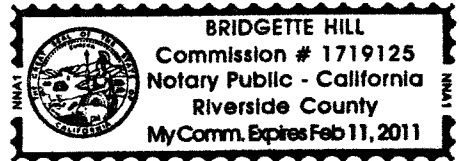
On April 28, 2010 before me, Bridgette Hill, Notary Public
(insert name and title of the officer)

personally appeared Michael H. Freeman,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are
subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in
~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature Bridgette Hill (Seal)





LARRY W. WARD
COUNTY OF RIVERSIDE
ASSESSOR-COUNTY CLERK-RECORDER

Recorder
P.O. Box 751
Riverside, CA 92502-0751
(951) 486-7000

<http://riverside.asrclrec.com>

CERTIFICATION

Pursuant to the provisions of Government Code 27361.7, I certify under the penalty of perjury that the following is a true copy of illegible wording found in the attached document:

(Print or type the page number(s) and wording below):

CLARIFICATION OF THE SEAL for the Riverside County Board of Supervisors
(embossed on document)



Date:

08-10-10

Signature:

Karen Barton

Print Name:

Karen Barton, Board Assistant, Riverside County Clerk of the Board

Recording Requested By
Fidelity National Title

DOC # 2009-0461122
09/03/2009 08:00A Fee:35.00
Page 1 of 3 Doc T Tax Paid
Recorded in Official Records
County of Riverside
Larry M. Ward
Assessor, County Clerk & Recorder



WHEN RECORDED, RETURN TO:

KB Home Coastal Inc.
36310 Inland Valley Drive
Wildomar, California 92595
Attention: Eric Weitz

S	R	U	PAGE	SIZE	DA	MISC	LONG	RFD	COPY
1			3						
M	A	L	465	426	PCOR	NCOR	SMF	NCHG	EXAM
DTC ok done					VOL	T-65	CTY	JUN	39

DTC SEE Attachment

259918514 8B

TRA: DCS
GRANT DEED MPN: 391-940-001 thru 075, 35

RIVERSIDE COUNTY)
STATE OF CALIFORNIA)

THE UNDERSIGNED GRANTOR DECLARES:

Documentary transfer tax is shown by an unrecorded separate affidavit pursuant to R&T Code §11932.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned ACACIA CREDIT FUND 10-A, L.L.C., a Delaware limited liability company (the "Grantor"), hereby grants to KB HOME COASTAL INC., a California corporation (the "Grantee"), that certain real property situated in Riverside County, California, described on Exhibit "A" attached hereto (the "Property").

SUBJECT TO:

All general and special real property taxes and other assessments (including all subsequent assessments for prior years due to changes in the use or ownership, or both), reservations in patents, water rights, claims or titles to water and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities as may appear of record, all documents establishing or relating to the master-planned community of which the Property is a portion, any matter shown on any subdivision maps of the Property, any matter arising in connection with any action of Grantee or its employees, contractors, agents, or representatives, any other matter not caused by the act or authorization of Grantor, and any matter that would be disclosed by an inspection or accurate ALTA/ACSM survey of the Property, and Grantor binds itself and Grantor's heirs, personal representatives, successors and assigns forever to warrant and defend the Property, to said Grantee's heirs, personal representatives, successors and assigns against all persons whatsoever lawfully claiming or to claim the same, or any part thereof by, through, or under Grantor but not otherwise, and subject, however, as aforesaid.

Exhibit A

EXECUTED this 31st day of August, 2009

ACACIA CREDIT FUND 10-A L.L.C., a Delaware limited liability company

By: Fund 10-A Management Company L.L.C., a Delaware limited liability company, its Managing Member

By: Acacia Capital Corporation, a California corporation, its Managing Member

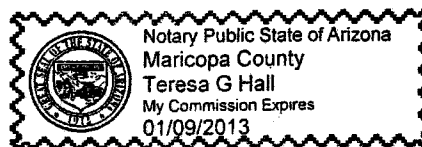
By: Steven S. Benson
Name: Steven S. Benson
Its: Exec. Vice President

STATE OF ARIZONA)
)
County of Maricopa)

On August 31, 2009, before me, Teresa G. Hall, the undersigned Notary Public, personally appeared Steven S. Benson, Executive Vice President of Acacia Capital Corporation, a California corporation, Managing Member of Fund 10-A Management Company L.L.C., a Delaware limited liability company, Managing Member of ACACIA CREDIT FUND 10-A L.L.C, a Delaware limited liability company, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Teresa G. Hall (Seal)

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

Lots 1 through 75, inclusive and Lettered Lots "A" through "F", inclusive of Tract No. 31485, in the unincorporated area of the County of Riverside, as shown on Map recorded in Book 426, Pages 42 through 50, inclusive of Maps, in the Office of the County Recorder of Riverside County, California.

PARCEL B:

Lots 1 through 140, inclusive and Lettered Lots "A" through "H", inclusive, of Tract No. 31210, in the unincorporated area of the County of Riverside as shown on Map recorded in Book 426, Pages 73 through 84, inclusive of Maps, in the Office of the County Recorder of Riverside County, California.

PARCEL C:

Lots 1 through 112, inclusive and Lettered Lots "A" through "I", inclusive, of Tract No. 31210-1, in the unincorporated area of the County of Riverside, as shown on Map recorded in Book 426, Pages 51 through 63, inclusive of Maps, in the Office of the County Recorder of Riverside County, California.

PARCEL D:

Lots 1 through 53, inclusive and Lettered Lots "A" through "D", inclusive, of Tract No. 31210-2, in the unincorporated area of the County of Riverside, as shown on Map recorded in Book 426, Pages 64 through 72, inclusive of Maps, in the Office of the County Recorder of Riverside County, California.

WARREN D. WILLIAMS
General Manager-Chief Engineer



1995 MARKET STREET
RIVERSIDE, CA 92501
951.955.1200
951.788.9965 FAX
www.floodcontrol.co.riverside.ca.us
110834

**RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT**

November 16, 2006

RECEIVED

NOV 21 2006
HALL AND FOREMAN, INC.

Mr. Khaled Othman, P.E.
Senior Managing Engineer
Riverside County
Transportation Department
County Administrative Center
Riverside, California

Dear Mr. Othman:

Re: Tract 31210-2
Account No. 137-030-8177
(Bonding Estimate for TR 31210-2)
Project No. 2-0-00252
Drawing No. 2-392

In accordance with Section II of the Memorandum of Understanding (MOU) between the District and the Riverside County Transportation Department dated September 1984, you will find below a detailed construction cost estimate of those drainage facilities for which the District and Transportation assume inspection and maintenance responsibility. The estimated cost of these facilities is \$299,592.00 be the basis upon which the District and Transportation shall collect field inspection fees per the provisions of Section 17.1 of Subdivision Ordinance 460 and the Fee Ordinance 671.17.

Drainage Facilities Bonding Estimate – Tract 31210-2:

Item	Unit	Flood Control District Quantity	Unit Cost	Flood Control District Facilities
66-inch RCP w/AC	L.F.	246	\$250.00	\$ 61,500.00
72-inch RCP w/AC	L.F.	220	\$300.00	66,000.00
Manhole No. 4	Each	2	\$5,500.00	11,000.00
Junction Structure No. 4	Each	2	\$5,450.00	10,900.00
Concrete Pipe Slope Anchor	Each	13	\$500.00	6,500.00
Transition Structure No. 1	Each	1	\$4,360.00	4,360.00
Energy Dissipator, APWA 384	Each	1	\$35,000.00	35,000.00
Velocity Control Ring, APWA 383	Each	13	\$500.00	6,500.00
Rock Slope Protection	C.Y.	125	\$60.00	7,500.00
RCB, 6'Wx4'H RCB, Caltrans D-80	L.F.	63	\$500.00	31,500.00
Manhole No. 3	Each	1	\$5,500.00	5,500.00
Class II Aggregate Base	C.Y.	120	\$50.00	6,000.00

EXHIBIT B

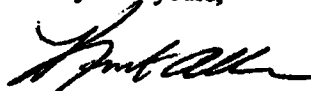
Subtotal	\$252,260.00
20% Contingencies	\$50,452.00
Total Cost	\$302,712.00
Inspection fee=3% of Total Cost	\$9,081.36
Total Fees Due	\$9,081.36

November 16, 2006

- 2 -

Mr. Khaled Othman, P.E.
Riverside County Transportation Department
Re: Tract 31210-2
Account No. 137-030-8177
(Bonding Estimate for TR 31210-2)
Project No. 2-0-00252
Drawing No. 2-392

Very truly yours,



KENT ALLEN
Senior Civil Engineer

c: Hall & Foreman, Inc.
Attn: Alan Palermo
Gavin Powel

RCFC&WCD

Attn: Ivan Chand
Dale Anderson
Sharon Johnson
Mark Wills



- Notes: 1. A copy of this letter should be submitted with the inspection fee.
2. A copy of the check and receipt must be stapled to the (returned) copy of this letter and sent to Sharon Johnson and file.

AR:bjp

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
OFFICE OF THE COUNTY SURVEYOR
MONUMENT BOND COMPUTATION**

MAP # TR31210-2 SCHEDULE A MAP CHECKER RAY EDWARDS

Drive Time: Hrs. to Map	Net Work Hrs./Day	Cost per 9 Hr. Day	Cost per Monument
Schedule "A" through "H" Maps			
0.5	8	\$1584.45*	\$132
1.0	7		\$151
1.5	6		\$176
2.0	5		\$211
Out of town Monumentation Surveys			
	8	\$**	\$183
Schedule "I" Maps			
0.5	8	\$1584.45*	\$264
1.0	7		\$302
1.5	6		\$352
2.0	5		\$422
Out of town Monumentation Surveys			
	8	\$**	\$366

Total Monuments to be Bonded	x	Cost per Monument	+	20%	=	Total Bond Amount
<u>183</u>		<u>\$151</u>		120%		<u>\$33,159.60</u>

Monument Inspection Fee \$ _____ (Deposit Based)

Submitted Monument Bond Computation to Transportation Plan Check Review Date: 7/26/2006

* Based on a crew of, 1) Registered Party Chief, 1) Survey Instrument Technician, and 1) Survey Technician.
 ** 9-hour work day, meals, and lodging for a 3 person crew, per day, in a 5-day, 44-hour work week.

EXHIBIT B

RECEIVED

JUL 13 2007

BOYLE - ONTARIO
II. Construction Cost Worksheet and Plan Check Fee Calc Sheet

Sheet 1 of 14

Parcel Map or Tract No.: Tract 31210-2
PP, CU, PU, MS OR VL No.

Date: 10/03/06

By: Alan Palermo

Improvements	Faithful Performance Security (100% of Estimated Construction costs)	Material & Labor Security **(50% of Estimated Construction Costs)
Streets/Drainage \$ 1,408,235.40		
Flood Control* \$303,000	\$ 1,711,000.00	\$ 855,500.00
Water District	\$ 194,000.00	\$ 97,000.00
Sewer District	\$ 111,500.00	\$ 55,750.00
Total	\$ 2,016,500.00	\$ 1,008,250.00
Warranty Retention (10%)	\$ 201,650.00	

Design Engineers Calculation of Improvement Bonding Costs

Construction items and their quantities as shown on attached sheets are accurate for the improvements required to construct the above project and the mathematical extensions using County's unit costs are accurate for determining bonding costs.

Above amounts do / do not

include additional 20% for recordation prior to having signed plans (Ordinance 460, Section 10.3E).


Signature

10/3/2006
Date

Alan Palermo, P.E.
Name typed or printed



Civil Engineer's Stamp

*Flood Control Construction Cost Estimate to be provided by Flood Control District. Provide copy of F.C.D. letter stating cost estimate.

***** PLEASE READ INSTRUCTIONS BELOW *****

1. Quantities to be taken from improvement plans. Unit costs to be as provided on "Riverside County Improvement Worksheet".
2. Show Performance Bond Amounts to the nearest \$500. Material and Labor Bond Amounts are 50% of Performance Bond Amounts.
**100% for Flood Control items.
3. For construction items not covered by "Riverside County Improvement Requirement Worksheet", Design Engineer is to provide his opinion of construction cost and use that cost. If Riverside County Unit Costs are determined to be too low in the opinion of the Design Engineer, the higher costs as provided by the Design Engineer should be used.

