



CHICAGO TITLE COMPANY

PRELIMINARY REPORT

Reference: ESTATE OF A GORDON NELSON
Regarding: VACANT APN 4453-015-003
MALIBU, CALIFORNIA

Dated as of: February 12, 2010 at 7:30 AM
Order No.: 606063853 - A01

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:

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY
AMERICAN LAND TITLE ASSOCIATION LOAN EXTENDED COVERAGE POLICY

Title Department:

CHICAGO TITLE COMPANY
535 N. BRAND BLVD. , 3RD FL
GLENDALE, CA 91203
(818)548-0222 Fax: (818)550-3224



WILLIAM SAYLOR
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

Order No: 606063853 A01

Your Ref: ESTATE OF A GORDON NELSON

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:

A. GORDON NELSON AND ARLEEN B. NELSON, HUSBAND AND WIFE

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

SEE ATTACHED DESCRIPTION

DESCRIPTION

PARCEL 1:

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 1 SOUTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WESTERLY LINE OF SAID SOUTHEAST QUARTER, DISTANT SOUTH 0° 55' 22" WEST THEREON, 592.13 FEET FROM THE NORTHWESTERLY CORNER THEREOF; THENCE NORTH 89° 59' 10" EAST, PARALLEL WITH THE NORTHERLY LINE OF SAID SOUTHEAST QUARTER, 187.18 FEET; THENCE NORTH 0° 53' 22" EAST, PARALLEL WITH SAID WESTERLY LINE, 62.82 FEET TO THE SOUTHWESTERLY LINE OF LAND DESCRIBED IN PARCEL "B" OF DEDICATION OF EASEMENT, RECORDED IN BOOK 11393 PAGE 234, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 42° 56' 31" EAST, ALONG SAID SOUTHWESTERLY LINE, 118.90 FEET TO THE BEGINNING OF A TANGENT CURVE THEREIN, CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 55 FEET; THENCE SOUTHEASTERLY, ALONG SAID CURVE, 30.36 FEET TO THE END THEREOF; THENCE NORTH 15° 26' 04" EAST, ALONG A RADIAL LINE OF SAID CURVE 30 FEET TO A POINT IN THE NORTHEASTERLY LINE OF SAID PARCEL "B"; THENCE NORTH 0° 53' 22" EAST, PARALLEL WITH THE WESTERLY LINE OF SAID SOUTHEAST QUARTER, 75.08 FEET; THENCE NORTH 84° 40' 22" EAST 198 FEET TO THE POINT OF BEGINNING; THENCE NORTH 84° 40' 22" EAST 152 FEET TO THE WESTERLY LINE OF THE LAND DESCRIBED IN DEED TO WILLIAM HUME, RECORDED IN BOOK 7404 PAGE 116 OF DEEDS, RECORDS OF SAID COUNTY; THENCE SOUTH 0° 53' 22" WEST, ALONG SAID LAST MENTIONED WESTERLY LINE, 186.51 FEET TO THE NORTHEASTERLY CORNER OF PARCEL "A" OF THE HEREINBEFORE MENTIONED DEDICATION OF EASEMENT; THENCE SOUTH 86° 32' 47" WEST ALONG THE NORTHERLY LINE THEREOF, 151.53 FEET TO A LINE DRAWN PARALLEL WITH THE WESTERLY LINE OF SAID SOUTHEAST QUARTER AND PASSING THROUGH THE TRUE POINT OF BEGINNING; THENCE NORTH 0° 53' 22" EAST, ALONG SAID PARALLEL LINE, 181.57 FEET THE TRUE POINT OF BEGINNING.

SAID PARCEL 1 HAS NO FRONTAGE ON ANY ROAD OR HIGHWAY, EXCEPT AS PROVIDED IN PARCEL 2.

PARCEL 2:

RIGHT OF WAY TO BE USED FOR PUBLIC UTILITIES AND AS A DRIVEWAY FOR THE PURPOSE OF INGRESS AND EGRESS FOR VEHICLES AND PEDESTRIANS, AS DEDICATED AND DECLARED IN THAT CERTAIN DEDICATION OF EASEMENT, RECORDED MARCH 2, 1932 IN BOOK 11393 PAGE 234, OFFICIAL RECORDS.

SCHEDULE B

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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:

T 1. PROPERTY TAXES, INCLUDING ANY ASSESSMENTS COLLECTED WITH TAXES, TO BE LEVIED FOR THE FISCAL YEAR 2010-2011 THAT ARE A LIEN NOT YET DUE.

U 2. PROPERTY TAXES, INCLUDING ANY PERSONAL PROPERTY TAXES AND ANY ASSESSMENTS COLLECTED WITH TAXES, FOR THE FISCAL YEAR 2009-2010.

