Title Transmittal

Empire Capital
3536 Concours, Suite 300
Ontario, CA 91764-5593
Attention: Paul Roman

RE: 826246
Anaverde 53840-01

Please find enclosed amended Preliminary Subdivision Report dated March 14, 2003

Mike Einstein
Title Officer
Preliminary Subdivision Report

For The Benefit Of The Subdivider, The Subdivider's Engineer Or Surveyor, The County Of Los Angeles, And Any City Within Which The Subdivision Is Located.

Order No.: 826246-51
Tract No.: 53840-01
Date: March 14, 2003 At 7:30 A.M.

A Preliminary Examination Of Those Public Records Which, Under The Recording Laws, Impart Constructive Notice Of Matters Affecting The Title To The Land Covered By The Tentative Subdivision Map Of Tract No. 53840-01 Prepared By Sikand Engineering And Received By First American Title Company Of Los Angeles On February 24, 2003 Discloses That The Parties Whose Signatures Will Be Necessary, Under The Provisions Of The Subdivision Map Act, On The Final Subdivision Map Of Said Land, Are As Set Forth Below.

This Report Is Furnished As An Accommodation For The Sole Purpose Of Preliminary Planning And Facilitating Compliance With Requirements Necessary For The Issuance Of A Subdivision Guarantee. It Is Understood That Our Liability Is Solely That Expressed In Such Guarantee, And That No Liability Separate From Or Other Than Our Liability Under Said Guarantee Is Assumed By This Report, Except That If No Guarantee Is Issued Under This Order, The Amount Paid For This Report Shall Be The Maximum Liability Of The Company.

The Map Referred To Herein Is A Subdivision Of:


1. The Signature Of The Party Named Hereinafter Will Be Required As Owner Of The Interest Shown, Pursuant To The Provisions Of Section 66436 Of The Subdivision Map Act.
Nature Of Interest: Fee.
Owner: Anaverde Llc, A Delaware Limited Liability Company.
By Document Recorded: November 15, 2002 As Instrument No. 02-2759454.

2. The Signature Of One Of The Parties Named Below Will Be Required As Trustee Or Beneficiary Under Deed Of Trust.
3. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-Viii) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.
Nature Of Interest: Easement For Public Utilities.
Owner: Sbc, A Corporation, Successor The Pacific Telephone And Telegraph Company, A Corporation .

4. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-Viii) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.
Nature Of Interest: Easement For Public Utilities And Road.

5. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-Viii) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.
Nature Of Interest: Easement For Public Utilities .
Owner: Southern California Edison Company, A Corporation .

6. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-Viii) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.
Nature Of Interest: Easement For Public Utilities .
Owner: Sbc, A Corporation, Successor To Southern California Telephone Company.
By Document Recorded: In Book 19247 Page 293, Official Records.

7. INTENTIONALLY DELETED.

8. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-Viii) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.
Nature Of Interest: Easement For Public Utilities .
Owner: American Telephone And Telegraph Company.

Note: Said Easement Is Blanket In Nature.

9. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-Viii) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.
Nature Of Interest: Easements For Access, Roads, Flood, Overflow And Incidental Purposes .
Owner: State Of California .

10. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.
Nature Of Interest: Easement For Bicycling Trail.
Owner: State Of California.
By Document Recorded: August 14, 1980 As Instrument No. 80-781795.

11. INTENTIONALLY DELETED.

12. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.
Nature Of Interest: Easement For Access Road, Street, Grading, Drainage And Incidental Purposes.
Owner: Ritter Ranch Company, A California Corporation.
By Document Recorded: August 1, 1995 As Instrument No. 95-1256427.

13. INTENTIONALLY DELETED.

14. It Will Be A Requirement Of The Local Agency, In Order To File The Map Named Herein, That Arrangements Be Made For Bonding/Payment Of:

All Taxes And Bonds.

15. The Requirement That The Company Be Provided With Two (2) Prints Of The Final Map Named Herein Approved By The Local Agency, In Order That The Company May Issue Its Guarantee For Said Tract. When Called For By The City And/Or County.
Map No.: Tract 53840-01.
First American Title Company
520 North Central Avenue
Glendale, CA 91203
(818) 242-5800

Title Transmittal

Dated: April 02, 2003

Empire Capital
3536 Concours, Suite 300
Ontario, CA 91764-5593
Attention: Paul Roman

RE: 799638
    Anaverde Parcel Map 27026

Please find enclosed copy of our Preliminary Parcel Map report dated March 26, 2003, per your request.

Mike Einstein
Title Officer
PRELIMINARY PARCEL MAP REPORT

For The Benefit Of The Subdivider, The Subdivider's Engineer Or Surveyor, The County Of Los Angeles, And Any City Within Which The Subdivision Is Located.

Order No.: 799638-51

Parcel Map No.: 27026

Date: March 26, 2003 At 7:30 A.M.


This Report Is Furnished As An Accommodation For The Sole Purpose Of Preliminary Planning And Facilitating Compliance With Requirements Necessary For The Issuance Of A Parcel Map Guarantee. It Is Understood That Our Liability Is Solely That Expressed In Such Guarantee, And That No Liability Separate From Or Other Than Our Liability Under Said Guarantee Is Assumed By This Report, Except That If No Guarantee Is Issued Under This Order, The Amount Paid For This Report Shall Be The Maximum Liability Of The Company.

The Map Referred To Herein Is A Subdivision Of:

A Portion Of Section 32, Township 6 North, Range 12 West, San Bernardino Meridian, In The City Of Palmdale, County Of Los Angeles, State Of California, According To The Official Plat Of Said Land.

1. The Signature Of The Party Named Hereinafter Will Be Required As Owner Of The Interest Shown, Pursuant To The Provisions Of Section 66436 Of The Subdivision Map Act.
   Nature Of Interest: Fee.
   Owner: Anaverde LLC, A Delaware Limited Liability Company.
   By Document Recorded: November 15, 2002 As Instrument No. 02-2759454.

2. The Signature Of One Of The Parties Named Below Will Be Required As Trustee Or Beneficiary Under Deed Of Trust.
   Recorded: November 15, 2002 As Instrument No. 02-2759455.
   Trustee: Comerica Bank-California, A California Banking Corporation.
   Beneficiary: Comerica Bank-California, A California Banking Corporation.
3. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency. 
Nature Of Interest: Easement For Public Utilities .
Owner: American Telephone And Telegraph Company.

Note: Said Easement Is Not Definitely Located Of Record.

4. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency. 
Nature Of Interest: Easement For Public Utilities And Road.

5. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency. 
Nature Of Interest: Easement For Public Utilities And Incidental Purposes.
Owner: Southern California Edison Company, A Corporation .

6. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency. 
Nature Of Interest: Easement For Public Utilities .
Owner: Sbc, A Corporation, Successor The Pacific Telephone And Telegraph Company, A Corporation .

7. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency. 
Nature Of Interest: Easement For Public Utilities .
Owner: Southern California Edison Company, A Corporation .

8. It Will Be A Requirement Of The Local Agency, In Order To File The Map Named Herein, That Arrangements Be Made For Bonding/Payment Of: 

All Taxes And Bonds.

Map No.: Pm 27026.
First American Title Company Los Angeles

Mike Einstein
Title Officer
Title Transmittal

Empire Capital
3536 Concours, Suite 300
Ontario, CA 91764-5593
Attention: Paul Roman

RE: 799635

Anaverde Parcel Map 27025

Dated: April 03, 2003

Please find enclosed copy of our Preliminary Parcel Map report dated March 25, 2003, per your request.

Mike Einstein
Title Officer
PRELIMINARY PARCEL MAP REPORT

FOR THE BENEFIT OF THE SUBdivider, THE SUBdivider'S ENGINEER OR SURVEYOR, THE COUNTY OF LOS ANGELES, AND ANY CITY WITHIN WHICH THE SUBDIVISION IS LOCATED.

ORDER NO.: 799635-51
PARCEL MAP NO.: 27024
DATE: MARCH 25, 2003 AT 7:30 A.M.

A PRELIMINARY EXAMINATION OF THOSE PUBLIC RECORDS WHICH, UNDER THE RECORDING LAWS, IMPART CONSTRUCTIVE NOTICE OF MATTERS AFFECTING THE TITLE TO THE LAND COVERED BY THE TENTATIVE PARCEL MAP OF PARCEL MAP NO. 27024 PREPARED BY SIKAND ENGINEERING AND RECEIVED BY FIRST AMERICAN TITLE COMPANY OF LOS ANGELES ON FEBRUARY 5, 2003 DISCLOSES THAT THE PARTIES WHOSE SIGNATURES WILL BE NECESSARY, UNDER THE PROVISIONS OF THE SUBDIVISION MAP ACT, ON THE FINAL PARCEL MAP OF SAID LAND, ARE AS SET FORTH BELOW.

