



CHICAGO TITLE COMPANY

PRELIMINARY REPORT

Dated as of: December 8, 2009 at 7:30 AM
Order No.: 960090109 - H13

Reference: 7344 Gloria
Regarding: 7344 Gloria Avenue
Los Angeles, CALIFORNIA

In response to the application for a policy of title insurance referenced herein, Chicago 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 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 Chicago Title Insurance Company.

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.

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

AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (6-17-06)

ALTA HOMEOWNERS POLICY OF TITLE INSURANCE (10-17-98)

Title Department:

CHICAGO TITLE COMPANY
39438 TRADE CENTER DR., STE C
PALMDALE, CA 93551
Phone: 661-948-8521 Fax: 661-942-1097



LISA ALLEN
Title Officer

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.

SCHEDULE A

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

A FEE AS TO PARCEL 1;
AN EASEMENT MORE FULLY DESCRIBED BELOW AS TO PARCEL 2

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

JOSEF DROTSCHMANN, A SINGLE MAN

3. The land referred to in this report is situated in the State of California, County of LOS ANGELES and is described as follows:

PARCEL 1:

THE NORTH 60 FEET OF THAT PORTION OF LOT 25, TRACT NO. 9419, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 130 PAGE 11, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTH OF A LINE THAT EXTENDS WESTERLY FROM A POINT IN THE EAST LINE OF SAID LOT, DISTANT NORTH THEREON 150.00 FEET FROM THE SOUTHEAST CORNER OF SAID LOT, TO A POINT IN THE WEST LINE OF SAID LOT, DISTANT THEREON NORTH 0° 00' 21" WEST 140.00 FEET FROM THE SOUTH TERMINUS OF THAT PORTION OF SAID WEST LINE HAVING A BEARING OF NORTH 0° 00' 21" WEST AND A LENGTH OF 250.04 FEET.

PARCEL 2:

AN EASEMENT FOR PUBLIC UTILITY PURPOSES OVER THE EASTERLY 10 FEET OF THAT PORTION OF SAID LOT 25, LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE ABOVE DESCRIBED 60 FEET PARCEL OF LAND.

SCHEDULE B

Page 1

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At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in the policy form designated on the face page of this Report would be as follows:

- V 1. PROPERTY TAXES FOR THE FISCAL YEAR SHOWN BELOW ARE PAID. FOR INFORMATION PURPOSES THE AMOUNTS ARE:

FISCAL YEAR: 2009-2010
1ST INSTALLMENT: \$277.19
2ND INSTALLMENT: \$277.18
EXEMPTION: \$7,000.00
CODE AREA: 0000016
ASSESSMENT NO: 2206-030-038

- W 2. SUPPLEMENTAL OR ESCAPED TAXES FOR THE FISCAL YEAR 2007-2009 ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5 (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE OF THE STATE OF CALIFORNIA.

1ST INSTALLMENT: \$421.31
PENALTY: \$42.13
DELINQUENT: JANUARY 31, 2010
2ND INSTALLMENT: \$421.30
PENALTY: \$52.13
DELINQUENT: MAY 31, 2009
CODE AREA: 0000016
ASSESSMENT NO.: 2206-030-038

- X 3. SUPPLEMENTAL OR ESCAPED TAXES FOR THE FISCAL YEAR 2008-2009 ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5 (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE OF THE STATE OF CALIFORNIA.

1ST INSTALLMENT: \$998.08
PENALTY: \$99.81
DELINQUENT: JANUARY 31, 2010
2ND INSTALLMENT: \$998.08
PENALTY: \$109.81
DELINQUENT: MAY 31, 2010
CODE AREA: 0000016
ASSESSMENT NO.: 2206-030-038

- C 4. THE LIEN OF SUPPLEMENTAL OR ESCAPED ASSESSMENTS OF PROPERTY TAXES, IF ANY, MADE PURSUANT TO THE PROVISIONS OF PART 0.5, CHAPTER 3.5 OR PART 2, CHAPTER 3, ARTICLES 3 AND 4 RESPECTIVELY (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE OF THE STATE OF CALIFORNIA AS A RESULT OF THE TRANSFER OF TITLE TO THE VESTEE NAMED IN SCHEDULE A; OR AS A RESULT OF CHANGES IN OWNERSHIP OR NEW CONSTRUCTION OCCURRING PRIOR TO DATE OF POLICY.

SCHEDULE B (continued)

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D 5. WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT SHOWN BY THE PUBLIC RECORDS.