1ST INSTALLMENT: \$362.71
PENALTY: \$36.27 (DUE AFTER DECEMBER 10)
2ND INSTALLMENT: \$362.71
PENALTY AND COST: \$46.27 (DUE AFTER APRIL 10)
HOMEOWNERS
EXEMPTION: \$none
CODE AREA: 0008677
ASSESSMENT NO: 4453-015-003

V 3. SAID PROPERTY HAS BEEN DECLARED TAX-DEFAULTED FOR NON-PAYMENT OF DELINQUENT TAXES FOR FISCAL YEAR 2006-2007 (AND SUBSEQUENT YEARS, IF ANY)

AMOUNT TO REDEEM: \$1,016.35
IF PAID BY: FEBRUARY 28, 2010

AMOUNT TO REDEEM: \$1,026.98
IF PAID BY: MARCH 31, 2010

D SAID AMOUNT TO PAY INCLUDES DELINQUENT TAX AMOUNTS SHOWN HEREIN ABOVE.

E 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.

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

G 6. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

PURPOSE: PUBLIC UTILITIES AND DRIVE WAY
RECORDED: IN BOOK 11393 PAGE 234, OFFICIAL RECORDS
AFFECTS: PARCEL 2

**SCHEDULE B
(continued)**

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

GRANTED TO: SOUTHERN CALIFORNIA EDISON COMPANY, A CORPORATION
PURPOSE: PUBLIC UTILITIES
RECORDED: AUGUST 20, 1970 AS INSTRUMENT NO. 2988, OFFICIAL RECORDS
AFFECTS: A PORTION OF SAID LAND

I REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

J 8. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

GRANTED TO: SOUTHERN CALIFORNIA EDISON COMPANY, A CORPORATION
PURPOSE: PUBLIC UTILITIES
RECORDED: APRIL 16, 1971 AS INSTRUMENT NO. 3818, OFFICIAL RECORDS
AFFECTS: A PORTION OF SAID LAND

K REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

L 9. A CONDITIONAL CERTIFICATE OF COMPLIANCE

DATED: JANUARY 30, 1979
EXECUTED BY: COUNTY OF LOS ANGELES, DEPARTMENT OF REGIONAL PLANNING

COMPLIANCE NO.: CC 1319
RECORDED: JANUARY 30, 1979 AS INSTRUMENT NO. 79-129908, OFFICIAL RECORDS
CONDITIONS:
1. PROVIDE AN IRREVOCABLE OFFER OF DEDICATION FOR A RIGHT OF WAY 25 FEET FROM THE LATEST APPROVED CENTERLINE OF LAMPLIGHTER LANE.

2. PROVIDE AN IRREVOCABLE OFFER OF DEDICATION OF A 50 FOOT SLOPE EASEMENT ADJACENT TO THE RIGHT OF WAY FOR LAMPLIGHTER LANE.

M 10. A DEED OF TRUST TO SECURE AN INDEBTEDNESS IN THE ORIGINAL AMOUNT SHOWN BELOW

AMOUNT: \$11,213.00
DATED: AUGUST 1, 1982
TRUSTOR: A. GORDON NELSON
TRUSTEE: GREGORY B. NELSON
BENEFICIARY: GREGORY B. NELSON

SCHEDULE B (continued)

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RECORDED: AUGUST 19, 1982 AS INSTRUMENT NO. 82-836324, OFFICIAL RECORDS

N END OF SCHEDULE B

0 NOTE NO. 1: 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.).

NOTE NO. 2: 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: A PORTION OF SAID LAND

(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 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.)

NOTE NO. 3: THERE ARE NO CONVEYANCES AFFECTING SAID LAND, RECORDED WITHIN TWENTY-FOUR (24) MONTHS OF THE DATE OF THIS REPORT.

NOTE NO. 4: THE CHARGE FOR A POLICY OF TITLE INSURANCE, WHEN ISSUED THROUGH THIS TITLE ORDER, WILL BE BASED ON THE BASIC (NOT SHORT-TERM RATE) TITLE INSURANCE RATE.

P NOTE NO. 5: 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.

WI RE TRANSFERS

**SCHEDULE B
(continued)**

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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: CHICAGO TITLE COMPANY
WESTSIDE/BEACH CITIES MARKET CENTER

ACCOUNT NO.: 12350-50723

FOR CREDIT TO: CHICAGO TITLE COMPANY
WESTSIDE/BEACH CITIES MARKET CENTER

FURTHER CREDIT TO: ORDER NO.: 606063853

0 NOTE NO. 6: 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
WS/VA



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.