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Street Improvement				Sheet 2 of 14
Roadway Excavation				
644	C.Y.	1. Projects with a Grading Plan Area x 0.50' (hinge point to hinge point)	\$ 20.00	\$ 12,880.00
		2. Projects without a Grading Plan (Road area and side slopes to daylight)		
		Cut (c) =		
		Fill (f) =		
	C.Y.	(c or f) (a.) Excavate and Fill	\$ 0.40	\$ -
	C.Y.	(c-f) (b.) Excavate and Export	\$ 1.10	\$ -
	C.Y.	(f-c) (c.) Import and Fill	\$ 2.80	\$ -
		If balance, provide (a.) only, either cut or fill		
		If export, provide (a.) & (b.) a = fill, b = cut - fill		
		If import, provide (a.) & (c.), a = cut, c = fill - cut		
		(Unit costs for (a.), (b.) & (c.) are 2-% of actual costs to assure that work will be corrected to eliminate hazardous conditions.)		
32	L.F.	Sawcut Exist. A.C. Pavement	\$ 1.00	\$ 32.00
	S.F.	Cold plane A.C. Pavement	\$ 0.50	\$ -
	S.Y.	Grinding A.C., in Place	\$ 0.60	\$ -
	S.Y.	Remove A.C. Pavement	\$ 0.60	\$ -

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Street Improvement (Cont'd)				Sheet 3 of 14
	L.F.	Remove Curb and Gutter	\$ 18.00	\$ -
	L.F.	Remove A.C. Dike	\$ 3.00	\$ -
	S.F.	Remove Sidewalk	\$ 10.00	\$ -
	EA.	Relocate Mailbox	\$ 250.00	\$ -
	L.F.	Remove Chain Link Fence	\$ 7.50	\$ -
36	L.F.	Remove Barricade	\$ 10.00	\$ 360.00
364	Ton	Asphalt Concrete (20,202 S.F.) (144 lbs.cu.ft.)	\$ 90.00	\$ 32,760.00
603	C.Y.	Agg Base Class II (20,202 S.F.)	\$ 50.00	\$ 30,150.00
1	Ton	Asph. Emulsion (Fog Seal / Paint Binder) (1 ton = 240 gals) (20,202 S.F.) Apply at 0.05 + 0.03 = 0.08 gal/sy	\$ 600.00	\$ 600.00
	S.F.	AC overlay (min. 0.10') (S.F.)	\$ 0.90	\$ -
1,148	L.F.	Curb and Gutter (Type A-6)	\$ 10.00	\$ 11,480.00
	L.F.	Curb and Gutter (Type A-8)	\$ 12.00	\$ -
	L.F.	Type "C" Curb	\$ 10.00	\$ -
	L.F.	Type "D-1" Curb	\$ 10.00	\$ -
	L.F.	Type "D" Curb	\$ 15.00	\$ -
	L.F.	A.C. Dike (6") (incl. material & labor)	\$ 8.00	\$ -
	L.F.	A.C. Dike (8") (incl. material & labor)	\$ 10.00	\$ -

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Street Improvement (Cont'd)				Sheet 4 of 14
	S.F.	P.C.C. Cross Gutter and Spandrels	\$ 10.00	\$ -
5,775	S.F.	P.C.C. Sidewalk	\$ 6.00	\$ 34,650.00
360	S.F.	P.C.C. Drive Approach	\$ 8.00	\$ 2,880.00
	S.F.	P.C.C. Dip Section Std. 307	\$ 6.00	\$ -
	EA.	Handicapped Access Ramp	\$ 1,500.00	\$ -
63	C.Y.	Structural Reinforced Concrete	\$ 400.00	\$ 25,200.00
	L.F.	Barricades	\$ 100.00	\$ -
	L.F.	Metal Beam Guard Railing	\$ 35.00	\$ -
540	L.F.	Utility Trench, one side (Edison Telephone, Cable)	\$ 10.00	\$ 5,400.00
		(total length of streets)		
	L.F.	Chain Link Fence (6')	\$ 15.00	\$ -
	L.F.	Relocate Fence	\$ 12.00	\$ -
	EA.	Pipe Gate	\$ 1,000.00	\$ -
	EA.	Relocate Power Pole	\$ 10,000.00	\$ -
2	EA.	Street Lights (including conduit)	\$ 5,000.00	\$ 10,000.00
3	EA.	Concrete Bulkhead	\$ 200.00	\$ 600.00
27	EA.	Slope Anchors for Pipes	\$ 300.00	\$ 8,100.00
	C.Y.	Cut Off Wall (Std 2')	\$ 400.00	\$ -
	EA.	A.C. Overside Drain	\$ 500.00	\$ -
	EA.	Under Sidewalk Drain Std 309	\$ 2,000.00	\$ -

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Street Improvement (Cont'd)				Sheet 5 of 14
	EA.	Flat Outlet Drainage Structure Std 303	\$ 200.00	\$ -
	EA.	Curb Outlet Drainage Structure Std 308	\$ 200.00	\$ -
	S.F.	Terrace Drains and Down Drains	\$ 6.50	\$ -
	S.F.	Interceptor Drains	\$ 6.50	\$ -
	C.Y.	R.C. Box Culvert	\$ 400.00	\$ -
	C.Y.	Concrete Channel	\$ 200.00	\$ -
	C.Y.	Rip Rap (1/4 Ton) Method B	\$ 40.00	\$ -
	C.Y.	Rip Rap (1/2 Ton) Method B	\$ 45.00	\$ -
	C.Y.	Rip Rap (1 Ton) Method B	\$ 50.00	\$ -
36	C.Y.	Rip Rap (2 Ton) Method B	\$ 55.00	\$ 1,980.00
	C.Y.	Grouted Rip Rap (1/4 Ton) Method B	\$ 60.00	\$ -
	C.Y.	Grouted Rip Rap (1/2 Ton) Method B	\$ 67.00	\$ -
	C.Y.	Grouted Rip Rap (1 Ton) Method B	\$ 75.00	\$ -
280	C.Y.	Grouted Rip Rap (2 Ton) Method B	\$ 80.00	\$ 22,400.00
767	L.F.	18" R.C.P.	\$ 60.00	\$ 46,020.00
	L.F.	24" R.C.P.	\$ 70.00	\$ -
	L.F.	30" R.C.P.	\$ 80.00	\$ -

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Street Improvement (Cont'd)				Sheet 6 of 14
8	L.F.	36" R.C.P.	\$ 90.00	\$ 720.00
894	L.F.	42" R.C.P.	\$ 100.00	\$ 89,400.00
61	L.F.	48" R.C.P.	\$ 110.00	\$ 6,710.00
	L.F.	54" R.C.P.	\$ 130.00	\$ -
	L.F.	60" R.C.P.	\$ 150.00	\$ -
	L.F.	18" C.S.P. or 21" x 15" CSPA	\$ 40.00	\$ -
	L.F.	24" C.S.P. or 28" x 20" CSPA	\$ 50.00	\$ -
	L.F.	30" C.S.P. or 35" x 24" CSPA	\$ 60.00	\$ -
	L.F.	36" C.S.P. or 42" x 29" CSPA	\$ 70.00	\$ -
	L.F.	42" C.S.P. or 49" x 33" CSPA	\$ 80.00	\$ -
	L.F.	48" C.S.P. or 57" x 38" CSPA	\$ 100.00	\$ -
	L.F.	54" C.S.P. or 64" x 43" CSPA	\$ 110.00	\$ -
	L.F.	60" C.S.P. or 71" x 47" CSPA	\$ 120.00	\$ -
	EA.	Catch Basins W = 4'	\$ 1,700.00	\$ -
1	EA.	Catch Basins W = 7'	\$ 3,000.00	\$ 3,000.00
	EA.	Catch Basins W = 14'	\$ 6,000.00	\$ -
	EA.	Catch Basins W = 21'	\$ 9,000.00	\$ -
	EA.	Catch Basins W = 28'	\$ 12,000.00	\$ -

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Street Improvement (Cont'd)				Sheet 7 of 14
	EA.	Type IX Inlet	\$ 2,500.00	\$ -
	EA.	Type X Inlet	\$ 2,500.00	\$ -
	EA.	Junction Structure No. 1	\$ 3,000.00	\$ -
	EA.	Junction Structure No. 2	\$ 3,000.00	\$ -
	EA.	Junction Structure No. 6	\$ 3,700.00	\$ -
	EA.	Transition Structure No. 1	\$ 12,500.00	\$ -
	EA.	Transition Structure No. 2	\$ 12,500.00	\$ -
1	EA.	Transition Structure No. 3	\$ 2,700.00	\$ 2,700.00
1	EA.	Manhole No. 1	\$ 2,700.00	\$ 2,700.00
	EA.	Modified Manhole No. 2	\$ 6,500.00	\$ -
1	EA.	Manhole No. 3	\$ 2,700.00	\$ 2,700.00
2	EA.	Manhole No. 4	\$ 5,000.00	\$ 10,000.00
	EA.	Adjust Water Valve (if no water plan)	\$ 150.00	\$ -
	EA.	Adjust MH to Grade (if no sewer plan)	\$ 400.00	\$ -

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Street Improvement (Cont'd)				Sheet 8 of 14
Signing, Striping and Signals				
	S.F.	Remove Traffic Stripes and Paint		
		Markings	\$ 2.50	\$ -
	EA.	Remove Sign, Salvage	\$ 50.00	\$ -
	EA.	Relocate Roadside Sign	\$ 100.00	\$ -
	EA.	Street Name Sign	\$ 275.00	\$ -
	EA.	Install Sign (Strap and Saddle Bracket		
		Method)	\$ 100.00	\$ -
	EA.	Install Sign Mast Arm Hanger Method)	\$ 100.00	\$ -
	EA.	Road sign - One Post	\$ 250.00	\$ -
	EA.	Road sign - Two Post	\$ 400.00	\$ -
	EA.	Object Marker - Modified Type "F"		
		Delineator	\$ 60.00	\$ -
	EA.	Delineator (Class 1 Type F)	\$ 40.00	\$ -
	EA.	Delineator (Class 2)	\$ 45.00	\$ -
2	EA.	Pavement Marker, Reflective	\$ 3.75	\$ 7.50
	L.F.	Paint Traffic Strip (2 Coats)	\$ 0.30	\$ -
	L.F.	4" Thermoplastic Traffic Stripe	\$ 0.30	\$ -

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Street Improvement (Cont'd)				Sheet 9 of 14
	L.F.	8" Thermoplastic Traffic Stripe	\$ 0.60	\$ -
	S.F.	Thermoplastic Channelizing Limit Line and Pavement Marking	\$ 2.25	\$ -
	S.F.	Thermoplastic Cross Walk and Pavement Marking	\$ 3.00	\$ -
	L.S.	Signal and Lighting	\$ 130,000.00	\$ -
		Landscaping		
	S.F.	Maintenance Walk Std. 113	\$ 4.00	\$ -
	S.F.	Colored Stamped Concrete	\$ 10.00	\$ -
20	EA.	Street Trees (15 Gallon)	\$ 100.00	\$ 2,000.00
1,500	S.F.	Landscape and Irrigation	\$ 3.50	\$ 5,250.00
10	C.Y.	Landscape Fill Material	\$ 27.00	\$ 270.00
1	EA.	Water Meter	\$ 7,000.00	\$ 7,000.00
1	EA.	Electric Meter	\$ 10,000.00	\$ 10,000.00
		TR 31210-1 Indian Summer Drive		
1,469	C.Y.	1. Projects with a Grading Plan Area x 0.50' (hinge point to hinge point)	\$ 20.00	\$ 29,380.00
36	L.F.	Remove Barricade	\$ 10.00	\$ 360.00
903	Ton	Asphalt Concrete (50.164 S.F.)(144 lbs.cu.ft)	\$ 90.00	\$ 81,270.00
1,394	C.Y.	Agg Base Class II (50,164 S.F.)	\$ 50.00	\$ 69,700.00
3	Ton	Asph. Emulsion (Fog Seal / Paint Binder) (1 ton = 240 gals) (50,164 S.F.) Apply at 0.05 + 0.03 = 0.08 gal/sy	\$ 600.00	\$ 1,800.00
2,569	L.F.	Curb and Gutter (Type A-6)	\$ 10.00	\$ 25,690.00
11,650	S.F.	P.C.C. Sidewalk	\$ 6.00	\$ 69,900.00
360	S.F.	P.C.C. Drive Approach	\$ 8.00	\$ 2,880.00
6	EA.	Handicapped Access Ramp	\$ 1,500.00	\$ 9,000.00
36	L.F.	Barricades	\$ 100.00	\$ 3,600.00

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Street Improvement (Cont'd)				Sheet 9a of 14
1,280	L.F.	Utility Trench, one side (Edison Telephone, Cable) (total length of streets)	\$ 10.00	\$ 12,800.00
2	EA.	Pipe Gate	\$ 1,000.00	\$ 2,000.00
5	EA.	Street Lights (including conduit)	\$ 5,000.00	\$ 25,000.00
1	EA.	Concrete Bulkhead	\$ 200.00	\$ 200.00
316	L.F.	18" R.C.P.	\$ 60.00	\$ 18,960.00
668	L.F.	24" R.C.P.	\$ 70.00	\$ 46,760.00
29	L.F.	36" R.C.P.	\$ 90.00	\$ 2,610.00
103	L.F.	42" R.C.P.	\$ 100.00	\$ 10,300.00
4	EA.	Catch Basins W = 4'	\$ 1,700.00	\$ 6,800.00
3	EA.	Catch Basins W = 7'	\$ 3,000.00	\$ 9,000.00
3	EA.	Catch Basins W = 14'	\$ 6,000.00	\$ 18,000.00
3	EA.	Transition Structure No. 3	\$ 2,700.00	\$ 8,100.00
3	EA.	Manhole No. 1	\$ 2,700.00	\$ 8,100.00
2	EA.	Manhole No. 4	\$ 5,000.00	\$ 10,000.00
3	EA.	Street Name Sign	\$ 275.00	\$ 825.00
4	EA.	Pavement Marker, Reflective	\$ 3.75	\$ 15.00
26	EA.	Street Trees (15 Gallon)	\$ 100.00	\$ 2,600.00
6	EA.	Gutter Depression for Curb Opening CB	\$ 750.00	\$ 4,500.00
1	EA.	Catch Basins W = 10'	\$ 6,000.00	\$ 6,000.00
1	EA.	Catch Basins W = 17'	\$ 6,000.00	\$ 6,000.00
1	EA.	Remove Plug and Join Pipe	\$ 250.00	\$ 250.00