THIS REPORT IS FURNISHED AS AN ACCOMMODATION FOR THE SOLE PURPOSE OF PRELIMINARY PLANNING AND FACILITATING COMPLIANCE WITH REQUIREMENTS NECESSARY FOR THE ISSUANCE OF A PARCEL MAP GUARANTEE. IT IS UNDERSTOOD THAT OUR LIABILITY IS SOLELY THAT EXPRESSED IN SUCH GUARANTEE, AND THAT NO LIABILITY SEPARATE FROM OR OTHER THAN OUR LIABILITY UNDER SAID GUARANTEE IS ASSUMED BY THIS REPORT, EXCEPT THAT IF NO GUARANTEE IS ISSUED UNDER THIS ORDER, THE AMOUNT PAID FOR THIS REPORT SHALL BE THE MAXIMUM LIABILITY OF THE COMPANY.
THE MAP REFERRED TO HEREIN IS A SUBDIVISION OF:

A PORTION OF SECTION 32, TOWNSHIP 6 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

1. THE SIGNATURE OF THE PARTY NAMED HEREINAFTER WILL BE REQUIRED AS OWNER OF THE INTEREST SHOWN, PURSUANT TO THE PROVISIONS OF SECTION 66436 OF THE SUBDIVISION MAP ACT.
   NATURE OF INTEREST: FEE.
   OWNER: ANAVERDE LLC, A DELAWARE LIMITED LIABILITY COMPANY.
   BY DOCUMENT RECORDED: NOVEMBER 15, 2002 AS INSTRUMENT NO. 02-2759454.

2. THE SIGNATURE OF ONE OF THE PARTIES NAMED BELOW WILL BE REQUIRED AS TRUSTEE OR BENEFICIARY UNDER DEED OF TRUST.
   TRUSTEE: COMERICA BANK-CALIFORNIA, A CALIFORNIA BANKING CORPORATION.
   BENEFICIARY: COMERICA BANK-CALIFORNIA, A CALIFORNIA BANKING CORPORATION.

3. THE SIGNATURE OF THE PARTY NAMED HEREINAFTER AS OWNER OF THE INTEREST SET FORTH, MAY BE OMITTED UNDER THE PROVISIONS OF SECTION 66436, SUBSECTION (a) (3)(A)(i-viii) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURE IS NOT REQUIRED BY THE LOCAL AGENCY.
   NATURE OF INTEREST: EASEMENT FOR PUBLIC UTILITIES.
   OWNER: AMERICAN TELEPHONE AND TELEGRAPH COMPANY.
   BY DOCUMENT RECORDED: MAY 1, 1963 IN BOOK M1257 PAGE 122, OFFICIAL RECORDS AS INSTRUMENT NO. 5805.

NOTE: SAID EASEMENT IS NOT DEFINITELY LOCATED OF RECORD.

4. THE SIGNATURE OF THE PARTY NAMED HEREINAFTER AS OWNER OF THE INTEREST SET FORTH, MAY BE OMITTED UNDER THE PROVISIONS OF SECTION 66436, SUBSECTION (a) (3)(A)(i-viii) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURE IS NOT REQUIRED BY THE LOCAL AGENCY.
   NATURE OF INTEREST: EASEMENT FOR PUBLIC UTILITIES.
   OWNER: AMERICAN TELEPHONE AND TELEGRAPH COMPANY, A CORPORATION.
   BY DOCUMENT RECORDED: OCTOBER 9, 1964 IN BOOK D2659 PAGE 357, OFFICIAL RECORDS.

5. THE SIGNATURE OF THE PARTY NAMED HEREINAFTER AS OWNER OF THE INTEREST SET FORTH, MAY BE OMITTED UNDER THE PROVISIONS OF SECTION 66436, SUBSECTION (a) (3)(A)(i-viii) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURE IS NOT REQUIRED BY THE LOCAL AGENCY.
   NATURE OF INTEREST: EASEMENT FOR DRAINAGE AND INCIDENTAL PURPOSES.
   OWNER: STATE OF CALIFORNIA.
   BY DOCUMENT RECORDED: OCTOBER 4, 1968 IN BOOK D4153 PAGE 623, OFFICIAL RECORDS.

6. IT WILL BE A REQUIREMENT OF THE LOCAL AGENCY, IN ORDER TO FILE THE MAP NAMED HEREIN, THAT ARRANGEMENTS BE MADE FOR BONDING/PAYMENT OF:

   ALL TAXES AND BONDS.
7. THE REQUIREMENT THAT THE COMPANY BE PROVIDED WITH TWO (2) PRINTS OF THE FINAL MAP NAMED HEREIN APPROVED BY THE LOCAL AGENCY, IN ORDER THAT THE COMPANY MAY ISSUE ITS GUARANTEE FOR SAID TRACT WHEN CALLED FOR BY THE CITY AND/OR COUNTY. MAP NO.: PM 27024.

First American Title Company
Los Angeles

Mike Einstein
MIKE EINSTEIN, TITLE OFFICER
EXTENSION 5578
DIRECT FAX (818) 244-8939
Title Transmittal

Empire Capital
3536 Concourse, Suite 300
Ontario, CA 91764-5593
Attention: Paul Roman

RE: 799633

Anaverde Parcel Map 27024

Dated: April 03, 2003

Please find enclosed copy of our Preliminary Parcel Map report dated March 26, 2003, per your request.

Mike Einstein
Title Officer
Preliminary Parcel Map Report

For The Benefit Of The Subdivider, The Subdivider's Engineer Or Surveyor, The County Of Los Angeles, And Any City Within Which The Subdivision Is Located.

Order No.: 79963 3:51
Parcel Map No.: 27025
Date: March 26, 2003 At 7:30 A.M.


This Report Is Furnished As An Accommodation For The Sole Purpose Of Preliminary Planning And Facilitating Compliance With Requirements Necessary For The Issuance Of A Parcel Map Guarantee. It Is Understood That Our Liability Is Solely That Expressed In Such Guarantee, And That No Liability Separate From Or Other Than Our Liability Under Said Guarantee Is Assumed By This Report, Except That If No Guarantee Is Issued Under This Order, The Amount Paid For This Report Shall Be The Maximum Liability Of The Company.

The Map Referred To Herein Is A Subdivision Of:


1. The Signature Of The Party Named Hereinafter Will Be Required As Owner Of The Interest Shown, Pursuant To The Provisions Of Section 66436 Of The Subdivision Map Act.
   Nature Of Interest: Fee.
   Owner: Anaverde Llc, A Delaware Limited Liability Company, .
   By Document Recorded: November 15, 2002 As Instrument No. 02-2759454.

2. The Signature Of One Of The Parties Named Below Will Be Required As Trustee Or Beneficiary Under Deed Of Trust.
   Recorded: November 15, 2002 As Instrument No. 02-2759455.
   Trustee: Comerica Bank-California, A California Banking Corporation.
   Beneficiary: Comerica Bank-California, A California Banking Corporation.
3. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.
Nature Of Interest: Easement For Public Utilities.
Owner: American Telephone And Telegraph Company.

Note: Said Easement Is Not Definitely Located Of Record.

4. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.
Nature Of Interest: Easement For Public Utilities And Road.

5. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.
Nature Of Interest: Easement For Public Utilities.
Owner: SBC, A Corporation, Successor The Pacific Telephone And Telegraph Company, A Corporation.

6. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.
Nature Of Interest: Easement For Public Utilities And Incidental Purposes.
Owner: Southern California Edison Company, A Corporation.

7. It Will Be A Requirement Of The Local Agency, In Order To File The Map Named Herein, That Arrangements Be Made For Bonding/Payment Of:

All Taxes And Bonds.

8. The Requirement That The Company Be Provided With Two (2) Prints Of The Final Map Named Herein Approved By The Local Agency, In Order That The Company May Issue Its Guarantee For Said Tract When Called For By The City And/Or County.
Map No.: Pm 27025.

First American Title Company Los Angeles

Mike Einstein
Title Officer
Title Transmittal

Dated: April 02, 2003

Empire Capital
3536 Concours, Suite 300
Ontario, CA 91764-5593
Attention: Paul Roman

RE: 799638
Anaverde Parcel Map 27026

Please find enclosed copy of our Preliminary Parcel Map report dated March 26, 2003, per your request.

Mike Einstein
Title Officer
PRELIMINARY PARCEL MAP REPORT

For The Benefit Of The Subdivider, The Subdivider’s Engineer Or Surveyor, The County
Of Los Angeles, And Any City Within Which The Subdivision Is Located.

Order No.: 7644616-54

Parcel Map No.: 27026

Date: March 26, 2003 At 7:30 A.M.