E 6. COVENANTS, CONDITIONS AND RESTRICTIONS (BUT OMITTING THEREFROM ANY COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN, IF ANY, UNLESS AND ONLY TO THE EXTENT THAT SAID COVENANT (A) IS EXEMPT UNDER CHAPTER 42, SECTION 3607 OF THE UNITED STATES CODE OR (B) RELATES TO HANDICAP BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS) AS SET FORTH IN THE DOCUMENT.

RECORDED: IN BOOK 6084 PAGE 286, OF DEEDS

F 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.

G 7. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

PURPOSE: UTILITIES
RECORDED: IN BOOK 7474 PAGE 116, OFFICIAL RECORDS
AFFECTS: OVER THE REAR 4 FEET OF SAID LAND

H **END OF SCHEDULE B**

I NOTE NO. 1: THE CHARGE FOR A POLICY OF TITLE INSURANCE, WHEN ISSUED THROUGH THIS TITLE ORDER, WILL BE BASED ON THE BASIC (NOT SHORT-TERM) TITLE INSURANCE RATE.

J NOTE NO. 2: WHEN THIS TITLE ORDER CLOSSES AND IF CHICAGO TITLE IS HANDLING LOAN PROCEEDS THROUGH SUB-ESCROW, ALL TITLE CHARGES AND EXPENSES NORMALLY BILLED, WILL BE DEDUCTED FROM THOSE LOAN PROCEEDS (TITLE CHARGES AND EXPENSES WOULD INCLUDE TITLE PREMIUMS, ANY TAX OR BOND ADVANCES, DOCUMENTARY TRANSFER TAX AND RECORDING FEES, ETC.).

K NOTE NO. 3: WE WILL REQUIRE A STATEMENT OF INFORMATION FROM THE PARTIES NAMED BELOW IN ORDER TO COMPLETE THIS REPORT, BASED ON THE EFFECT OF DOCUMENTS, PROCEEDINGS, LIENS, DECREES, OR OTHER MATTERS WHICH DO NOT SPECIFICALLY DESCRIBE SAID LAND, BUT WHICH, IF ANY DO EXIST, MAY AFFECT THE TITLE OR IMPOSE LIENS OR ENCUMBRANCES THEREON.

PARTIES: ALL PARTIES

(NOTE: THE STATEMENT OF INFORMATION IS NECESSARY TO COMPLETE THE SEARCH AND EXAMINATION OF TITLE UNDER THIS ORDER. ANY TITLE SEARCH INCLUDES MATTERS THAT ARE INDEXED BY NAME ONLY, AND HAVING A COMPLETED STATEMENT OF

**SCHEDULE B
(continued)**

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INFORMATION ASSISTS THE COMPANY IN THE ELIMINATION OF CERTAIN MATTERS WHICH APPEAR TO INVOLVE THE PARTIES BUT IN FACT AFFECT ANOTHER PARTY WITH THE SAME OR SIMILAR NAME. BE ASSURED THAT THE STATEMENT OF INFORMATION IS ESSENTIAL AND WILL BE KEPT STRICTLY CONFIDENTIAL TO THIS FILE.)

L NOTE NO. 4: THERE ARE NO CONVEYANCES AFFECTING SAID LAND, RECORDED WITHIN TWENTYFOUR (24) MONTHS OF THE DATE OF THIS REPORT.

M NOTE NO. 5: 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.

N NOTE NO. 6: IF THIS COMPANY IS REQUESTED TO DISBURSE FUNDS IN CONNECTION WITH THIS TRANSACTION, CHAPTER 598, STATUTES OF 1989 MANDATES HOLD PERIODS FOR CHECKS DEPOSITED TO ESCROW OR SUB-ESCROW ACCOUNTS. THE MANDATORY HOLD PERIOD FOR CASHIER'S CHECKS, CERTIFIED CHECKS AND TELLER'S CHECKS IS ONE BUSINESS DAY AFTER THE DAY DEPOSITED. OTHER CHECKS REQUIRE A HOLD PERIOD OF FROM TWO TO FIVE BUSINESS DAYS AFTER THE DAY DEPOSITED. IN THE EVENT THAT THE PARTIES TO THE CONTEMPLATED TRANSACTION WISH TO RECORD PRIOR TO THE TIME THAT THE FUNDS ARE AVAILABLE FOR DISBURSEMENT (AND SUBJECT TO COMPANY APPROVAL), THE COMPANY WILL REQUIRE THE PRIOR WRITTEN CONSENT OF THE PARTIES. UPON REQUEST, A FORM ACCEPTABLE TO THE COMPANY AUTHORIZING SAID EARLY RECORDING MAY BE PROVIDED TO ESCROW FOR EXECUTION.