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Street Improvement (Cont'd)				Sheet 10 of 14
Other Items Not Listed				
				\$ -
1	EA	Catch Basin W=17'	\$ 7,300.00	\$ 7,300.00
2	EA	6' x 12' Storm Screen	\$ 17,580.00	\$ 35,160.00
2	EA	Plug/Remove Plug	\$ 250.00	\$ 500.00
9	EA	Concrete Collar	\$ 1,000.00	\$ 9,000.00
690	LF	12" R.C.P.	\$ 50.00	\$ 34,500.00
246	LF	66" R.C.P.	\$ 170.00	\$ 41,820.00
2	EA	Gutter Depression for Curb Opening CB	\$ 750.00	\$ 1,500.00
13	EA	Velocity Control Ring H=6"	\$ 500.00	\$ 6,500.00
1	EA	Energy Dissipator w/ Vertical Baffel	\$ 35,000.00	\$ 35,000.00
63	LF	10'w x 4'h RCB	\$ 500.00	\$ 31,500.00
1	EA	Remove Outlet Structure	\$ 10,000.00	\$ 10,000.00
1	EA	Outlet Structure	\$ 30,000.00	\$ 30,000.00
1	EA	54" RCP Riser	\$ 1,500.00	\$ 1,500.00
3	CY	Concrete Headwall	\$ 400.00	\$ 1,200.00
220	LF	72" RCP	\$ 185.00	\$ 40,700.00
2	EA	Junction Structure Type No.4	\$ 3,500.00	\$ 7,000.00
A. Subtotal				\$ 1,173,529.50
B. Administrative Contingency (20 % x A)				\$ 234,705.90
NOTE: Use 20% for TR and PM				
Use 5% for PP, CU, PU, MS and VL Cases				
C. Streets/Drainage Total (A + B)				\$ 1,408,235.40
BOND AMOUNT FOR RECORDATION PRIOR TO HAVING SIGNED PLAN (ORD. 460, SEC. 10.3E)				
D. 20% x C				
Streets/Drainage Total (C + D)				

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Water Improvement				Sheet 11 of 14
Show quantities on this sheet only if project has a water plan. If no water plan then show applicable quantities as part of street improvements.				
	L.F.	4" Waterline	\$ 13.00	\$ -
293	L.F.	6" Waterline Recycled water	\$ 16.00	\$ 4,688.00
501	L.F.	8" Waterline	\$ 21.00	\$ 10,521.00
	L.F.	10" Waterline	\$ 27.00	\$ -
	L.F.	12" Waterline	\$ 31.00	\$ -
	EA.	4" Gatevalve	\$ 650.00	\$ -
1	EA.	6" Gatevalve	\$ 800.00	\$ 800.00
1	EA.	8" Gatevalve	\$ 850.00	\$ 850.00
	EA.	10" Gatevalve	\$ 1,050.00	\$ -
	EA.	12" Gatevalve	\$ 1,250.00	\$ -
2	EA.	Fire Hydrants (6") Super	\$ 2,500.00	\$ 5,000.00
	EA.	Fire Hydrants (6") Standard	\$ 2,300.00	\$ -
	EA.	4" Misc. Fittings	\$ 150.00	\$ -
	EA.	6" Misc. Fittings	\$ 200.00	\$ -
1	EA.	8" Misc. Fittings	\$ 250.00	\$ 250.00
	EA.	10" Misc. Fittings	\$ 280.00	\$ -
	EA.	12" Misc. Fittings	\$ 320.00	\$ -
	EA.	Blowoffs (4")	\$ 1,600.00	\$ -

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Water Improvement (Cont'd)				Sheet 12 of 14
	EA.	Service Connections	\$ 475.00	\$ -
	EA.	Adjust Water Valve to Grade	\$ 200.00	\$ -
	EA.	Relocation of Blowoff	\$ 1,000.00	\$ -
1	EA.	Air and Vacuum Valve	\$ 1,850.00	\$ 1,850.00
TR 31210-1 Indian Summer Drive				
1,304	L.F.	8" Waterline Recycled water	\$ 21.00	\$ 27,384.00
1,276	L.F.	12" Waterline	\$ 31.00	\$ 39,556.00
1	EA.	6" Gatevalve	\$ 800.00	\$ 800.00
8	EA.	8" Gatevalve	\$ 850.00	\$ 6,800.00
6	EA.	12" Gatevalve	\$ 1,250.00	\$ 7,500.00
5	EA.	Fire Hydrants (6") Super	\$ 2,500.00	\$ 12,500.00
2	EA.	Air and Vacuum Valve	\$ 1,850.00	\$ 3,700.00
2	EA.	6" Blowoff Assembly	\$ 2,000.00	\$ 4,000.00
22	EA.	1" Water Service Connection w/ 3/4" Meter	\$ 650.00	\$ 14,300.00
14	EA.	FLEX Pipe Adapter	\$ 200.00	\$ 2,800.00
3	EA.	Reducer 12" x 8"	\$ 250.00	\$ 750.00
1	EA.	8"x8"x8" D.I Flanged Tee/TB	\$ 250.00	\$ 250.00
3	EA.	12"x12"x12" D.I Flanged Tee/TB	\$ 320.00	\$ 960.00
2	EA.	Join to Existing water line	\$ 250.00	\$ 500.00
1	EA.	End Cap	\$ 200.00	\$ 200.00
Other Items Not Listed				
2	EA.	6" Blowoff Assembly	\$ 2,000.00	\$ 4,000.00
15	EA.	1" Water Service Connection w/ 3/4" Meter	\$ 650.00	\$ 9,750.00
1	EA.	1-3/4" Water Service Meter	\$ 650.00	\$ 650.00
1	EA.	Remove End Cap and Joint Exst.	\$ 250.00	\$ 250.00
1	EA.	End Cap with Restrained Joints	\$ 250.00	\$ 250.00
1	EA.	2" Water service connection w/ 1-3/4" meter	\$ 650.00	\$ 650.00
A. Subtotal				\$ 161,509.00
B. Administrative Contingency (20 % x A)				\$ 32,301.80
NOTE: Use 20% for TR and PM				

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Water Improvement (Cont'd)				Sheet 12a of 14
		Use 5% for PP, CU, PU, MS and VL Cases		
		C. Water Total (A + B)		\$ 193,810.80
		BOND AMOUNT FOR RECORDATION PRIOR TO HAVING SIGNED PLAN (ORD. 460, SEC. 10.3E)		
		D. 20% x C		
		Streets/Drainage Total (C + D)		

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
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Sewer Improvement

Sheet 13 of 14

Show quantities on this sheet only if project has a sewer plan. If no sewer plan then show applicable quantities as part of street improvements.

	L.F.	4" V.C.P.	\$ 15.00	\$ -
	L.F.	6" V.C.P.	\$ 25.00	\$ -
	L.F.	8" V.C.P.	\$ 30.00	\$ -
	L.F.	10" V.C.P.	\$ 35.00	\$ -
	L.F.	12" V.C.P.	\$ 40.00	\$ -
1	EA.	4' Standard Manholes	\$ 2,500.00	\$ 2,500.00
	EA.	Drop Manholes	\$ 4,000.00	\$ -
	EA.	Cleanouts	\$ 500.00	\$ -
	EA.	Sewer Y's	\$ 30.00	\$ -
	EA.	Chimneys	\$ 400.00	\$ -
	EA.	Adjust M.H. to grade	\$ 500.00	\$ -
	L.F.	Concrete Encasement	\$ 35.00	\$ -
TR 31210-1 Indian Summer Drive				
1,302	L.F.	8" V.C.P.	\$ 30.00	\$ 39,060.00
530	L.F.	4" Sewer Lateral	\$ 16.00	\$ 8,480.00
6	EA.	60" Diameter Standard Manhole	\$ 2,800.00	\$ 16,800.00
1	EA.	Remove Sewer Plug and Joint Exst.	\$ 500.00	\$ 500.00
1	EA.	Temp. End of Pipe Plug	\$ 1,000.00	\$ 1,000.00
1	EA.	End cap	\$ 250.00	\$ 250.00
Other Items Not Listed				
448	L.F.	4" Sewer Lateral	\$ 16.00	\$ 7,168.00
1	EA.	60" Diameter Standard Manhole	\$ 2,800.00	\$ 2,800.00
1	EA.	Remove Sewer Plug and Joint Exst.	\$ 500.00	\$ 500.00
550	L.F.	8" PVC Sewer Line and bedding	\$ 25.00	\$ 13,750.00
A. Subtotal				\$ 92,808.00
B. Administrative Contingency (20 % x A)				\$ 18,561.60

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Sewer Improvement				Sheet 13a of 14
		NOTE: Use 20% for TR and PM		
		Use 5% for PP, CU, PU, MS and VL Cases		
		C. Sewer Total (A + B)		\$ 111,369.60
		BOND AMOUNT FOR RECORDATION PRIOR TO HAVING SIGNED PLAN		
		(ORD. 460, SEC. 10.3E)		
		D. 20% x C		
		Sewer Total (C + D)		

EXHIBIT B

**RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET**

Engineer's Estimate

Project: Tract 31210-2

Date: 10/03/06

ESTIMATED QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
Parcel Map or Tract Map No. <u>31210-2</u> Sch. <u>A</u> Date <u>10/03/06</u>				
PP, CU, PU, MS OR VL No. _____ By: _____				
Improvement Costs (Including contingencies)				
		I. Streets/Drainage (Line C from Page 10)	\$ 1,408,235	
		II. Water (Line C from Page 12)	\$ 193,811	
		III. Sewer (Line C from Page 13)	\$ 111,370	
Plan Check Fee Calculation				
		A. Streets/Drainage (2% x I.)	\$ 28,164.71	
Note: Use 2% for TR				
Use 6% for PM				
Use 6.5% for PP, CU, PU, MS and VL				
		B. Water and Sewer (1% x II. And III.)	\$ 3,051.80	
Note: Use 1% for all				
		C. Total Plan Check Fee (A + B)	\$ 31,216.51	
Surcharge Fee Calculation				
		D. Surcharge Fee (2% x C)	\$ 624.33	
		E. Total Plan Check Fee and Surcharge Fee (C + D)	\$ 31,840.84	
Comments				
Minimum Plan Check Fee Requirements				
For TR (Sch. A, B, C, D) and PM (Sch. E, F, G) - Minimum \$1,875				
For PM (Sch. H, I) - Minimum \$800				
For PP/CU/PU/MS/VL - minimum \$500				

EXHIBIT B



Fidelity National Title Company

PRELIMINARY REPORT

In response to the application for a policy of title insurance referenced herein, Fidelity National Title 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 herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions 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 Attachment One. 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 Attachment One. 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.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a California corporation.

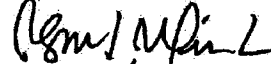
Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be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


Countersigned



Fidelity National Title Company

BY  President

ATTEST  Secretary



Fidelity National Title Company

ISSUING OFFICE: 1300 Dove Street, Suite 310 • Newport Beach, CA 92660
949 622-5000 • FAX Call for Fax

PRELIMINARY REPORT

Amended

Title Officer: Steven Ball

Title No.: 09-259919592-A-SB

Locate No.: CAFNT0925-0925-0199-0259919592

TO: KB Home Riverside
36310 Inland Valley Drive
Wildomar, CA 92595

ATTN: Chris Mounts

SHORT TERM RATE:

PROPERTY ADDRESS: Vacant Land, Unincorporated Area, California

EFFECTIVE DATE: April 14, 2010, 07:30 A.M.

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

CLTA Standard Coverage Policy - 1990

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

KB HOME Coastal Inc., a California corporation

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

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

JM\JH 09/28/2009

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

Lots 1 through 75, inclusive and Lettered Lots "A" through "F", inclusive of Tract No. 31485, in the unincorporated area of the County of Riverside, as shown on Map recorded in Book 426, Pages 42 through 50, inclusive of Maps, in the Office of the County Recorder of Riverside County, California.

PARCEL B:

Lots 1 through 140, inclusive and Lettered Lots "A" through "H", inclusive, of Tract No. 31210, in the unincorporated area of the County of Riverside as shown on Map recorded in Book 426, Pages 73 through 84, inclusive of Maps, in the Office of the County Recorder of Riverside County, California.

PARCEL C:

Lots 1 through 112, inclusive and Lettered Lots "A" through "I", inclusive, of Tract No. 31210-1, in the unincorporated area of the County of Riverside, as shown on Map recorded in Book 426, Pages 51 through 63, inclusive of Maps, in the Office of the County Recorder of Riverside County, California.