A Preliminary Examination Of Those Public Records Which, Under The Recording Laws,
Impart Constructive Notice Of Matters Affecting The Title To The Land Covered By The
Tentative Parcel Map Of Parcel Map No. 27026 Prepared By Sikand Engineering And
Received By First American Title Company Of Los Angeles On March 28, 2003 Discloses
That The Parties Whose Signatures Will Be Necessary, Under The Provisions Of The
Subdivision Map Act, On The Final Parcel Map Of Said Land, Are As Set Forth Below.

This Report Is Furnished As An Accommodation For The Sole Purpose Of Preliminary
Planning And Facilitating Compliance With Requirements Necessary For The Issuance Of
A Parcel Map Guarantee. It Is Understood That Our Liability Is Solely That Expressed In
Such Guarantee, And That No Liability Separate From Or Other Than Our Liability Under
Said Guarantee Is Assumed By This Report, Except That If No Guarantee Is Issued Under
This Order, The Amount Paid For This Report Shall Be The Maximum Liability Of The
Company.

The Map Referred To Herein Is A Subdivision Of:

A Portion Of Section 32, Township 6 North, Range 12 West, San Bernardino Meridian, In
The City Of Palmdale, County Of Los Angeles, State Of California, According To The
Official Plat Of Said Land.

1. The Signature Of The Party Named Hereinafter Will Be Required As Owner Of The
Interest Shown, Pursuant To The Provisions Of Section 66436 Of The Subdivision Map
Act.
Nature Of Interest: Fee.
Owner: Anaverde Llc, A Delaware Limited Liability Company.
By Document Recorded: November 15, 2002 As Instrument No. 02-2759454.

2. The Signature Of One Of The Parties Named Below Will Be Required As Trustee Or
Beneficiary Under Deed Of Trust.
Recorded: November 15, 2002 As Instrument No. 02-2759455.
Trustee: Comerica Bank-California, A California Banking Corporation.
Beneficiary: Comerica Bank-California, A California Banking Corporation.
3. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.

Nature Of Interest: Easement For Public Utilities.

Owner: American Telephone And Telegraph Company.


Note: Said Easement Is Not Definitely Located Of Record.

4. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.

Nature Of Interest: Easement For Public Utilities And Road.


5. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.

Nature Of Interest: Easement For Public Utilities And Incidental Purposes.

Owner: Southern California Edison Company, A Corporation.


6. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.

Nature Of Interest: Easement For Public Utilities.

Owner: Sbc, A Corporation, Successor The Pacific Telephone And Telegraph Company, A Corporation.


7. The Signature Of The Party Named Hereinafter As Owner Of The Interest Set Forth, May Be Omitted Under The Provisions Of Section 66436, Subsection (A) (3)(A)(I-VIII) Of The Subdivision Map Act, Their Interest Is Such That It Cannot Ripen Into A Fee Title And Said Signature Is Not Required By The Local Agency.

Nature Of Interest: Easement For Public Utilities.

Owner: Southern California Edison Company, A Corporation.


8. It Will Be A Requirement Of The Local Agency, In Order To File The Map Named Herein, That Arrangements Be Made For Bonding/Payment Of:

All Taxes And Bonds.


Map No.: Pm 27026.
July 28, 2008

Peter Healy
O'Melveny & Myers
275 Battery Street, Suite 2600
San Francisco, CA 94111-3338
Phone: (415)984-8700
Fax: (415)984-8701

Customer Reference: Anaverde

Title Officer: Jeanie Quintal
Phone: (800)668-4853
Fax No.: (818)337-7471
E-Mail: jquntil@firstam.com

Buyer:

PRELIMINARY REPORT

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

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

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

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

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

First American Title Insurance Company
Dated as of July 23, 2008 at 7:30 A.M.

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

Prelim Only

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

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

Anaverde LLC, a Delaware limited liability company

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

a fee as to Anaverde Ranch Parcel 1;
an easement as to Anaverde Ranch Parcel 2;
and a fee as to Chandar Parcels 1 to 8 inclusive.

The Land referred to herein is described as follows:

(See attached Legal Description)

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

THE FOLLOWING MATTERS AFFECT ALL PARCELS:

1. General and special taxes and assessments for the fiscal year 2008-2009, a lien not yet due or payable.

THE FOLLOWING TAXES AFFECT ANAVERDE:

2. General and special taxes and assessments for the fiscal year 2007-2008.

First Installment: $5,853.24, PAID
Penalty: $0.00
Second Installment: $5,853.24, PAID
Penalty: $595.32
Tax Rate Area: 13594
A. P. No.: 3206-019-003


First Installment: $5,853.24, PAID
Penalty: $0.00
Second Installment: $5,853.24, PAID
Penalty: $595.32
Tax Rate Area: 13594

First American Title Insurance Company

First Installment: $9,288.14, PAID
Penalty: $0.00
Second Installment: $9,288.12, PAID
Penalty: $938.81
Tax Rate Area: 13594
A. P. No.: 3206-019-005

5. General and special taxes and assessments for the fiscal year 2007-2008.

First Installment: $3,611.50, PAID
Penalty: $0.00
Second Installment: $3,611.48, PAID
Penalty: $371.15
Tax Rate Area: 11750
A. P. No.: 3206-019-007


First Installment: $11,285.73, PAID
Penalty: $0.00
Second Installment: $11,285.71, PAID
Penalty: $1,138.57
Tax Rate Area: 11750
A. P. No.: 3206-019-010


First Installment: $8,231.32, PAID
Penalty: $0.00
Second Installment: $8,231.30, PAID
Penalty: $833.13
Tax Rate Area: 11750
A. P. No.: 3206-019-015


First Installment: $9,465.98, PAID
Penalty: $0.00
Second Installment: $9,465.98, PAID
Penalty: $956.60
Tax Rate Area: 13594
A. P. No.: 3206-019-019


First Installment: $5,842.99, PAID
Penalty: $0.00
Second Installment: $5,842.98, PAID
Penalty: $594.30
Tax Rate Area: 09587

First American Title Insurance Company
A. P. No.: 3206-020-001


First Installment: $5,853.24, PAID
Penalty: $0.00
Second Installment: $5,853.24, PAID
Penalty: $595.32
Tax Rate Area: 11750
A. P. No.: 3206-020-002


First Installment: $824.55, PAID
Penalty: $0.00
Second Installment: $824.54, PAID
Penalty: $92.45
Tax Rate Area: 11750
A. P. No.: 3206-020-006


First Installment: $9,414.60, PAID
Penalty: $0.00
Second Installment: $9,414.58, PAID
Penalty: $951.46
Tax Rate Area: 11750
A. P. No.: 3206-020-007


First Installment: $16,589.56, PAID
Penalty: $0.00
Second Installment: $16,589.55, PAID
Penalty: $1,668.96
Tax Rate Area: 11750
A. P. No.: 3206-020-008


First Installment: $50,870.02, PAID
Penalty: $0.00
Second Installment: $50,870.00, PAID
Penalty: $5,097.00
Tax Rate Area: 11750
A. P. No.: 3206-023-001


First Installment: $5,172.78, PAID
Penalty: $0.00
Second Installment: $5,172.78, PAID
Penalty: $527.28
Tax Rate Area: 11751

First Installment: $7,466.55, PAID
Penalty: $0.00
Second Installment: $7,466.53, PAID
Penalty: $756.65
Tax Rate Area: 13594
A. P. No.: 3206-024-002


First Installment: $12,091.38, PAID
Penalty: $0.00
Second Installment: $12,091.36, PAID
Penalty: $1,219.14
Tax Rate Area: 13938
A. P. No.: 3206-024-005

THE FOLLOWING TAXES AFFECT CHANDAR:

18. General and special taxes and assessments for the fiscal year 2007-2008.

First Installment: $732.35, PAID
Penalty: $0.00
Second Installment: $732.34, PAID
Penalty: $83.23
Tax Rate Area: 07069
A. P. No.: 3217-001-001


First Installment: $853.38, PAID
Penalty: $0.00
Second Installment: $853.36, PAID
Penalty: $95.34
Tax Rate Area: 07069
A. P. No.: 3217-001-002


First Installment: $625.75, PAID
Penalty: $0.00
Second Installment: $625.74, PAID
Penalty: $72.57
Tax Rate Area: 07069
A. P. No.: 3217-001-021


First Installment: $117.06, PAID
Penalty: $0.00
Second Installment: $117.06, PAID

First American Title Insurance Company
Penalty: $21.71  
Tax Rate Area: 07066  
A. P. No.: 3217-001-022


First Installment: $483.60, PAID  
Penalty: $0.00  
Second Installment: $483.60, PAID  
Penalty: $58.36  
Tax Rate Area: 07069  
A. P. No.: 3217-001-037


First Installment: $149.64, PAID  
Penalty: $0.00  
Second Installment: $149.63, PAID  
Penalty: $24.96  
Tax Rate Area: 07066  
A. P. No.: 3217-001-038


First Installment: $738.27, PAID  
Penalty: $0.00  
Second Installment: $738.26, PAID  
Penalty: $83.83  
Tax Rate Area: 07069  
A. P. No.: 3217-001-039