WIRE TRANSFERS

THERE IS NO MANDATED HOLD PERIOD FOR FUNDS DEPOSITED BY CONFIRMED WIRE TRANSFER. THE COMPANY MAY DISBURSE SUCH FUNDS THE SAME DAY.

CHICAGO TITLE WILL DISBURSE BY WIRE (WIRE-OUT) ONLY COLLECTED FUNDS OR FUNDS RECEIVED BY CONFIRMED WIRE (WIRE-IN). THE COMPANY'S WIRE-IN INSTRUCTIONS ARE:

WIRE-IN INSTRUCTIONS FOR BANK OF AMERICA:

BANK: BANK OF AMERICA
1850 GATEWAY BLVD.
CONCORD, CA 94520

BANK ABA: 0260-0959-3

ACCOUNT NAME: CHI CAGO TITLE COMPANY

SCHEDULE B (continued)

Order No: 960090109 H13

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TRI -VALLEY MARKET CENTER

ACCOUNT NO. : 12358-50729

FOR CREDIT TO: CHICAGO TITLE COMPANY
535 NORTH BRAND BOULEVARD
GLENDALE, CA 91203

FURTHER CREDIT TO: ORDER NO. : 960090109

- 0 NOTE NO. 7: WE FIND NO OPEN DEEDS OF TRUST OF RECORD. PLEASE VERIFY BY INQUIRY OF YOUR ESCROW PERSONNEL AND OR AGENTS WHETHER OR NOT WE HAVE OVERLOOKED SOMETHING AND ADVISE THE TITLE DEPARTMENT ACCORDINGLY PRIOR TO CLOSING.

- P NOTE NO. 8: NONE OF THE ITEMS SHOWN IN THIS REPORT WILL CAUSE THE COMPANY TO DECLINE TO ATTACH CLTA ENDORSEMENT FORM 100 TO AN ALTA LOAN POLICY, WHEN ISSUED.

- Q NOTE NO. 9: THERE IS LOCATED ON SAID LAND A SINGLE FAMILY RESIDENCE KNOWN AS: 7344 GLORIA AVENUE, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

- R NOTE NO. 10: THE CURRENT OWNER DOES NOT QUALIFY FOR THE \$20.00 DISCOUNT PURSUANT TO THE COORDINATED STIPULATED JUDGMENTS ENTERED IN ACTIONS FILED BY BOTH THE ATTORNEY GENERAL AND PRIVATE CLASS ACTION PLAINTIFFS FOR THE HEREIN DESCRIBED PROPERTY.

- S NOTE NO. 11: THE POLICY OF TITLE INSURANCE WILL INCLUDE AN ARBITRATION PROVISION. THE COMPANY OR THE INSURED MAY DEMAND ARBITRATION. ARBITRABLE MATTERS MAY INCLUDE, BUT ARE NOT LIMITED TO, ANY CONTROVERSY OR CLAIM BETWEEN THE COMPANY AND THE INSURED ARISING OUT OF OR RELATING TO THIS POLICY, ANY SERVICE OF THE COMPANY IN CONNECTION WITH ITS ISSUANCE OR THE BREACH OF A POLICY PROVISION OR OTHER OBLIGATION. PLEASE ASK YOUR ESCROW OR TITLE OFFICER FOR A SAMPLE COPY OF THE POLICY TO BE ISSUED IF YOU WISH TO REVIEW THE ARBITRATION PROVISIONS AND ANY OTHER PROVISIONS PERTAINING TO YOUR TITLE INSURANCE COVERAGE.

PLATS
LA/GL



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 consumers 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.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Companies
CTC - Chicago Title Company

FNF Underwriters
CTIC - Chicago Title Insurance Co.

Available Discounts

CREDIT FOR PRELIMINARY TITLE REPORTS AND/ OR COMMITMENTS ON SUBSEQUENT POLICIES

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 - 36 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

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

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

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 owners policy shall be 50% to 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lenders policy shall be 32% to 50% of the appropriate title insurance rate, depending on the type of coverage selected.

SHORT TERM RATE

The Short Term Rate is a reduction of the charges shown in the Insurance Tables which is allowable only when the current order is placed within 60 months from the date of issuance of a prior CLTA or ALTA Form of Policy of any qualified title insurer and provided further that the grantor, borrower, lender, lessor or assignor is insured by or under the terms of a prior policy, or is the vested owner of the interest insured by said policy. The short term rate is 64% to 92% of the appropriate title insurance rate depending on the type of coverage selected.

EMPLOYEE RATE

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.