PARCEL D:

Lots 1 through 53, inclusive and Lettered Lots "A" through "D", inclusive, of Tract No. 31210-2, in the unincorporated area of the County of Riverside, as shown on Map recorded in Book 426, Pages 64 through 72, inclusive of Maps, in the Office of the County Recorder of Riverside County, California.

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. **Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2009-2010.
2. Supplemental property taxes for the fiscal year shown below. For proration purposes the amounts are:
Tax Identification No.: 391-920-001 through 391-920-051, inclusive and 391-930-001 through 391-930-084, inclusive
Fiscal Year: 2009 - 2010
1st Installment: \$PAID
2nd Installment: \$UNPAID
Code Area: 065-178
3. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.
4. **Water rights, claims or title to water**, whether or not disclosed by the public records.

THE FOLLOWING MATTERS AFFECT PARCEL A:

5. **The herein described property** lies within the boundaries of a Mello-Roos Community Facilities District ("CFD"), as follows:
CFD No.: 2005-8
For: Community facilities
Disclosed By: Notice of Special Tax Lien
Recorded: December 16, 2005, Instrument No. 2005-1040862, of Official Records

This property, along with all other parcels in the CFD, is liable for an annual special tax. This special tax is included with and payable with the general property taxes of the County of Riverside. The tax may not be prepaid.

6. **An agreement** executed by C. W. Bean and Maude R. Bean, his wife, and Temescal Water Company, dated March 24, 1924, recorded April 9, 1924, in Book 603, Page 151 of Deeds, Riverside County Records, for the construction of a drainage system across said property according to the plans and specifications prepared by Kingsbury Sanborn, Civil Engineer; the Temescal Water Company shall have the perpetual right to all water flowing in said drainage system and to all water drained from the land of the first part.

7. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as reserved in a document;

Reserved by: State of California
Purpose: Pipelines and public utilities
Recorded: February 20, 1979, Instrument No. 34391, of Official Records
Affects: A portion of said land as more particularly described in said document

Affects: Lot 70.

8. **The fact** that the ownership of said land does not include rights of access to or from the street, highway, or freeway abutting said land, such rights having been relinquished by the document,

Recorded: February 20, 1979, Instrument No. 34391, of Official Records
Affects: Lot 70 abutting Interstate 15.

and recorded: November 7, 1977, Instrument No. 221269, of Official Records

9. **An irrevocable offer** to dedicate an easement over a portion of said land for slope and drainage purposes.

Recorded: March 26, 1986, Instrument No. 69413, of Official Records
Affects: A portion of said land as more particularly described in said document

Affects: Lots 68 and 69.

10. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as set forth in a document;

Purpose: Storm drainage facilities and ingress and egress
Recorded: March 10, 2005, Instrument No. 2005-0192026, of Official Records
Affects: A portion of said land as more particularly described in said document

Affects: Lot 70.

11. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Southern California Edison Company, a corporation
Purpose: Public utilities
Recorded: March 10, 2005, Instrument No. 2005-0192028, of Official Records
Affects: A portion of said land as more particularly described in said document

Affects: Lots 68 and 69.

12. **Matters** contained in that certain document entitled "School Facilities Impact Mitigation Agreement" dated October 20, 2005, executed by and between Lake Elsinore Unified School District, a California public school district and Saddleback Development, L.L.C., a California limited liability corporation recorded November 15, 2005, Instrument No. 2005-0947800, of Official Records.

Reference is hereby made to said document for full particulars.

13. **Matters** contained in that certain document entitled "School Facilities Impact Mitigation Agreement" dated October 20, 2005, executed by and between Lake Elsinore Unified School District, a California public school district and Acacia Credit Fund 10-A LLC, a Delaware limited liability company recorded November 15, 2005, Instrument No. 2005-0947801, of Official Records.

Reference is hereby made to said document for full particulars.

14. **Matters** contained in that certain document entitled "Construction Permission Letter Agreement" dated March 16, 2006, executed by Elsinore Valley Municipal Water District recorded March 20, 2006, Instrument No. 2006-0195230, of Official Records.

Reference is hereby made to said document for full particulars.

15. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.

Purpose: Private drainage easement
Affects: The Easterly 10 feet of Lot 25.

Purpose: Private Streets reserved on said tract for the sole benefit of Acacia Credit, their successors and lot owners within said Tract
Affects: Lots A through F

Purpose: Public use for public utility together with the right of ingress and egress for emergency vehicles
Affects: Lots A through F

Purpose: Open Space Lot
Affects: Lots 68 through 74

Purpose: Detention Basin
Affects: Lot 75

16. **The fact** that the ownership of said land does not include rights of access to or from the street, highway, or freeway abutting said land, such rights having been relinquished by the map of said Tract.

Affects: Lots 68 and 69 abutting Horsethief Canyon Road.

17. **Recitals** as shown on that certain map recorded November 5, 2007, Book 426, Page 42 through 50, inclusive, of Official Records, which, among other things states:

"Drainage easements shall be kept free of building and obstructions; and

Environmental Constraint Not:e:

Environmental Constraint Sheet affecting this map is on file in the County of Riverside Transportation Department Survey Division in E.C.S. Book 39, Page 68. This affects all parcels".

Reference is made to said map for full particulars.

18. **Covenants, conditions and restrictions** in the declaration of restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: November 5, 2007, Instrument No. 2007-0675608, of Official Records

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.

19. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Elsinore Valley Municipal Water District, a public agency
Purpose: Pipeline for domestic water and sanitary purposes
Recorded: November 14, 2007, Instrument No. 2007-0690439, of Official Records
Affects: A portion of said land as more particularly described in said document

Affects: Lots 1 and 68.

20. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Southern California Edison Company, a corporation
Purpose: Public utilities
Recorded: June 11, 2008, Instrument No. 2008-0319216, of Official Records
Affects: A portion of said land as more particularly described in said document

Affects: Lots 47, 48, 63, 68 and 70.

THE FOLLOWING MATTERS AFFECT PARCEL B:

21. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as reserved in a document;
- Reserved by: Temescal Water Company, a corporation
Purpose: Construction and maintenance of all necessary water pipes, ditches, flumes and conduits for all purposes of irrigation and domestic use
Recorded: December 26, 1895, Book 28, Page 385, of Deeds
22. **Matters** contained in that certain document entitled "Horsethief Pipeline Maintenance Agreement" dated July 30, 1990, executed by and between John J. Elmore and Kelly Elmore, and Frank Johnson and Scott Johnson, and J.G.J. Ranch, Inc. and Horsethief Galant, Inc. and Lemon Grove Associates, a California limited partnership, and its general partner Grove Corporation recorded November 8, 1990, Instrument No. 411098, of Official Records.
- Reference is hereby made to said document for full particulars.
23. **Matters** contained in that certain document entitled "School Facilities Impact Mitigation Agreement" dated October 20, 2005, executed by and between Lake Elsinore School District, a California public school district and Acacia Credit Fund 10-A, LLC, a Delaware limited liability company recorded November 15, 2005, Instrument No. 2005-0947801, of Official Records.
- Reference is hereby made to said document for full particulars.
24. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
- Purpose: Private streets
Affects: Lettered Lots A through H, inclusive
25. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
- Purpose: Public utilities, ingress and egress for emergency vehicles
Affects: Lettered Lots A through H
26. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
- Purpose: Open space and drainage purposes
Affects: Lots 136 through 140

27. **Recitals** as shown on that certain map recorded Book 426, Page 73 through 84, inclusive of Maps, which, among other things states:

"Tract Map No. 31210 Environmental Constraint Note, The The Environmental Constraint sheet affecting this map is on file in County of Riverside Transportation Department Survey Divisions, in E.C.S. Book 39, Page 74".

Reference is made to said map for full particulars.

28. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Elsinore Valley Municipal Water District, a public agency
Purpose: Access and a pipeline for domestic water and sanitary purposes together with all necessary fixtures and appurtenances
Recorded: November 14, 2007, Instrument No. 2007-0690432, of Official Records
Affects: Lettered Lots A, B and C

29. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Elsinore Valley Municipal Water District a public agency
Purpose: Access and a pipeline for domestic water, recycled water, and sanitary sewers purposes together with all necessary fixtures and appurtenances
Recorded: November 14, 2007, Instrument No. 2007-0690434, of Official Records
Affects: Lots 137 and 140 and Lettered Lots B through H

THE FOLLOWING MATTERS AFFECT PARCEL C:

30. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as reserved in a document;

Reserved by: Temescal Water Company, a corporation
Purpose: Construction and maintenance of all necessary water pipes, ditches, flumes and conduits for all purposes of irrigation and domestic use
Recorded: December 26, 1895, Book 28, Page 385, of Deeds

31. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Southern California Edison Company
Purpose: Public utilities
Recorded: July 22, 1977, Instrument No. 140154, of Official Records
Affects: Lots 103, 110, 111 and 112

- 32. **Matters** contained in that certain document entitled "Horsethief Pipeline Maintenance Agreement" dated July 30, 1990, executed by and between John J. Elmore and Kelly Elmore, and Frank Johnson and Scott Johnson, and J.G.J. Ranch, Inc. and Horsethief Galant, Inc. and Lemon Grove Associates, a California limited partnership, and its general partner Grove Corporation recorded November 8, 1990, Instrument No. 411098, of Official Records.

Reference is hereby made to said document for full particulars.

- 33. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Riverside County Flood Control and Water Conservation District
 Purpose: Construction, use and maintenance of an access road and all appurtenant slopes
 Recorded: November 14, 2003, Instrument No. 2003-900372, of Official Records
 Affects: Lot 110

- 34. **An irrevocable offer** to dedicate an easement over a portion of said land for Accepting drainage and flowage from storm drain improvements and natural water courses.

Recorded: November 14, 2003, Instrument No. 2003900373, of Official Records
 Affects: Lot 110

- 35. **Matters** contained in that certain document entitled "School Facilities Impact Mitigation Agreement" dated October 20, 2005, executed by and between Lake Elsinore School District, a California public school district and Acacia Credit Fund 10-A, LLC, a Delaware limited liability company recorded November 15, 2005, Instrument No. 2005-0947801, of Official Records.

Reference is hereby made to said document for full particulars.

- 36. **Covenants, conditions and restrictions** in the declaration of restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: November 5, 2007, Instrument No. 2007-0675608, of Official Records

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.

Said instrument also provides for the levy of assessments, the lien of which are stated to be subordinate to the lien of certain mortgages or deeds of trust made in good faith and for value.

Affects: Lots 22, 23, 35, 36

37. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
- Purpose: Private streets
Affects: Lettered Lots A through I, inclusive
38. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
- Purpose: Public utilities, ingress and egress for emergency vehicles
Affects: Lettered Lots A through I inclusive
39. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
- Purpose: Open space and drainage purposes
Affects: Lots 136 through 140
40. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
- Purpose: Private access
Affects: Lettered Lots A through I inclusive
41. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
- Purpose: Ingress and egress for emergency vehicles
Affects: Lot 109
42. **Recitals** as shown on that certain map recorded Book 426, Page 51 through 63, inclusive of Maps, which, among other things states:
- "Tract Map No. 31210-1 Environmental Constraint Note, The The Environmental Constraint sheet affecting this map is on file in County of Riverside Transportation Department Survey Divisions, in E.C.S. Book 39, Page 69".
- Reference is made to said map for full particulars.
43. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.
- Granted to: Elsinore Valley Municipal Water District, a public agency
Purpose: Access and a pipeline for domestic water and sanitary purposes together with all necessary fixtures and appurtenances
Recorded: November 14, 2007, Instrument No. 2007-0690435, of Official Records
Affects: Lettered Lots A through E, H and I

- 44. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Elsinore Valley Municipal Water District, a public agency
 Purpose: Access and a pipeline for domestic water and sanitary purposes together with all necessary fixtures and appurtenances
 Recorded: November 14, 2007, Instrument No. 2007-0690436, of Official Records
 Affects: Lot 109, Lettered Lots A through C, inclusive, E through G inclusive, and I

THE FOLLOWING MATTERS AFFECT PARCEL D:

- 45. Easement(s)** for the purpose(s) shown below and rights incidental thereto as reserved in a document;

Reserved by: Temescal Water Company, a corporation
 Purpose: Construction and maintenance of all necessary water pipes, ditches, flumes and conduits for all purposes of irrigation and domestic use
 Recorded: December 26, 1895, Book 28, Page 385, of Deeds

- 46. Matters** contained in that certain document entitled "Horsethief Pipeline Maintenance Agreement" dated July 30, 1990, executed by and between John J. Elmore and Kelly Elmore, and Frank Johnson and Scott Johnson, and J.G.J. Ranch, Inc. and Horsethief Galant, Inc. and Lemon Grove Associates, a California limited partnership, and its general partner Grove Corporation recorded November 8, 1990, Instrument No. 411098, of Official Records.

Reference is hereby made to said document for full particulars.