First Installment: $149.64, PAID  
Penalty: $0.00  
Second Installment: $149.63, PAID  
Penalty: $24.96  
Tax Rate Area: 07069  
A. P. No.: 3217-001-040


First Installment: $214.79, PAID  
Penalty: $0.00  
Second Installment: $214.79, PAID  
Penalty: $31.48  
Tax Rate Area: 07069  
A. P. No.: 3217-001-043

27. General and special taxes and assessments for the fiscal year 2007-2008.

First Installment: $667.20, PAID  
Penalty: $0.00  
Second Installment: $667.20, PAID

*First American Title Insurance Company*
Penalty: $76.72  
Tax Rate Area: 07069  
A. P. No.: 3217-001-046


First Installment: $131.87, PAID  
Penalty: $0.00  
Second Installment: $131.86, PAID  
Penalty: $23.19  
Tax Rate Area: 07069  
A. P. No.: 3217-001-047

THE FOLLOWING MATTERS AFFECT ALL PARCELS:

29. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

30. Water rights, claims or title to water, whether or not shown by the public records.

THE FOLLOWING MATTERS AFFECT THE LAND SHOWN IN THE LEGAL DESCRIPTION AS "ANAVERDE RANCH" ONLY:


32. An easement for underground communications and appurtenances thereof and incidental purposes in the document recorded January 24, 1952 as Instrument No. 2790, in Book 38113 Pages 118 and 119 of Official Records, as such easement is depicted on that certain survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

33. An easement for electrical lines with rights of ingress and egress and incidental purposes in the document recorded October 20, 1964 as Instrument No. 1357, in Book D2669 Pages 384 to 386 inclusive of Official Records, as such easement is depicted on that certain prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.


35. An easement for public utility, road and access purposes and incidental purposes in the document recorded September 30, 1980 as Instrument No. 80-952859 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

36. An easement for electrical facilities with ingress and egress and incidental purposes in the document recorded November 30, 1992 as Instrument No. 92-2222412 of Official Records, as

First American Title Insurance Company
such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

37. The terms and provisions contained in the document entitled "Reciprocal Easement Agreement" recorded August 1, 1995 as Instrument No. 95-1256427 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

38. Covenants, conditions, restrictions and easements in the document recorded August 1, 1995 as Instrument No. 95-1256427 of Official Records, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.


40. An easement for public road and highway purposes and incidental purposes in the document recorded August 6, 1929 as Instrument No. 852, in Book 8206 Pages 397 and 398 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

41. An easement for conduits, cables and appurtenances thereof and incidental purposes in the document recorded April 24, 1942 as Instrument No. 1237, in Book 19247 Page 293 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

42. An easement for electric lines and incidental purposes in the document recorded September 6, 1960 as Instrument No. 2989, in Book D967 Page 117 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

43. An easement for public utilities with rights of ingress and egress and incidental purposes in the document recorded October 9, 1964 as Instrument No. 5752, in Book D2659 Pages 357 and 358 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

44. An easement for road, drainage and appurtenances thereof and incidental purposes in the document recorded October 4, 1968 as Instrument No. 415, in Book D4153 Pages 623 to 651 inclusive of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

45. An easement for communication and appurtenances and incidental purposes in the document recorded January 3, 1972 as Instrument No. 2237, in Book D5308 Pages 212 and 213 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

46. An easement for bike trail purposes and incidental purposes in the document recorded August 14, 1980 as Instrument No. 80-781795 of Official Records, as such easement is depicted

First American Title Insurance Company
on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

47. An easement for conduits, cables, appurtenances and incidental purposes in the document recorded August 23, 1994 as Instrument No. 94-1551479 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

48. An easement for public utilities and incidental purposes in the document recorded October 13, 1995 as Instrument No. 95-1658354 and 95-1658355 both of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

49. The terms and provisions contained in the document entitled "Notice of Special Tax Lien Improvement Areas B, C and D of the City of Palmdale Community Facilities District No. 2003-1 (Ana Verde Public Improvements)" recorded September 9, 2004 as Instrument No. 04-2321934 through 04-2321936 of Official Records. Assessments, if any, are paid current as of date hereof.

50. An easement for public utilities and incidental purposes in the document recorded May 5, 2005 as Instrument No. 05-1061729 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

THE FOLLOWING MATTERS AFFECT THE LAND SHOWN IN LEGAL DESCRIPTION AS "CHAN D A R" ONLY:

51. An easement for pipe lines and incidental purposes, recorded October 2, 1959 as in Book D-622, Page 619 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Southern California Gas Co., and Southern Counties Gas Co., of California.

Affects: Portions of the herein described land, the exact location of which can be determined by examination of the above mentioned instrument, which contains a complete legal description of the affected portions of said land.

Affects Parcel 1.

52. An easement to construct, maintain, repair and use a private road with such cuts, fills, drainage ditches, culverts, paving or other surfacing and other appurtenances and incidental purposes, recorded April 20, 1964 as Instrument No. 5255 in Book D-2440, Page 591 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: American Telephone and Telegraph Company, a corporation.

Affects: Portions of the herein described land, the exact location of which can be determined by examination of the above mentioned instrument, which contains a complete legal description of the affected portions of said land.

Affects Parcel 1.

53. An easement for public utility, road and sanitary sewer and incidental purposes, recorded

First American Title Insurance Company
April 1, 1971 as Instrument No. 3255 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: County of Los Angeles.

Affects: A strip of and fifty (50.00) feet wide running East and West and the Northerly line of said strip of land shall be the same as the Northerly line of said land and shall traverse the property from East to West.

Affects Parcel 1.

54. Such rights as may be incidental to the ownership of all oil, gas, oil shale, coal, phosphate, sodium, gold, silver, and all other mineral deposits contained in said land, and the right to drill for and extract such deposits of oil and gas, and to prospect for, mine and remove such deposits of other minerals from said land, and to occupy and use so much of the surface of said land as may be required therefor, upon compliance with the conditions and subject to the provisions and limitations of Chapter 5, Part 1, Division 6 of the Public Resources Code; As reserved by the State of California, in patent recorded September 15, 1958 as Instrument No. 3598 in Book D-215, Page 717 of Official Records.

Affects Parcel 1.


In Favor of: California Federal Savings and Loan Association.

Affects: A strip of land fifty (50.00) feet wide running East and West and the Northerly line of said strip of land shall be the same as the Northerly line of said land and shall traverse the property from East to West.

Affects Parcel 1.

56. An easement for public utility road and incidental purposes, recorded November 23, 1979 as Instrument No. 79-1320942 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: City of Los Angeles, a municipal corporation.

Affects: Parcel 1.

57. An easement for public utilities and incidental purposes, recorded June 18, 1981 as Instrument No. 81-609820 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Southern California Edison Company, a corporation.

Affects: Portions of Parcel 1, the exact location of which can be determined by examination of the above mentioned instrument,

First American Title Insurance Company
which contains a complete legal description of the affected portions of said land.

58. An easement for underground cables, wires, conduits, manholes, drains and splicing boxes; surface testing terminals and markers; underground and aboveground repeaters and repeated housings and other appurtenances and incidental purposes, recorded May 4, 1964 as Instrument No. 4725 in Book D-2458, Page 658 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: American Telephone and Telegraph Company, a corporation.

Affects: Portions of Parcel 2, the exact location of which can be determined by examination of the above mentioned instrument, which contains a complete legal description of the affected portions of said land.


In Favor of: California Federal Savings and Loan Association.

Affects: A strip of land fifty (50.00) feet wide running East and West and the Northerly line of said strip of land shall be the same as the Northerly line of said land and shall traverse the property from East to West, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017, dated March 30, 2007.

60. An easement for public utility, road and sanitary sewer and incidental purposes, recorded September 23, 1971 as Instrument No. 112 of Official Records.

In Favor of: California Federal Savings and Loan Association.

Affects: A strip of land fifty (50.00) feet wide running East and West and the Northerly line of said strip of land shall be the same as the Northerly line of said land and shall traverse the property from East to West, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007.

61. An easement for steel or wooden towers or steel or wooden poles, with necessary guys and anchors, together with transmission, telephone and telegraph wires, insulators and cross-arms placed thereon, and other necessary or convenient appurtenances and incidental purposes, recorded as in Book 4037, Page 298 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Southern California Edison Company, a corporation.

Affects: Parcel 3.


In Favor of: Alva Yewell Jones and Emma E. Jones, husband and wife as joint tenants.

Affects: Parcel 3.

63. An easement for road and incidental purposes, recorded August 12, 1949 as Instrument No.

First American Title Insurance Company

In Favor of: William E. Snyder and Hildegarde Snyder, husband and wife as joint tenants.

Affects: Parcel 3.