- 47. A declaration of dedication** to Riverside County Flood Control and Water Conservation District dated January 27, 1992, executed by John J. Elmore, Trustee of the John Elmore Trust, established U/D/T March 6, 1985 for the purposes of acceptance drainage and flowage from the storm drain improvements and natural watercourses of upstream properties across the property described therein, recorded September 2, 1992 as Instrument No. 330897, Official Records of Riverside County, California.

Affects: Lots 52 and 53 and Lettered Lot "C"

- 48. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Riverside County Flood Control and Water Conservation District
 Purpose: Construction, use and maintenance of an access road and all appurtenant slopes
 Recorded: November 14, 2003, Instrument No. 2003-900372, of Official Records
 Affects: Lots 35, 36, 52 and 52 and Lettered Lots "C" to "D"

49. **An irrevocable offer** to dedicate an easement over a portion of said land for Accepting drainage and flowage from storm drain improvements and natural water courses.

Recorded: November 14, 2003, Instrument No. 2003900373, of Official Records
Affects: Lots 52 and 53 and Lettered Lot C

50. **Matters** contained in that certain document entitled "School Facilities Impact Mitigation Agreement" dated October 20, 2005, executed by and between Lake Elsinore School District, a California public school district and Acacia Credit Fund 10-A, LLC, a Delaware limited liability company recorded November 15, 2005, Instrument No. 2005-0947801, of Official Records.

Reference is hereby made to said document for full particulars.

51. **Matters** contained in that certain document entitled "Cooperative Agreement" dated June 27, 2007, executed by and between The Riverside County Flood Control and Water Conservation District, The County of Riverside, KB Home Greater Los Angeles, Inc., a California corporation and Acacia Credit Fund 10-A, LLC, a Delaware limited liability company recorded October 12, 2007, Instrument No. 2007-0635562, of Official Records.

Reference is hereby made to said document for full particulars.

52. **Covenants, conditions and restrictions** in the declaration of restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: November 5, 2007, Instrument No. 2007-0675608, of Official Records

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.

Said instrument also provides for the levy of assessments, the lien of which are stated to be subordinate to the lien of certain mortgages or deeds of trust made in good faith and for value.

Affects: Lots 35, 36 and 37 of Parcel C

53. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.

Purpose: Private streets
Affects: Lettered Lots A through D, inclusive

- 54. Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
- Purpose: Public utilities, ingress and egress for emergency vehicles
Affects: Lettered Lots A through D
- 55. Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
- Purpose: Open space and drainage purposes
Affects: Lots 52 through 54, inclusive
- 56. Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
- Purpose: Private access
Affects: Lettered Lots A through D
- 57. Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
- Purpose: Access and maintenance for flood control purposes dedicated to the County of Riverside
Affects: Lots 52 and 53 and Lettered Lot C
- 58. Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
- Purpose: Access for flood control purposes dedicated to the County of Riverside
Affects: Lettered Lots A through D
- 59. Recitals** as shown on that certain map recorded Book 426, Page 64 through 72, inclusive of Maps, which, among other things states:
- "Tract Map No. 31210-2 Environmental Constraint Note, The The Environmental Constraint sheet affecting this map is on file in County of Riverside Transportation Department Survey Divisions, in E.C.S. Book 39, Page 73".
- Reference is made to said map for full particulars.
- 60. Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.
- Granted to: Elsinore Valley Municipal District, a public agency
Purpose: Access and a pipeline for domestic water and sanitary purposes together with all necessary fixtures and appurtenances
Recorded: November 14, 2007, Instrument No. 2007-0690437, of Official Records
Affects: Lettered Lot B

61. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Elsinore Valley Municipal Water District, a public agency
 Purpose: Access and a pipeline for domestic water and sanitary purposes together with all necessary fixtures and appurtenances
 Recorded: November 14, 2007, Instrument No. 2007-0690438, of Official Records
 Affects: Lettered Lots A and C

THE FOLLOWING MATTERS AFFECT ALL PARCELS:

62. **Any encroachment**, encumbrance, violation, variation, or adverse circumstances affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

63. **An abstract of judgment** for the amount shown below and any other amounts due:

Amount: \$3,686.50
 Debtor: KB Home Coastal Inc.
 Creditor: Leo Knight
 Date Entered: November 1, 2007
 County: Riverside
 Court: Superior
 Case No.: RIS186490
 Recorded: January 17, 2008, Instrument No. 2008-0026271, of Official Records

64. **A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
 Fiscal Year: 2004-2005
 Taxpayer: KB Home Coastal Inc.
 County Identification Number: 0340666
 Amount: \$222.31
 Recorded: May 1, 2008, Instrument No. 2008-0226412, of Official Records

65. **A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
 Fiscal Year: 2004-2005
 Taxpayer: KB Home Coastal Inc.
 County Identification Number: 0343603
 Amount: \$131.13
 Recorded: May 5, 2008, Instrument No. 2008-0234359, of Official Records

66. **A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
Fiscal Year: 2004-2005
Taxpayer: KB Home Coastal Inc.
County
Identification
Number: 0343387
Amount: \$2,780.52
Recorded: May 6, 2008, Instrument No. 2008-0237509, of Official Records

67. **A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
Fiscal Year: 2004-2005
Taxpayer: KB Homes Coastal Inc.
County
Identification
Number: 0343604
Amount: \$100.33
Recorded: May 6, 2008, Instrument No. 2008-0237647, of Official Records

68. **A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
Fiscal Year: 2004-2005
Taxpayer: KB Homes Coastal Inc.
County
Identification
Number: 0343605
Amount: \$101.63
Recorded: May 6, 2008, Instrument No. 2008-0237648, of Official Records

69. **A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
Fiscal Year: 2004-2005
Taxpayer: KB Homes Coastal Inc.
County
Identification
Number: 0343606
Amount: \$131.99
Recorded: May 6, 2008, Instrument No. 2008-0237649, of Official Records

- 70. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
Fiscal Year: 2004-2005
Taxpayer: KB Homes Coastal Inc.
County
Identification
Number: 0343608
Amount: KB Homes Coastal Inc.
Recorded: May 6, 2008, Instrument No. 2008-0237650, of Official Records

- 71. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
Fiscal Year: 2004-2005
Taxpayer: KB Homes Coastal Inc.
County
Identification
Number: 0343609
Amount: \$125.92
Recorded: May 6, 2008, Instrument No. 2008-0237651, of Official Records

- 72. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
Fiscal Year: 2004-2005
Taxpayer: KB Homes Coastal Inc.
County
Identification
Number: 0343607
Amount: \$130.69
Recorded: May 6, 2008, Instrument No. 2008-0237652, of Official Records

- 73. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
Fiscal Year: 2004-2005
Taxpayer: KB Homes Coastal Inc.
County
Identification
Number: 0343610
Amount: \$122.88
Recorded: May 6, 2008, Instrument No. 2008-0237653, of Official Records

- 74. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
 Fiscal Year: 2004-2005
 Taxpayer: KB Homes Coastal Inc.
 County
 Identification
 Number: 0343611
 Amount: \$122.88
 Recorded: May 6, 2008, Instrument No. 2008-0237654, of Official Records

- 75. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
 Fiscal Year: 2004-2005
 Taxpayer: KB Homes Coastal Inc.
 County
 Identification
 Number: 0343612
 Amount: \$122.88
 Recorded: May 6, 2008, Instrument No. 2008-0237655, of Official Records

- 76. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
 Fiscal Year: 2004-2005
 Taxpayer: KB Homes Coastal Inc.
 County
 Identification
 Number: 0343614
 Amount: \$101.20
 Recorded: May 6, 2008, Instrument No. 2008-0237656, of Official Records

- 77. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
 Fiscal Year: 2004-2005
 Taxpayer: KB Homes Coastal Inc.
 County
 Identification
 Number: 0343613
 Amount: \$101.63
 Recorded: May 6, 2008, Instrument No. 2008-0237657, of Official Records

- 78. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
 Fiscal Year: 2004-2005
 Taxpayer: KB Homes Coastal Inc.
 County
 Identification
 Number: 0343615
 Amount: \$100.33
 Recorded: May 6, 2008, Instrument No. 2008-0237658, of Official Records

- 79. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
 Fiscal Year: 2004-2005
 Taxpayer: KB Home Coastal Inc.
 County
 Identification
 Number: 0341565
 Amount: \$529.36
 Recorded: May 7, 2008, Instrument No. 2008-0241489, of Official Records

- 80. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
 Fiscal Year: 2005-2006
 Taxpayer: KB Home Coastal Inc.
 County
 Identification
 Number: 0350581
 Amount: \$734.41
 Recorded: May 21, 2008, Instrument No. 2008-0273534, of Official Records

- 81. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
 Fiscal Year: 2005-2006
 Taxpayer: KB Home Coastal Inc.
 County
 Identification
 Number: 0349775
 Amount: \$221.31
 Recorded: May 22, 2008, Instrument No. 2008-0278460, of Official Records

- 82. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
Fiscal Year: 2005-2006
Taxpayer: KB Home Coastal Inc.
County
Identification
Number: 0349777
Amount: \$221.31
Recorded: May 22, 2008, Instrument No. 2008-0278461, of Official Records

- 83. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
Fiscal Year: 2005-2006
Taxpayer: KB Home Coastal Inc.
County
Identification
Number: 0349776
Amount: \$221.31
Recorded: May 22, 2008, Instrument No. 2008-0278462, of Official Records

- 84. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
Fiscal Year: 2005-2006
Taxpayer: KB Home Coastal Inc.
County
Identification
Number: 0349778
Amount: \$221.31
Recorded: May 22, 2008, Instrument No. 2008-0278464, of Official Records

- 85. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
Fiscal Year: 2005-2006
Taxpayer: KB Home Coastal Inc.
County
Identification
Number: 0349780
Amount: \$225.18
Recorded: May 22, 2008, Instrument No. 2008-0278466, of Official Records

- 86. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
 Fiscal Year: 2004-2005
 Taxpayer: KB Homes Coastal Inc.
 County
 Identification
 Number: 0347700
 Amount: \$239.18
 Recorded: May 27, 2008, Instrument No. 2008-0283111, of Official Records

- 87. A lien for unsecured property taxes** filed by the tax collector of the county shown, for the amount set forth, and any other amounts due.

County: Riverside
 Fiscal Year: 2004-2005
 Taxpayer: KB Home Coastal, Inc.
 County
 Identification
 Number: 143749
 Amount: \$183.80
 Recorded: November 13, 2009, Instrument No. 2009-0588774, of Official Records

- 88. Matters** which may be disclosed by an inspection and/or by a correct ALTA/ACSM Land Title Survey of said land that is satisfactory to this Company, and/or by inquiry of the parties in possession thereof.

- 89. Any easements** not disclosed by those public records which impart constructive notice as to matters affecting title to real property and which are not visible and apparent from an inspection of the surface of said land.

- 90. Any rights of the parties in possession** of a portion of, or all of, said land, which rights are not disclosed by the public record.

This Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage. The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

91. This Company will require the following documents for review prior to the issuance of any title assurance predicated upon a conveyance or encumbrance by the corporation named below.

- Corporation: KB HOME COASTAL INC., a California corporation ,
- (a) A copy of the corporation By-Laws and Articles of Incorporation.
 - (b) An original or certified copy of the Resolution authorizing the transaction contemplated herein.
 - (c) If the Articles and/or By-Laws require approval by a "parent" organization, a copy of the Articles and By-Laws of the parent.

The right is reserved to add requirements or additional items after completion of such review.

END OF ITEMS

Note 1. Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:

Tax Identification No.: 391-940-001 through 391-940-075, inclusive and 391-100-043
Fiscal Year: 2009 - 2010
1st Installment: \$0.00
2nd Installment: \$0.00
Code Area: 065-178

Affects: Parcel A.

Note 2. Property taxes for the fiscal year 2009-2010 have been paid. Installment amounts will be provided upon request.

Assessor Parcels 391-920-001 through 391-920-005, inclusive; and 391-930-001 through 391-930-087, inclusive.

Affects: Parcel B.

Note 3. Property taxes for the fiscal year 2009-2010 have been paid. Installment amounts will be provided upon request.

Assessor Parcels 391-880-001 through 391-880-068, inclusive; and 391-890-001 through 391-890-087, inclusive.

Affects: Parcel C.

Note 4. Property taxes for the fiscal year 2009-2010 have been paid. Installment amounts will be provided upon request.

Assessor Parcels 391-900-001 through 391-900-926, inclusive; and 391-910-001 through 391-910-026, inclusive.

Affects: Parcel D.

Note 5. The only deeds affecting said land, which recorded within twenty-four (24) months of the date of this report, as are follows:

Grantor: Acacia Credit Fund 10-A, L.L.C., a Delaware limited liability company
Grantee: KB Home Coastal Inc., a California corporation
Recorded: September 3, 2009, Instrument No. 2009-0451122, of Official Records

Note 6. If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

Note 7. Wiring instructions for Fidelity National title Company, Corona, CA, are as follows:

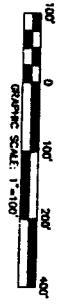
Receiving Bank: Union Bank of California
(800) 849-6466
Irvine, CA 92614
ABA Routing No.: 122000496
Credit Account Name: Fidelity National title Company - Builder Services Payoff/Admin
1315 Corona Pointe Court, Corona, CA 92879
Credit Account No.: 9100586700
Reference No.: 09-259919592

These wiring instructions are for this specific transaction involving the Title Department of the Newport Beach office of Fidelity National Title Company. These instructions therefore should not be used in other transactions without first verifying the information with our accounting department. It is imperative that the wire text be exactly as indicated. Any extraneous information may cause unnecessary delays in confirming the receipt of funds.

Note 8. Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

END OF NOTES

NOTE:
SEE SHEET 2 FOR EASEMENT NOTES.



IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

TRACT NO. 31485

BEING A SUBDIVISION OF PARCEL 2 OF PARCEL MAP 31484 RECORDED IN BOOK 211, PAGE 22 THROUGH 25, INCLUSIVE OF PARCEL 1 OF PARCEL MAP 31484 RECORDED IN BOOK 211, PAGE 22 THROUGH 25, INCLUSIVE OF THE NEW 1/4 OF SECTION 17, T8S, R3W, S8M, AS DESCRIBED BY LOT LINE ADJUSTMENT NO. 4928, RECORDED NOVEMBER 22, 2005 AS INSTRUMENT NO. 05-970859, OF OFFICIAL RECORDS OF RIVERSIDE COUNTY.

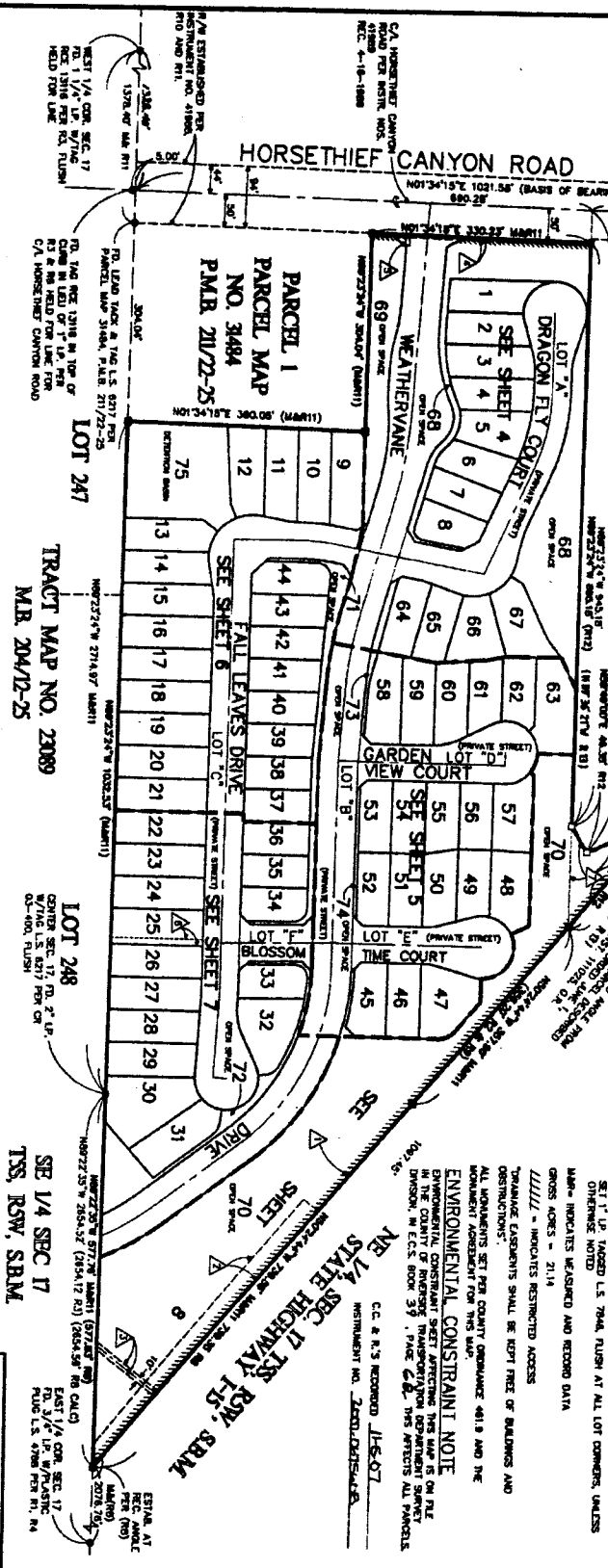
HALL & FOREMAN, INC.
MICHAEL NAVARRO, L.S. 7848
JUNE, 2005

BOUNDARY SURVEY AND INDEX SHEET

- LEGEND**
- (R1) RECORD OF SURVEY, P.L.B. BOOK 107/21-44
 - (R2) C.A. TRAVIS FOR MAP NO. 204-878 AND 877
 - (R3) PARCEL MAP NO. 10941
 - (R4) PARCEL MAP NO. 2388
 - (R5) PARCEL MAP NO. 22735
 - (R6) TRACT MAP NO. 23088
 - (R7) TRACT MAP NO. 23882
 - (R8) INSTRUMENT NO. 34303
 - (R9) INSTRUMENT NO. 22189
 - (R10) INSTRUMENT NO. 87097
 - (R11) PARCEL MAP NO. 31484
 - (R12) R.I.S. PER L.L.A. NO. 4578
 - (R13) INSTRUMENT NO. 05-970859
 - (R14) INSTRUMENT NO. 11705
 - (R15) REC. APRIL 18, 1988 O.A.
 - (R16) REC. FEBRUARY 20, 1979
 - (R17) INSTRUMENT NO. 22189
 - (R18) INSTRUMENT NO. 22, 2005
 - (R19) REC. JUNE 01, 1978

SEARCHED FOR NOTES:
1527 N12
1527 N12
1527 N12

POR, NW 1/4 SEC 17
T8S, R3W, S8M.



SURVEYOR'S NOTES

- BASES OF BEARINGS AND DISTANCES ARE BASED ON THE CONTROL OF HORSETHIEF CANYON ROAD BEING NORTH-SOUTH PER PARCEL MAP NO. 31484 P.L.B. 217/22-25.
- INDICATES FOUND MONUMENT AS NOTED
 - INDICATES FOUND 1" I.P. L.S. 6271, FLUSH PER PARCEL MAP NO. 31484 P.L.B. 217/22-25
 - INDICATES SET 1" OF JAZZED L.S. 7848, FLUSH AT ALL TRACT BOUNDARY CORNERS UNLESS OTHERWISE NOTED
 - SET 2" I.P. JAZZED L.S. 7848 AT ALL STREET CENTERLINE INTERSECTIONS, SETS, C.C.'S, AND ALL OTHER CENTERLINE POINTS OF CONTROL.
 - SET 1" I.P. JAZZED L.S. 7848, FLUSH AT ALL LOT CORNERS, UNLESS OTHERWISE NOTED
 - INDICATES MEASURED AND RECORD DATA
 - CROSS ACRES = 2114
 - ||||| - INDICATES RESTRICTED ACCESS

ENVIRONMENTAL CONSTRAINT NOTE

THE ENVIRONMENTAL CONSTRAINT SHEET ATTACHED TO THIS MAP IS ON FILE IN THE OFFICE OF THE COUNTY CLERK, RIVERSIDE COUNTY, CALIFORNIA. THE ENVIRONMENTAL CONSTRAINT SHEET PERTAINS TO ALL PARCELS WITHIN THE C.C.S. BOOK 39, PAGE 62, 1985 PER ALL PARCELS.

C.C. & R.S. RECORDED 145-07
INSTRUMENT NO. 24201 DATED 04/24/04

2005-06-15-067
RIVERSIDE, CALIFORNIA

SHEET 3 OF 9 SHEETS

Fidelity National Title Insurance Company

This policy is not valid unless the title insurance is issued by Fidelity National Title Insurance Company, a member of Fidelity National Title Insurance Group, a company in the Fidelity National Title Insurance Group.

TRACT MAP NO. 31210-1

BEING A SUBDIVISION OF A PORTION OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

HALL AND FOREMAN, INC. MICHAEL NAVARRO, L.S. 7848

JUNE, 2005

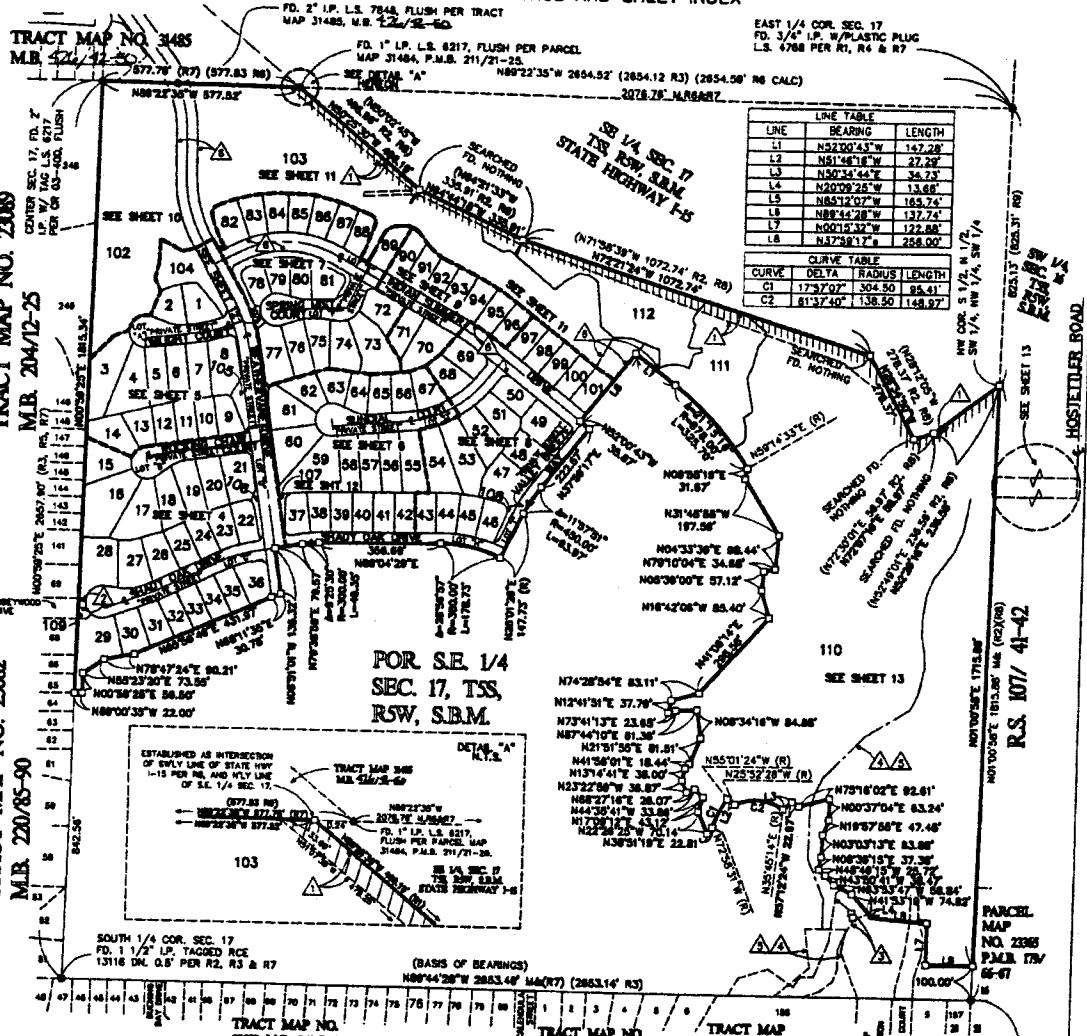
BOUNDARY CONTROL AND SHEET INDEX

426 (57)

2007-0076409 ORIGINAL

TRACT MAP NO. 23089
M.B. 204/12-25

TRACT MAP NO. 23682
M.B. 220/85-90



SURVEYOR'S NOTES

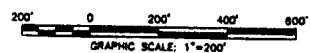
- BASE OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF SECTION 17 BEING N88°44'28"E PER PARCEL MAP NO. 18941 P.M.B. 118/14-27.
- ⊙ INDICATES FOUND MONUMENT AS NOTED.
- INDICATES SET 1" I.P. TAGGED L.S. 7848 SET FLUSH AT ALL BOUNDARY CORNERS UNLESS OTHERWISE NOTED.
- INDICATES SET 1" I.P. TAGGED L.S. 7848 AT ALL STREET & INTERSECTIONS, B.C.'S, E.C.'S, AND ALL OTHER POINTS OF CONTROL.
- 1" I.P. WITH TAG 7848 TO BE SET FLUSH AT ALL LOT CORNERS UNLESS OTHERWISE NOTED.
- NAL AND TAG L.S. 7848 IN TOP OF CURB SET ON THE PROLONGATION OF THE SIDE LOT LINES, AND IN FOOTING OR ON TOP OF BLOCK WALL AT REAR CORNERS UNLESS OTHERWISE NOTED.
- ALL MONUMENTS SHOWN AS "SET" SHALL BE IN ACCORDANCE WITH THE TERMS OF THE MONUMENTATION AGREEMENT FOR THIS MAP AND PER COUNTY ORDINANCE 461.8.
- GROSS ACRES = 70.84
- ////// INDICATES RESTRICTED ACCESS PER INST. NO. 159913, RECORDED OCTOBER 21, 1978 OFFICIAL RECORDS.