64. An easement for one or more lines of steel towers poles and/or other structures, wires, cables, including ground wires both over-head and underground and communication circuits, with necessary and convenient foundation insulators and cross arms placed on said structures, and other appurtenances and incidental purposes, recorded April 10, 1963 as in Book D1987, Page 478 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Southern California Edison Company, a corporation.

Affects: Portions of Parcel 3, the exact location of which can be determined by examination of the above mentioned instrument, which contains a complete legal description of the affected portions of said land.

65. An easement for one or more lines of steel towers, poles and/or other structures, wires, cables, including ground wires, both overhead and underground, and communication circuits, with necessary and convenient foundations, guy wires and anchors, insulators and cross arms placed on said structures, and other fixtures, appliances and appurtenances and incidental purposes, recorded April 27, 1964 as Instrument No. 1317 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Southern California Edison Company, a corporation.

Affects: Parcel 3.

66. An easement for a right-of-way to construct and operate a public utility road or access purposes and necessary appurtenances and incidental purposes, recorded January 25, 1980 as Instrument No. 80-91442 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: The City of Los Angeles, a municipal corporation.

Affects: Parcel 3.


Affects Parcel 3.

68. An easement for erecting, constructing, reconstructing, replacing, repairing, changing, operating, inspecting and maintaining a certain power line for the transmission of electricity, all necessary towers, poles, structures, foundation and footings, wires, cables and braces associated therewith or suspended therefrom, any and all associated activities, including the making of all studies and surveys associated therewith, together with the right of ingress and egress over and

First American Title Insurance Company
across said easement and adjacent lands and incidental purposes, recorded November 20, 1990 as Instrument No. 90-1944641 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Sagebrush, a California general partnership.

Affects: Portions of Parcel 3, the exact location of which can be determined by examination of the above-mentioned instrument,
which contains a complete legal description of the affected portions of said land.

69. An easement for electric transmission lines and incidental purposes, recorded May 1, 1925 as in Book 3929, Page 351 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Southern California Edison Company.

Affects: Portions of Parcel 4, the exact location of which can be determined by examination of the above-mentioned instrument,
which contains a complete legal description of the affected portions of said land.

70. An easement for pole lines and conduits and incidental purposes, recorded June 19, 1961 as in Book D1257, Page 628 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Pacific Telephone and Telegraph Company.

Affects: Portions of Parcel 4, the exact location of which can be determined by examination of the above-mentioned instrument,
which contains a complete legal description of the affected portions of said land.

71. An easement for towers, poles, cables and wires and incidental purposes, recorded July 18, 1963 as Instrument No. 1862 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Southern California Edison Company.

Affects: Portions of Parcel 4, the exact location of which can be determined by examination of the above-mentioned instrument,
which contains a complete legal description of the affected portions of said land.

72. An easement for public utility, road and sanitary sewer purposes and incidental purposes, recorded April 1, 1971 as Instrument No. 3253 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: California Federal Savings and Loan Association, a United States corporation Affects: Portions of Parcel 4, the exact location of which can be determined by examination of the above-mentioned instrument,
which contains a complete legal description of the affected portions of said land.

First American Title Insurance Company
73. The effect of the provisions contained in that certain document entitled "Declaration and Grant of Easements" which provisions, among other things, purport to grant easements of ingress and egress over portions of said land.


Affects Parcel 4.

74. An easement for maintaining a certain power line for the transmission of electricity, all necessary towers, poles, structures, foundations and footings, wires, cables and braces associated therewith or suspended therefrom and any and all associated activities, including the making of all studies and surveys associated therewith together with the right of ingress and egress and incidental purposes, recorded January 26, 1989 as Instrument No. 89-134947 of Official Records, as such easement is depicted on that certain ALTA/ACSM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Sagebrush, a California general partnership.


A Notice of Receipt of Payment and Compliance with Terms of Easement, recorded October 2, 1989 as Instrument No. 89-1583339, Official Records which among other things provides for:

The provision for additional payment has been satisfied and the provisions with respect to executing a Reconveyance and Quitclaim Deed of the easement property are of no further force and effect.

75. An easement for maintaining a certain power line for the transmission of electricity, all necessary towers, poles, structures, foundations and footings, wires, cables and braces associated therewith or suspended therefrom and any and all associated activities, including the making of all studies and surveys associated therewith together with the right of ingress and egress and incidental purposes, recorded September 10, 1990 as Instrument No. 90-1557116 of Official Records, as such easement is depicted on that certain ALTA/ACSM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: ToyoWest II, a California general partnership.


76. An easement for power line and incidental purposes, recorded November 20, 1990 as Instrument No. 90-1944641 of Official Records, as such easement is depicted on that certain ALTA/ACSM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Sagebrush, a California general partnership.

Affects: Portions of Parcel 4, the exact location of which can be determined by examination of the above-mentioned instrument, which contains a complete legal description of the affected portions of said land.

77. The effect of a Consent Agreement, between Southern California Edison Company and Sagebrush, a California general partnership, recorded January 8, 1991 as Instrument No. 91-28529, Official Records, whereby Edison consents to the use of their easements as disclosed by First American Title Insurance Company.
said document and under the conditions as set forth therein.

Affects Parcel 4.

78. An easement for metal towers, wood and/or metal poles and incidental purposes, recorded February 25, 1994 as Instrument No. 94-381703 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Southern California Edison Company, a corporation.

Affects: Portions of Parcel 4, the exact location of which can be determined by examination of the above-mentioned instrument, which contains a complete legal description of the affected portions of said land.

79. An easement for poles, anchors, wires, cables, conduits, manholes, markers, and necessary fixtures and appurtenances and incidental purposes, recorded June 19, 1961 as Instrument No. 2984 in Book D1257, Page 626 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Pacific Telephone and Telegraph Company, a corporation.

Affects: The Northerly 10 feet and the Westerly 5 feet of Parcel 5.

80. An easement for one or more lines of steel towers, poles and/or other structures, wires, cables, including ground wires both overhead and underground, and communication circuits, with necessary and convenient foundations, guy wires and anchors, insulators and crossarms placed on said structures, and other appurtenances and incidental purposes, recorded July 18, 1963 as Instrument No. 1862 in Book D2108, Page 606 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Southern California Edison Company, a corporation.

Affects: Portions of Parcel 5, the exact location of which can be determined by examination of the above-mentioned instrument, which contains a complete legal description of the affected portions of said land.

81. An easement for public utility, road and sanitary sewer and incidental purposes, recorded April 1, 1971 as Instrument No. 3251 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: County of Los Angeles Affects: Portions of Parcel 5, the exact location of which can be determined by examination of the above-mentioned instrument, which contains a complete legal description of the affected portions of said land.

82. An easement for public utility, road and sanitary sewer and incidental purposes, recorded September 23, 1971 as Instrument No. 111 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: California Federal Savings and Loan Association.

First American Title Insurance Company
Affects: A strip of land fifty (50.00) feet wide running East and West and the Northerly line of said strip of land shall be the same as the Northerly line of said land and shall traverse the property from East to West.

83. A permanent easement and right-of-way to construct, maintain, and operate a public utility road for access purposes, together with necessary appurtenances and incidental purposes, recorded September 29, 1980 as Instrument No. 80-947384 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: The City of Los Angeles, a municipal corporation.

Affects: Portions of Parcel 5, the exact location of which can be determined by examination of the above mentioned instrument, which contains a complete legal description of the affected portions of said land.

84. An easement for poles, guys and anchors, crossarms, wires, underground conduits, cables, vaults, manholes, handholes, and including above-ground enclosures, markers and concrete pads and other appurtenant fixtures and incidental purposes, recorded July 6, 1981 as Instrument No. 81-673203 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Southern California Edison Company, a corporation.

Affects: The Northerly 10 feet of Parcel 5.

85. An easement for erecting, constructing, reconstructing, replacing, repairing, changing, operating, inspecting and maintaining a certain power line for the transmission of electricity, all necessary towers, poles, structures, foundations and footings, wires, cables and braces associated therewith or suspended therefrom, any and all associated activities, including the making of all studies and surveys associated therewith, together with the right of ingress and egress over and across said easement and adjacent lands and incidental purposes, recorded November 20, 1990 as Instrument No. 90-1944641 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Sagebrush, a California general partnership.

Affects: Portions of Parcel 5, the exact location of which can be determined by examination of the above mentioned instrument, which contains a complete legal description of the affected portions of said land.

86. The right, privilege and authority to construct, erect, alter, improve, repair, operate and maintain two electric transmission lines consisting of steel or wooden towers or poles, with necessary guys and anchors, together with transmission telephone and telegraph wires, insulators and crossarms placed thereon and other necessary or convenient appurtenances connected therewith, over, across and upon a strip of land 200 feet wide, the center line of which begins at a point in the East line of Section 6, Township 5 North, Range 12 West, a distance of 1825.50 feet, North along said East line from the Southeast corner of said Section 6; Thence Northwesterly in a direct line to a point on the North line of said Section 6, distant East thereon 645.29 feet from the Northwest corner of said section, together with the right of ingress to and egress from said land, as granted by George H. Snyder and Anna M. Snyder, his wife, to

First American Title Insurance Company
Southern California Edison Company by deed recorded in Book 4037, Page 298 of Official Records.

By an instrument dated April 23, 1963 executed by Southern California Edison Company, recorded April 29, 1963 in Book D-2009, Page 400, Official Records, the following described property was quitclaimed to the owner or owners of record.

That portion of the West half of Lot 12 of Section 6, Township 5 North, Range 12 West, San Bernardino Meridian, lying Northeasterly of a line that is parallel with and 100 feet Northeasterly, measured at right angles from a line described as follows:

Beginning at a point in the East line of said Section 6, said point being Northerly 1757.47 feet, measured along said East line from the Southeast corner of said Section 6; Thence Northwesterly to a point in the North line of said Section 6, said last mentioned point being Easterly 644.41 feet, measured along said North line from the Northwest corner of said Section 8.

Excepting therefrom those certain rights for ingress and egress as set forth in said Right of Way Agreement.

Affects Parcel 6.


In Favor of: Alva Yewell Jones and Emma E. Jones, husband and wife as joint tenants.


88. An easement for road and incidental purposes, recorded August 12, 1949 as in Book 30766, Page 33 of Official Records.

In Favor of: William E. Snyder and Hildegarde Snyder, husband and wife as joint tenants.


89. An easement for road and incidental purposes, recorded August 12, 1949 as in Book 30766, Page 34 of Official Records.

In Favor of: Edward Charles Mc Donald Farmer and Betty Farmer, husband and wife as joint tenants.


90. An easement for road and incidental purposes, recorded August 12, 1949 as in Book 30766, Page 35 of Official Records.

In Favor of: Anna Marie Snyder, a single woman, Genevieve Dee Snyder, a single woman and Henry Elias Snyder, Jr., a single man, all as joint tenants.


In Favor of: Reginald Clark Boyd and Mabel M. Boyd, husband and wife, as joint tenants.


In Favor of: Southern California Edison Company, a corporation Affects: Portions of Parcel 6, the exact location of which can be determined by examination of the above mentioned instruments, which contains a complete legal description of the affected portions of said land.

In Favor of: Reginald Clark Boyd and Mabel M. Boyd, husband and wife, as joint tenants.

Affects: Parcel 7.

94. An easement for construction, maintenance and operation of a gas pipe line, together with the right of ingress and egress thereto, and the right to operate and patrol road and pole lines and incidental purposes, recorded as in Book 54533, Page 166 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Southern California Gas Company, a corporation, as to an undivided 70% interest and Southern Counties Gas Company, a corporation, as to an undivided 30% interest.

Affects: Portions of Parcel 7, the exact location of which can be determined by examination of the above mentioned instrument, which contains a complete legal description of the affected portions of said land.

95. An easement for one or more lines of metal towers, poles and/or other structures, wires, cables, including ground wires both overhead and underground, and communication circuits, with necessary and convenient foundations, insulators and crossarms placed on said structures, and other appurtenances and incidental purposes, recorded April 10, 1963 as in Book D1987, Page 478 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Southern California Edison Company, a corporation.

Affects: Portions of Parcel 7, the exact location of which can be determined by examination of the above mentioned instrument, which contains a complete legal description of the affected portions of said land.

96. An easement for underground cables, wires and conduits, and related purposes and incidental purposes, recorded August 3, 1964 as in Book D2574, Page 724 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: American Telephone and Telegraph Company, a corporation.

Affects: Portions of Parcel 7, the exact location of which can be determined by examination of the above mentioned instrument, which contains a complete legal description of the affected portions of said land.

First American Title Insurance Company
97. An easement for ingress and egress and incidental purposes, recorded August 3, 1964 as in Book D2574, Page 724 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

Affects: A 25 foot strip of said land the center line of which is described as follows:

Beginning at a point on the West line of said Lot 12, South 1° 50' 44" EAst 2974.87 feet from the North quarter corner of said Section 6; Thence North 21° 05' 33" EAst 213.02 feet; Thence North 31° 51' 56" EAst 1200.34 feet to the point of termination on the Northerly line of said Lot 12, South 89° 12' 08" EAst, 749.93 feet from the Northwest corner of said Lot 12, as set forth in deed last above mentioned.

98. A permanent easement and right of way to construct, maintain, and operate a public utility road for access purposes, together with necessary appurtenances and incidental purposes, recorded September 17, 1980 as Instrument No. 80-901506 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: The City of Los Angeles, a Municipal Corporation.

Affects: Portions of Parcel 7, the exact location of which can be determined by examination of the above mentioned instrument, which contains a complete legal description of the affected portions of said land.

99. The effect of Consent to Common Use of Easement

Dated: December 11, 1990

Reference is made to said document for full particulars.

Affects Parcel 7.

100. An easement for road purposes and incidental purposes, recorded March 6, 1950 as in Book 32481, Page 252 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Charles Snyder et ux.

Affects: Parcel 8.

101. An easement for power lines and incidental purposes, recorded August 6, 1991 as Instrument No. 91-1225967 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Sagebrush, a California general partnership.

Affects: Parcel 8.
102. An easement for road purposes and incidental purposes, recorded May 11, 2006 as Instrument No. 06-1050781 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: Southern California Edison Company, a corporation Affects: Parcels 2, 4 and 5.

103. An easement for communication systems and incidental purposes, recorded June 9, 2006 as Instrument No. 06-1271265 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

In Favor of: AT&T Corp., a New York corporation, its associated and allied companies, its and their successors, assignees, lessees, licensees and agents

Affects: Parcel 2.


THE FOLLOWING MATTERS AFFECT THE LAND SHOWN IN THE LEGAL DESCRIPTION BOTH AS "ANAKERDE RANCH" AND "CHANDAR":

106. Covenants, conditions, restrictions and easements in the document recorded January 6, 2005 as Instrument No. 05-42589 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Document(s) declaring modifications thereof recorded April 25, 2005 as Instrument No. 05-951728 of Official Records.

107. An easement shown or dedicated on the Map of Tract 53840-01, recorded in Book 1293, Pages 48 to 82 inclusive of Maps, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007:

For: drainage, flood control and incidental purposes.

Affects: Parcel 1 of ANAKERDE RANCH and Parcels 2, 4 and 5 of CHANDAR.

108. Any rights, interest or claims which may exist or arise by reason of or reflected by the following facts shown on the ALTA survey prepared by SIKAND dated March 30, 2007 and last revised June 5, 2007 as Dwg. No. 5100-006-017.
A. Any easements or lesser rights for three (3) fire hydrants within subject property near the southeasterly property line of Exhibit A, Parcel 1.

B. Various walls and fences at the southeasterly property line of Exhibit A, Parcel 1 are located partially within subject property, on property line or cross the property line.

C. Various walkway cross northerly property line of Exhibit A, Parcel 1.

D. South faces of walls at the northerly property line of Exhibit A, Parcel 1 are located south of the property line and cross northerly property lines at various locations.

E. Water valve within subject property at the southeasterly property line of Exhibit A, Parcel 1.

THE FOLLOWING MATTER AFFECTS PARCEL 1 OF ANAVERDE:

109. An easement for underground electrical supply systems and communication systems and incidental purposes in the document recorded May 17, 2007 as Instrument No. 20071198008 of Official Records, as such easement is depicted on that certain ALTA/ASCM survey prepared by Sikand, as Job No. 5100-006-017 dated March 30, 2007 and last revised June 5, 2007.

THE FOLLOWING MATTERS AFFECT PORTIONS OF ANAVERDE:


THE FOLLOWING MATTERS AFFECT ALL PARCELS:

114. Deed of Trust/Mortgage:

Grantor/Trustor: Ana Verde LLC, a Delaware limited liability company
Trustee: First American Title Company
Grantee/Beneficiary: CWCapital LLC, a Massachusetts limited liability company
Original Amount: $125,000,000.00
Dated: August 21, 2007
Recorded: August 22, 2007
Recording No.: 07-3966877

The beneficial interest under said deed of trust has been assigned to Cadim Note Inc., a Quebec corporation by document recorded April 17, 2008 as Instrument No. 20080668526 of Official Records.

Modification of Deed of Trust recorded July 23, 2008 as Instrument No. 20081311803 of Official records.

First American Title Insurance Company

Lien claimant: Dennis McCoy & Sons, Inc.