LEGEND

- (R1) RECORD OF SURVEY R.S. BOOK 107/41-42
- (R2) MON. MAP NO. 204-878 AND 877
- (R3) PARCEL MAP NO. 18941 P.M.B. 118/14-27
- (R4) PARCEL MAP NO. 23363 P.M.B. 179/86-87
- (R5) TRACT MAP NO. 23682 MB 220/85-90
- (R6) INSTRUMENT NO. 34381 REC. FEBRUARY 20, 1978
- (R7) INSTRUMENT NO. 31484 P.M.B. 211/22-28
- (R8) INSTRUMENT NO. 159913 REC. OCTOBER 21, 1978
- (R9) INSTRUMENT NO. 159914 REC. OCTOBER 21, 1978

NOTE:

ENVIRONMENTAL CONSTRAINT SHEET AFFECTING THIS MAP IS ON FILE IN THE COUNTY OF RIVERSIDE TRANSPORTATION DEPARTMENT SURVEY DIVISION, IN E.C.S. BOOK 22, PAGE 41.



IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

TRACT NO. 31210-2

BEING A SUBDIVISION OF A PORTION OF THE SOUTHEAST QUARTER OF SECTION 17,
 TOWNSHIP 5 SOUTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF
 RIVERSIDE, STATE OF CALIFORNIA.

HALL AND FOREMAN, INC. MICHAEL NAVARRO, L.S. 7848

JUNE, 2005



SEE SHEET 2 FOR
 EASEMENT NOTES.

SURVEYOR'S NOTES:

BASES OF BEARINGS:
 BEARINGS ARE BASED ON THE SOUTH LINE OF SECTION 17 BEING
 N88°44'28"E PER PARCEL MAP NO. 18841 P.M.B. 118/14-27. (R2)

- INDICATES FOUND MONUMENT AS NOTED.
- INDICATES SET 1" I.P. TAGGED L.S. 7848 FLUSH AT ALL BOUNDARY CORNERS.
- ▲ INDICATES F.D. 1" I.P. TAGGED L.S. 7848 PER TRACT MAP 31210-1 M.B. 226/21-23
- INDICATES SET 1" I.P. TAGGED L.S. 7848 AT ALL STREET CENTERLINE INTERSECTIONS, E.C.'S, E.C.'S, AND ALL OTHER CENTERLINE POINTS OF CONTROL.

SURVEYOR'S NOTES CONTINUED:

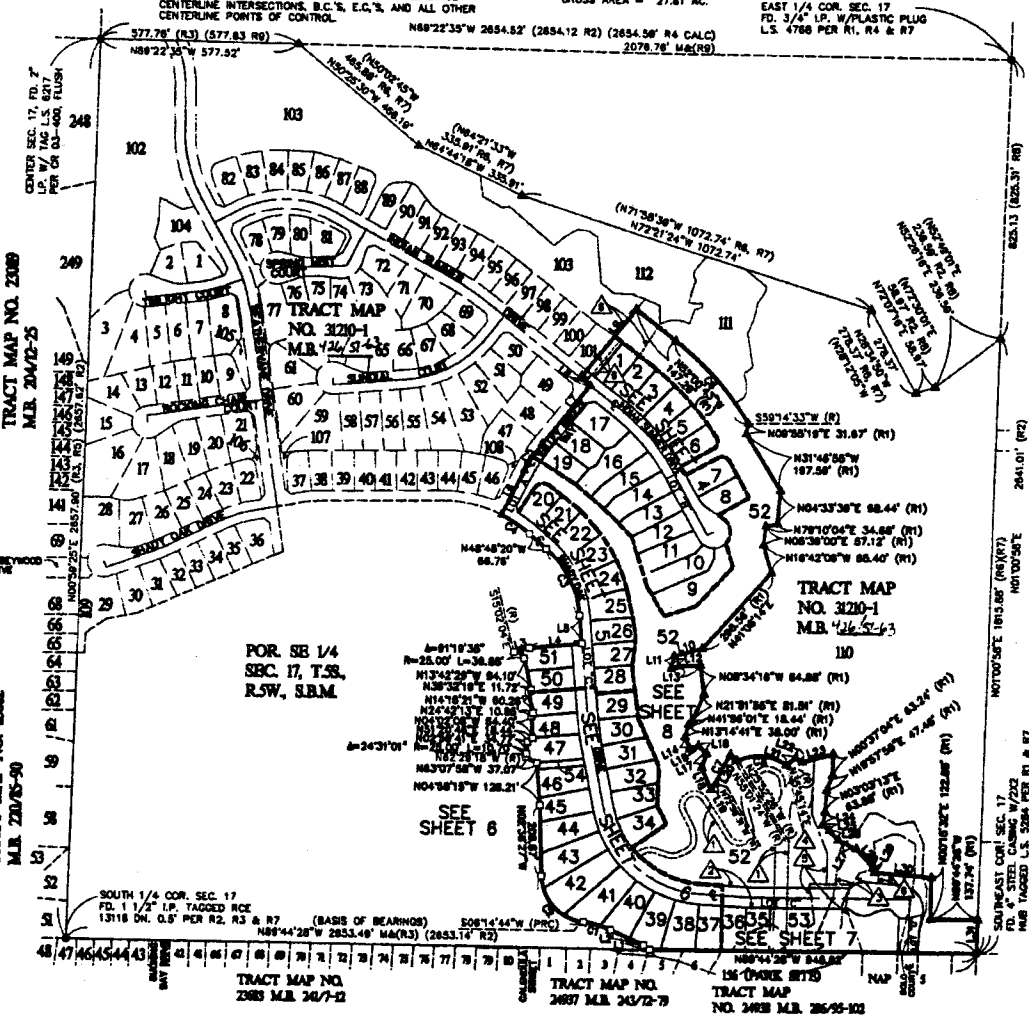
SET 1" I.P. TAGGED L.S. 7848 FLUSH AT ALL LOT CORNERS, UNLESS OTHERWISE NOTED.

NAIL AND TAG L.S. 7848 IN TOP OF CURB TO BE SET ON THE PROLONGATION OF THE SIDE LOT LINES, AND IN FOOTING OR ON TOP OF BLOCK WALL AT REAR CORNERS.

ALL MONUMENTS SHOWN AS "SET" SHALL BE IN ACCORDANCE WITH THE TERMS OF THE MONUMENTATION AGREEMENT FOR THIS MAP.

GROSS AREA = 27.81 AC.

EAST 1/4 COR. SEC. 17
 F.D. 3/4" I.P. W/PLASTIC PLUG
 L.S. 4788 PER R1, R4 & R7



POR SE 1/4
 SEC. 17, T.5S,
 R.5W, S.B.M.

TRACT MAP NO. 2808
 M.B. 247/2-25

TRACT MAP NO. 2882
 M.B. 207/5-30

TRACT MAP
 NO. 3120-1
 M.B. 226/21-23

NOTES:

SEE SHEET 9 FOR LINE AND CURVE TABLE.
 DRAINAGE EASEMENTS - NO BUILDING, OBSTRUCTIONS,
 OR ENCROACHMENTS BY LANDFILLS ARE ALLOWED.

ENVIRONMENTAL CONSTRAINT NOTE

THE ENVIRONMENTAL CONSTRAINT SHEET AFFECTING
 THIS MAP IS ON FILE IN THE COUNTY OF RIVERSIDE
 TRANSPORTATION DEPARTMENT SURVEY DIVISION, IN
 E.C.S. BOOK 34 PAGE 7A

LEGEND

- (R1) INDICATES RECORD & MEASURED PER TRACT MAP NO. 31210-1 M.B. 226/21-23
- (R2) INDICATES RECORD & MEASURED PER PARCEL MAP NO. 18841 P.M.B. 118/14-27.
- (R3) INDICATES RECORD & MEASURED PER PARCEL MAP NO. 31484 P.M.B. 211/22-25.
- (R4) INSTRUMENT NO. 34391, REC. FEBRUARY 20, 1979
- (R5) INDICATES RECORD & MEASURED PER TRACT MAP NO. 23882 M.B. 220/85-80.
- (R6) CAL TRANS MON. MAP NO. 204-878 AND 977
- (R7) INSTRUMENT NO. 158013 REC. OCTOBER 21, 1878
- (R8) INSTRUMENT NO. 158014 REC. OCTOBER 21, 1878
- (R9) INSTRUMENT NO. 34391 REC. FEBRUARY 20, 1979

ATTACHMENT ONE

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) 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 any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.

3. Title Risks:

- that are created, allowed, or agreed to by you
- that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
- that result in no loss to you
- that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

- to any land outside the area specifically described and referred to in Item 3 of Schedule A
- or
- in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

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

**ATTACHMENT ONE
(CONTINUED)**

**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 and 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 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 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.

**SCHEDULE B, PART I
EXCEPTIONS FROM COVERAGE**

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:

PART I

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.

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE
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 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 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) 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 (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or

- (e) resulting in loss or damage which 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 the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with 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 statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
(iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

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) 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.

**ATTACHMENT ONE
(CONTINUED)**

**2006 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).

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. (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.

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
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 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 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) 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 estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

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) 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.

**ATTACHMENT ONE
(CONTINUED)**

**2006 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.

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. (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.

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
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 any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. Land use
 - d. improvements on 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. 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 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.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.

LIMITATIONS ON COVERED RISKS

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

- For Covered Risk 14, 15, 16 and 18, 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 14:	1.00% of Policy Amount or \$ 2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 15:	1.00% of Policy Amount or \$ 5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 16:	1.00% of Policy Amount or \$ 5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 18:	1.00% of Policy Amount or \$ 2,500.00 (whichever is less)	\$ 5,000.00

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01-01-08)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01-01-08)
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.
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.

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:	<u>1.00%</u> of Policy Amount Shown in Schedule A or <u>\$ 2,500.00</u> (whichever is less)	\$ <u>10,000.00</u>
Covered Risk 18:	<u>1.00%</u> of Policy Amount Shown in Schedule A or <u>\$ 5,000.00</u> (whichever is less)	\$ <u>25,000.00</u>
Covered Risk 19:	<u>1.00%</u> of Policy Amount Shown in Schedule A or <u>\$ 5,000.00</u> (whichever is less)	\$ <u>25,000.00</u>
Covered Risk 21:	<u>1.00%</u> of Policy Amount Shown in Schedule A or <u>\$ 2,500.00</u> (whichever is less)	\$ <u>5,000.00</u>

**ATTACHMENT ONE
(CONTINUED)**

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
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 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 improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas 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. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this 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. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this 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) 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 damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
(e) resulting in loss or damage which 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 the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with 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, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. 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 limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
(a) The time of the advance; or
(b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy 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 Date of Policy.

**ATTACHMENT ONE
(CONTINUED)**

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (01/01/08)
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.

Notice

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must - prior to the close of the current transaction - inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

Fidelity National Financial, Inc.
Privacy Statement

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

(privacy)

Page 2 of 2

Effective Date: 5/1/2008

Disclosure to Affiliated Companies - We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties - We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access To Personal Information/

Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Companies

FNTC – Fidelity National Title Company

FNTCCA – Fidelity National Title Company of California

FNF Underwriter

FNTIC – Fidelity National Title Insurance Co.

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (FNTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge within the following time period from the date of the report.

FEE REDUCTION SETTLEMENT PROGRAM (FNTC, FNTCCA and FNTIC)

Eligible customers shall receive a \$20.00 reduction in their title and/or escrow fees charged by the Company for each eligible transaction in accordance with the terms of the Final Judgments entered in The People of the State of California.

DISASTER LOANS (FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% to 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 40% to 50% of the appropriate title insurance rate, depending on the type of coverage selected.

EMPLOYEE RATE (FNTC, FNTCCA and FNTIC)

No charge shall be made to employees (including employees on approved retirement) of the Company or its underwritten, subsidiary or affiliated title companies for policies or escrow services in connection with financing, refinancing, sale or purchase of the employees' bona fide home property. Waiver of such charges is authorized only in connection with those costs which the employee would be obligated to pay, by established custom, as a party to the transaction.

IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

TRACT MAP NO. 31210-1

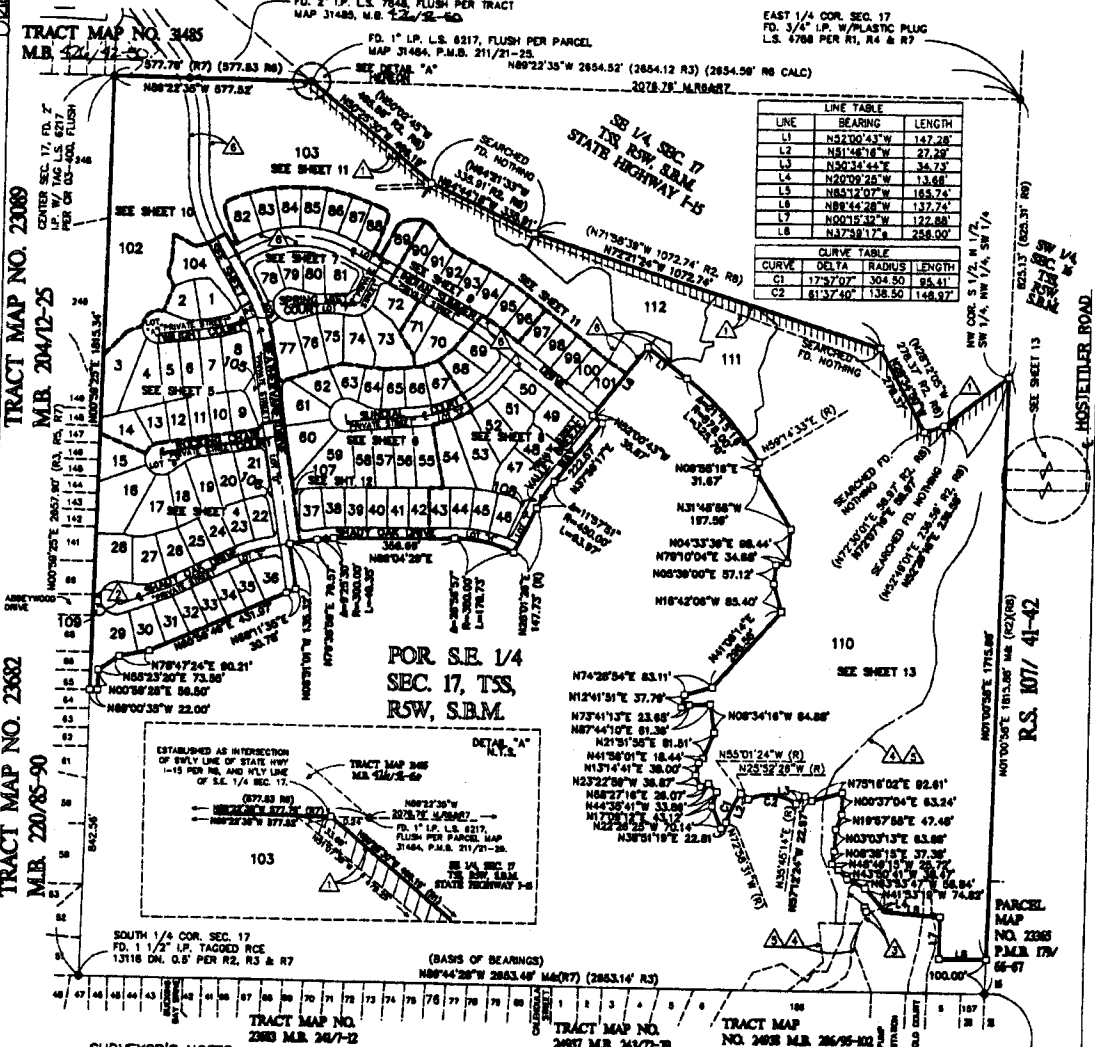
BEING A SUBDIVISION OF A PORTION OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 5 SOUTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

HALL AND FOREMAN, INC. MICHAEL NAVARRO, L.S. 7848

JUNE, 2005

BOUNDARY CONTROL AND SHEET INDEX

2057-DATED 09 ORIGINAL 429 1/2



SURVEYOR'S NOTES

BASES OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF SECTION 17 BEING N89°44'28"E PER PARCEL MAP NO. 18941 P.M.B. 118/14-27.
 ○ INDICATES SET 1" I.P. TAGGED L.S. 7848 SET FLUSH AT ALL BOUNDARY CORNERS UNLESS OTHERWISE NOTED.
 □ INDICATES SET 1" I.P. TAGGED L.S. 7848 SET FLUSH AT ALL LOT CORNERS UNLESS OTHERWISE NOTED.
 ○ INDICATES SET 1" I.P. TAGGED L.S. 7848 AT ALL STREET & INTERSECTIONS, B.C.'S, E.C.'S, AND ALL OTHER POINTS OF CONTROL.
 1" I.P. WITH TAG 7848 TO BE SET FLUSH AT ALL LOT CORNERS UNLESS OTHERWISE NOTED.
 NAIL AND TAG L.S. 7848 IN TOP OF CURB SET ON THE PROLONGATION OF THE SIDE LOT LINES, AND IN FOOTING OR ON TOP OF BLOCK WALL AT REAR CORNERS UNLESS OTHERWISE NOTED.
 ALL MONUMENTS SHOWN AS "SET" SHALL BE IN ACCORDANCE WITH THE TERMS OF THE MONUMENTATION AGREEMENT FOR THIS MAP AND PER COUNTY ORDINANCE 461.9.
 GROSS ACRES = 70.64
 // // // // - INDICATES RESTRICTED ACCESS PER INST. NO. 159913, RECORDED OCTOBER 21, 1978 OFFICIAL RECORDS.

LEGEND

- (R1) RECORD OF SURVEY R.S. BOOK 107/41-42
- (R2) MON. MAP NO. 204-878 AND 877
- (R3) PARCEL MAP NO. 18941 P.M.B. 118/14-27
- (R4) PARCEL MAP NO. 23365 P.M.B. 179/86-87
- (R5) TRACT MAP NO. 23882 MB 220/85-90
- (R6) INSTRUMENT NO. 34301 REC. FEBRUARY 20, 1978
- (R7) PARCEL MAP NO. 31484 P.M.B. 211/22-28
- (R8) INSTRUMENT NO. 159913 REC. OCTOBER 21, 1978
- (R9) INSTRUMENT NO. 159914 REC. OCTOBER 21, 1978

NOTE:

ENVIRONMENTAL CONSTRAINT SHEET AFFECTING THIS MAP IS ON FILE IN THE COUNTY OF RIVERSIDE TRANSPORTATION DEPARTMENT SURVEY DIVISION, IN E.C.S. BOOK 31, PAGE 63.



R.S. 107/ 41-42

PARCEL MAP NO. 23882 P.M.B. 179/ 86-87



IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

TRACT NO. 31210-2

BEING A SUBDIVISION OF A PORTION OF THE SOUTHEAST QUARTER OF SECTION 17,
 TOWNSHIP 5 SOUTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF
 RIVERSIDE, STATE OF CALIFORNIA.

HALL AND FOREMAN, INC. MICHAEL NAVARRO, L.S. 7848

JUNE, 2005

SEE SHEET 2 FOR
 EASEMENT NOTES.

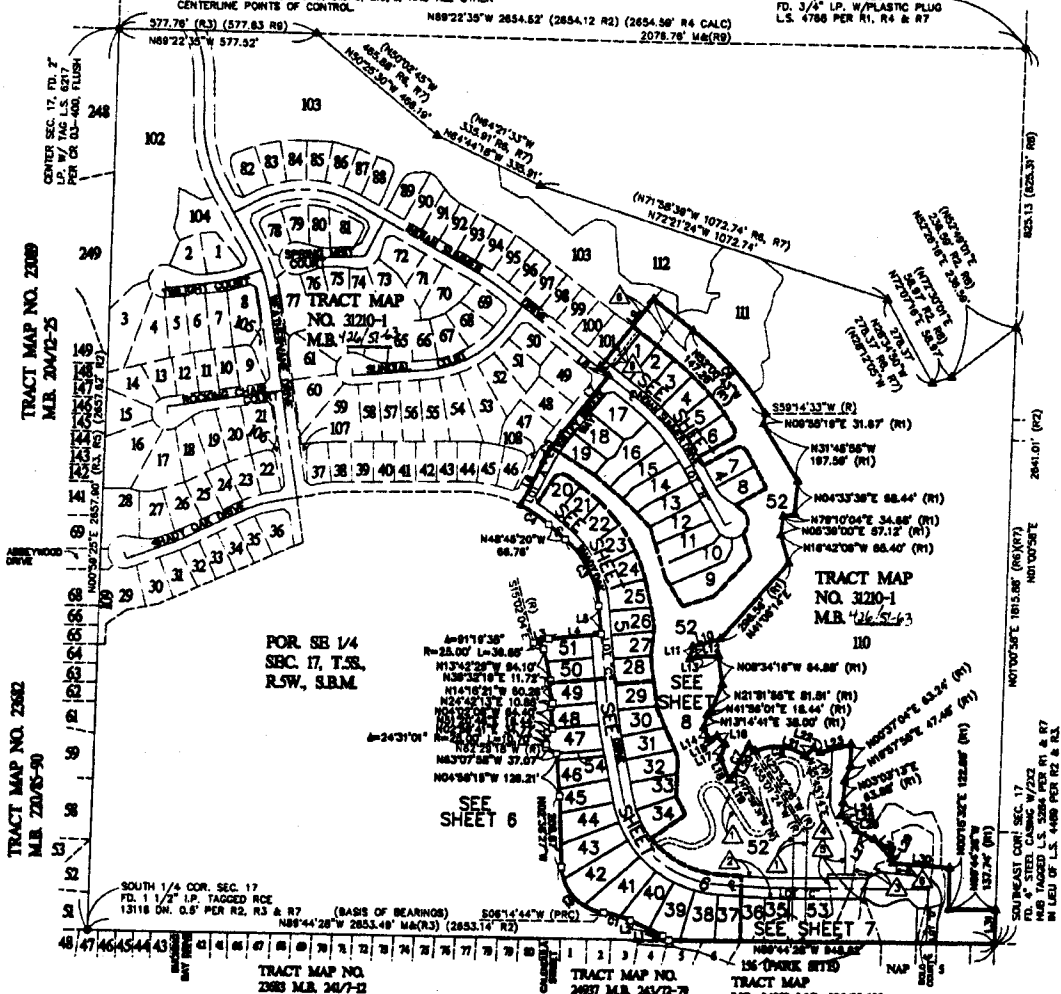


SURVEYOR'S NOTES:

- BASIS OF BEARINGS:
 BEARINGS ARE BASED ON THE SOUTH LINE OF SECTION 17 BEING
 N89°44'28"E PER PARCEL MAP NO. 18941 P.M.B. 118/14-27. (R2)
- INDICATES FOUND MONUMENT AS NOTED.
- INDICATES SET 1" I.P. TAGGED L.S. 7848 FLUSH AT ALL
 BOUNDARY CORNERS.
- ▲ INDICATES FD. 1" I.P. TAGGED L.S. 7848 PER TRACT MAP
 31210-1 M.B. 226/51-63
- INDICATES SET 1" I.P. TAGGED L.S. 7848 AT ALL STREET
 CENTERLINE INTERSECTIONS, S.C.'S, E.C.'S, AND ALL OTHER
 CENTERLINE POINTS OF CONTROL.

SURVEYOR'S NOTES CONTINUED:

- SET 1" I.P. TAGGED L.S. 7848, FLUSH AT ALL LOT CORNERS,
 UNLESS OTHERWISE NOTED.
- NAIL AND TAG L.S. 7848 IN TOP OF CURB TO BE SET ON THE
 PROLONGATION OF THE SIDE LOT LINES, AND IN FOOTING OR ON
 TOP OF BLOCK WALL AT REAR CORNERS.
- ALL MONUMENTS SHOWN AS, "SET" SHALL BE IN ACCORDANCE
 WITH THE TERMS OF THE MONUMENTATION AGREEMENT FOR
 THIS MAP.
- GROSS AREA = 27.81 AC.
- EAST 1/4 COR. SEC. 17
 FD. 3/4" I.P. W/PLASTIC PLUG
 L.S. 4788 PER R1, R4 & R7



NOTES:

SEE SHEET 9 FOR LINE AND CURVE TABLE.
 DRAINAGE EASEMENTS - NO BUILDING, OBSTRUCTIONS,
 OR ENCROACHMENTS BY LANDFILLS ARE ALLOWED.

ENVIRONMENTAL CONSTRAINT NOTE

THE ENVIRONMENTAL CONSTRAINT SHEET AFFECTING
 THIS MAP IS ON FILE IN THE COUNTY OF RIVERSIDE
 TRANSPORTATION DEPARTMENT SURVEY DIVISION, IN
 E.C.S. BOOK 39, PAGE 72.

LEGEND

- (R1) INDICATES RECORD & MEASURED PER TRACT MAP NO.
 31210-1 M.B. 226/51-63
- (R2) INDICATES RECORD & MEASURED PER PARCEL MAP NO.
 18941 P.M.B. 118/14-27
- (R3) INDICATES RECORD & MEASURED PER PARCEL MAP NO.
 31484 P.M.B. 211/23-25
- (R4) INSTRUMENT NO. 34391, REC. FEBRUARY 20, 1979
- (R5) INDICATES RECORD & MEASURED PER TRACT MAP NO.
 23682 M.B. 220/85-90
- (R6) CAL. TRANS. MON. MAP
 NO. 204-878 AND 877
- (R7) INSTRUMENT NO. 159013
 REC. OCTOBER 21, 1978
- (R8) INSTRUMENT NO. 159014
 REC. OCTOBER 21, 1978
- (R9) INSTRUMENT NO. 34381
 REC. FEBRUARY 20, 1979

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 426
 166