Amount: $2,778,143.47

116. INTENTIONALLY DELETED.

117. INTENTIONALLY DELETED.

118. INTENTIONALLY DELETED.

119. INTENTIONALLY DELETED.

120. INTENTIONALLY DELETED.

121. INTENTIONALLY DELETED.

122. INTENTIONALLY DELETED.

123. INTENTIONALLY DELETED.

124. INTENTIONALLY DELETED.

125. INTENTIONALLY DELETED.

126. INTENTIONALLY DELETED.

127. INTENTIONALLY DELETED.

128. INTENTIONALLY DELETED.

129. INTENTIONALLY DELETED.


Lien claimant: URS Corporation dba URS Corporation Americas

Amount: $187,222.91


Court: Superior Court, County of Los Angeles

Case No.: BC389362

Plaintiff: URS Corporation dba URS Corporation Americas, a Delaware corporation

Defendant: Anaverde LLC, a limited liability company; Empire Construction, L.P., a limited liability company; Empire Land, LLC, a limited liability company; Empire Partners, Inc., a California corporation, and Does 1 through 50, Inclusive

Purpose: As per the terms therein.

131. An easement for underground electrical supply systems and communication systems and

First American Title Insurance Company
incidental purposes, recorded January 24, 2008 as Instrument No. 020080128481 of Official Records

132. INTENTIONALLY DELETED.


Lien claimant: Griffin Dewatering Corporation

Amount: $117,993.00


Court: Superior Court, County of Los Angeles, North District - Michael D. Antonovich Antelope Valley Courthouse
Case No.: 08C01559
Plaintiff: Griffin Dewatering Corporation, an Alabama corporation
Defendant: Empire Construction, L.P.; Anaverde LLC; and does 1 through 1000, inclusive
Purpose: Foreclosure of said lien, as therein provided

134. INTENTIONALLY DELETED.

135. INTENTIONALLY DELETED.

136. INTENTIONALLY DELETED.

137. INTENTIONALLY DELETED.

138. INTENTIONALLY DELETED.


Lien claimant: Daniellian Associates

Amount: $143,460.55


Lien claimant: RC Becker and Son, Inc.

Amount: $30,377.99

141. INTENTIONALLY DELETED.

142. INTENTIONALLY DELETED.


Lien claimant: Century Reinforcing, Inc.

First American Title Insurance Company
Amount: $37,381.95

144. INTENTIONALLY DELETED.

145. INTENTIONALLY DELETED.

146. INTENTIONALLY DELETED.

147. INTENTIONALLY DELETED.

148. INTENTIONALLY DELETED.

INFORMATIONAL NOTES

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

1. Should this report be used to facilitate your transaction, we must be provided with the following prior to the issuance of the policy:

A. WITH RESPECT TO A CORPORATION:
   1. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
   2. A certificate copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
   3. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

B. WITH RESPECT TO A CALIFORNIA LIMITED PARTNERSHIP:
   1. A certified copy of the certificate of limited partnership (form LP-1) and any amendments thereto (form LP-2) to be recorded in the public records;
   2. A full copy of the partnership agreement and any amendments;
   3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
   4. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

C. WITH RESPECT TO A FOREIGN LIMITED PARTNERSHIP:
   1. A certified copy of the application for registration, foreign limited partnership (form LP-5) and any amendments thereto (form LP-6) to be recorded in the public records;
   2. A full copy of the partnership agreement and any amendment;
   3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
   4. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

D. WITH RESPECT TO A GENERAL PARTNERSHIP:

First American Title Insurance Company
1. A certified copy of a statement of partnership authority pursuant to Section 16303 of the California Corporation Code (form GP-I), executed by at least two partners, and a certified copy of any amendments to such statement (form GP-7), to be recorded in the public records;
2. A full copy of the partnership agreement and any amendments;
3. Requirements which the Company may impose following its review of the above material required herein and other information which the Company may require.

E. WITH RESPECT TO A LIMITED LIABILITY COMPANY:

1. A copy of its operating agreement and any amendments thereto;
2. If it is a California limited liability company, a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) to be recorded in the public records;
3. If it is a foreign limited liability company, a certified copy of its application for registration (LLC-5) to be recorded in the public records;
4. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, such document or instrument must be executed in accordance with one of the following, as appropriate:
   (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such documents must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
   (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
5. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

F. WITH RESPECT TO A TRUST:

1. A certification pursuant to Section 18500.5 of the California Probate Code in a form satisfactory to the Company.
2. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
3. Other requirements which the Company may impose following its review of the material require herein and other information which the Company may require.

G. WITH RESPECT TO INDIVIDUALS:

1. A statement of information.

*****To obtain wire instructions for deposit of funds to your escrow file please contact your Escrow Officer.*****

First American Title Insurance Company
LEGAL DESCRIPTION

Real property in the City of Los Angeles, County of LOS ANGELES, State of California, described as follows:

ANAVERDE RANCH

PARCEL 1:

ALL OF SECTION 29, 30, 31 AND 32, TOWNSHIP 6 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF PALMDALE, AS SHOWN ON MAP FILED IN BOOK 120 PAGES 63 THROUGH 67 INCLUSIVE OF RECORD OF SURVEYS, RECORDS OF SAID COUNTY.

EXCEPT THEREFROM ALL OF PARCEL MAP NO. 27024, FILED IN BOOK 320 PAGES 87 THROUGH 93, INCLUSIVE OF PARCEL MAPS, RECORDS OF SAID COUNTY.

EXCEPT THEREFROM ALL OF PARCEL MAP NO. 27025, FILED IN BOOK 320 PAGES 73 THROUGH 78, INCLUSIVE OF PARCEL MAPS, RECORDS OF SAID COUNTY.

EXCEPT THEREFROM ALL OF PARCEL MAP NO. 27026, FILED IN BOOK 321 PAGES 15 THROUGH 22, INCLUSIVE OF PARCEL MAPS, RECORDS OF SAID COUNTY.

EXCEPT THEREFROM ALL OF PARCEL MAP NO. 27027, FILED IN BOOK 320 PAGES 79 THROUGH 86, INCLUSIVE OF PARCEL MAPS, RECORDS OF SAID COUNTY.


ALSO EXCEPT THEREFROM ALL OF TRACT NO. 51457 FILED IN BOOK 1240 PAGES 7 THROUGH 17, INCLUSIVE OF MAPS, RECORDS OF SAID COUNTY.

ALSO EXCEPT THEREFROM ANY PORTION THEREOF LYING NORTHERLY OF THE SOUTHERLY LINE OF ELIZABETH LAKE ROAD IN THE NORTHWEST QUARTER OF SAID SECTION 29, AS SHOWN ON SAID RECORD OF SURVEY.

ALSO EXCEPT THEREFROM THOSE PORTIONS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED OCTOBER 4, 1968 AS INSTRUMENT NO. 415, OFFICIAL RECORDS, IN SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION DESCRIBED IN THE DEED TO LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, REGION 34, A GOVERNMENTAL AGENCY, RECORDED APRIL 26, 2007 AS INSTRUMENT NO. 20071014004, OFFICIAL RECORDS, IN SAID COUNTY.

APN: 3206-019-003; 3206-019-004; 3206-019-005; 3206-019-007; 3206-019-010; 3206-019-015; 3206-019-019; 3206-020-001; 3206-020-002; 3206-020-006; 3206-020-007; 3206-020-008; 3206-023-001; 3206-023-002; 3206-024-002; 3206-024-005

PARCEL 2:

EASEMENTS AS SET FORTH AND DESCRIBED IN THAT CERTAIN INSTRUMENT ENTITLED "RECI PROCAL EASEMENT AGREEMENT" DATED JULY 25, 1995 BY AND BETWEEN RITTER RANCH

First American Title Insurance Company
COMPANY, A CALIFORNIA CORPORATION AND KAUFMAN AND BROAD OF SOUTHERN CALIFORNIA, INC. ANTELOPE VALLEY DIVISION, A CALIFORNIA CORPORATION, RECORDED AUGUST 1, 1995 AS INSTRUMENT NO. 95-1256427, OFFICIAL RECORDS, SUBJECT TO THE TERMS THEREIN PROVIDED.

CHANDAR

PARCEL 1:

LOT 1 IN SECTION 6, TOWNSHIP 5 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

EXCEPT ALL OIL, GAS, OIL SHALE, COAL, PHOSPHATE, SODIUM, GOLD, SILVER, AND ALL OTHER MINERAL DEPOSITS CONTAINED IN SAID LAND, AND THE RIGHT TO DRILL FOR AND EXTRACT SUCH DEPOSITS OF OIL AND GAS, AND TO PROSPECT FOR, MINE AND REMOVE SUCH DEPOSITS OF OTHER MINERALS FROM SAID LAND, AND TO OCCUPY AND USE SO MUCH OF THE SURFACE OF SAID LAND AS MAY BE REQUIRED THEREFOR, UPON COMPLIANCE WITH THE CONDITIONS AND SUBJECT TO THE PROVISIONS AND LIMITATIONS OF CHAPTER 5, PART 1, DIVISION 6 OF THE PUBLIC RESOURCES CODE; AS RESERVED BY STATE OF CALIFORNIA, IN PATENT RECORDED SEPTEMBER 15, 1958 AS INSTRUMENT NO. 3598 IN BOOK D-215 PAGE 717, OF OFFICIAL RECORDS.

PARCEL 2:

LOT 2, IN SECTION 6, TOWNSHIP 5 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL 3:

THE EAST HALF OF LOT 13 OF SECTION 6, TOWNSHIP 5 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

PARCEL 4:

LOT 4 OF THE NORTHWEST QUARTER OF SECTION 6, TOWNSHIP 5 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

EXCEPT THEREFROM THAT PORTION OF SAID LAND DEEDED TO THE CITY OF LOS ANGELES, BY DEED DATED DECEMBER 29, 1979 AND RECORDED APRIL 1, 1980 AS INSTRUMENT NO. 80-326424 AND RE-RECORDED MAY 8, 1981 AS INSTRUMENT NO. 81-461128, ALL OF OFFICIAL RECORDS.

PARCEL 5:

LOT 3 IN SECTION 6, TOWNSHIP 5 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

EXCEPT THEREFROM THAT PORTION OF SAID LAND GRANTED TO THE CITY OF LOS ANGELES

First American Title Insurance Company
BY DEED DATED MAY 20, 1980 RECORDED SEPTEMBER 29, 1980 AS INSTRUMENT NO. 80-947384, OFFICIAL RECORDS.

PARCEL 6:

THE WEST HALF OF LOT 13 OF SECTION 6, TOWNSHIP 5 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

EXCEPT THE EAST HALF OF SAID LAND.

ALSO EXCEPT THEREFROM THAT PORTION DEEDED TO THE CITY OF LOS ANGELES, BY DEED DATED MAY 20, 1980 AND RECORDED SEPTEMBER 17, 1980 AS INSTRUMENT NO. 80-901505, OFFICIAL RECORDS AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF THE WEST HALF OF THE WEST HALF OF LOT 13 IN SECTION 6, TOWNSHIP 5 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, SITUATE IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF A LINE WHICH IS PARALLEL WITH AND DISTANT SOUTHWESTERLY 230 FEET, MEASURED AT RIGHT ANGLES, FROM THE FOLLOWING DESCRIBED TRANSIT LINE:

BEGINNING AT A POINT IN THE EAST LINE OF SAID SECTION 6, DISTANT THEREON NORTH 0° 56' 38" WEST, 1010.20 FEET FROM A BRASS CAP SET TO MARK THE SOUTHEAST CORNER OF SAID SECTION 6, AS SHOWN IN LOS ANGELES COUNTY ENGINEERS FIELD BOOK 1262, PAGE 222; THENCE FROM SAID POINT OF BEGINNING NORTH 41° 27' 38" WEST, 8097.86 FEET; THENCE SOUTH 89° 59' 13" WEST, 81.12 FEET TO A POINT IN THE WEST LINE OF SAID SECTION 6, DISTANT THEREON SOUTH 01° 03' 34" EAST, 100.44 FEET, FROM A BRASS CAP SET TO MARK THE NORTHWEST CORNER OF SAID SECTION 6, AS SHOWN IN LOS ANGELES COUNTY ENGINEER'S FIELD BOOK 2944, PAGE 62.

PARCEL 7:

THE WEST HALF OF LOT 12 IN SECTION 6, TOWNSHIP 5 NORTH, RANGE 12 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND.

EXCEPT THEREFROM THAT PORTION DEEDED TO THE CITY OF LOS ANGELES BY DEED DATED APRIL 15, 1980 AND RECORDED SEPTEMBER 17, 1980 AS INSTRUMENT NO. 80-901506, OFFICIAL RECORDS.

PARCEL 8:


EXCEPTING THEREFROM ALL URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, ALL OIL, GAS, PETROLEUM, ASPHALTUM, AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, WHETHER SIMILAR TO THESE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR WHICH MAY PRODUCED

First American Title Insurance Company
FROM THE HEREINBEFORE DESCRIBED LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID URANIUM, THORIUM, AND OTHER FISSIONABLE MATERIALS, OIL, GAS PETROLEUM, ASPHALTUM, AND OTHER MINERAL OR HYDROCARBON SUBSTANCES, FROM SAID LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID GRANTOR, ITS SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF FIVE HUNDRED (500) FEET, FOR ANY PURPOSE WHATSOEVER.

APN: 3217-001-001; 3217-001-002; 3217-001-021; 3217-001-022; 3217-001-037; 3217-001-038; 3217-001-039; 3217-001-040; 3217-001-043; 3217-001-046; 3217-001-047

First American Title Insurance Company
The First American Corporation
First American Title Company
Privacy Policy

We Are Committed to Safeguarding Customer Information
In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability
This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values, a copy of which can be found on our website at www.firstam.com.

Types of Information
Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:
- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information
We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers
Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security
We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

First American Title Insurance Company
EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
   SCHEDULE B

EXCEPTIONS FROM COVERAGE

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the records but which could be ascertained by an inspection of the land or which may be ascertained by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

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. 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) 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;
   (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 applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
   SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
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 and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing to the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or

First American Title Insurance Company
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.

3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

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.
2. Any facts, rights, Interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE

SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
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 and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH REGIONAL EXCEPTIONS

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

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.
2. Any facts, rights, Interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

First American Title Insurance Company
6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
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. 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;

(a) 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 (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 material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at 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.

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 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 failures:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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.

2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.

3. Easements, claims of easement or encumbrances which are not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.

5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.

6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992

First American Title Insurance Company
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.

2. 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.

3. 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.

4. 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 judgment or lien creditor.

9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
   WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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 One:

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.

2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.

3. Easements, claims of easement or encumbrances which are not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.

5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.

6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL
    TITLE INSURANCE POLICY - 1987
    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 condemnation, unless:

   First American Title Insurance Company
* 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 knowing of the taking.

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.

11. EAGLE PROTECTION OWNER’S POLICY

CLTA HOMEOWNER’S POLICY OF TITLE INSURANCE - 1998
ALTA HOMEOWNER’S POLICY OF TITLE INSURANCE - 1998

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

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 the land
   e. land division
   f. environmental protection
   This exclusion does not apply to violations of 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. 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 your Land.
   This exclusion does not limit the coverage described in Covered Risk 11 or 18.

12. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE WITH EAGLE PROTECTION ADDED

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:

First American Title Insurance Company
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. This exclusion does not limit the coverage provided under insuring provisions 14, 15, 16 and 24 of this policy.
(b) Any governmental policy 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 insuring provisions 14, 15, 16 and 24 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 or damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (this paragraph (d) does not limit the coverage provided under insuring provisions 7, 8, 16, 17, 19, 20, 21, 23, 24 and 25); 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:
(a) usury, except as provided under insuring provision 10 of this policy; or
(b) any consumer credit protection or trust against lending law.

6. Taxes or assessments of any taxing or assessment authority which become a lien on the Land subsequent to Date of Policy.

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:
(a) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
(b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
(c) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
(i) to timely record the instrument of transfer; or
(ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

8. 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 under insuring provision 7.

9. 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 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 under insuring provision 7.

SCHEDULE B

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. Environmental protection liens provided for by the following existing statutes, which liens will have priority over the lien of the Insured Mortgage when they arise: NONE.

13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH EAGLE PROTECTION ADDED
WITH REGIONAL EXCEPTIONS

When the American Land Title Association loan policy with EAGLE Protection Added is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 12 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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 One:
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.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.

First American Title Insurance Company
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

Part Two:
1. Environmental protection liens provided for by the following existing statutes, which liens will have priority over the lien of the Insured Mortgage when they arise: NONE
June 22, 2007

Mr. Michael Flood, Engineer
AVEK Water Agency
6500 West Avenue ‘N’
Palmdale, CA 93551

Subject: Aqueduct Water Agreement for Anaverde Project Phase II Grading

Dear Mr. Flood,

Anaverde LLC would like to request the utilization of California Aqueduct water for the next phase of our grading project. We are proposing to place a suction line in the Aqueduct where it passes our project near the DWR turnout. The suction line will be covered in a manner satisfactory to the Department of Water Resources as it crosses the westerly maintenance road to provide continuous access for maintenance vehicles. It is planned to extend the suction line across the DWR right-of-way and place all pumps and appurtenances on our property. This approach will minimize impacts to DWR right-of-way and eliminate the need to access DWR property for maintenance and fueling of the pump. This approach will also protect the water supply from any incidents arising from the operation of the pumps. Appropriate protective measures will also be taken to ensure no back contamination will occur from the operation of this system.

The area to the west of the Aqueduct must be de-watered to allow grading to proceed. Analysis of the de-watering needs in the immediate area shows significant quantities of water will be produced on site. The project proposes to use Aqueduct water until such time as our de-watering system is in operation. At that point, Aqueduct water would then only be required if the de-watering operation fails to produce the volume of flow needed to perform the grading.

The equipment proposed will pump approximately 1,500gpm (3.4cfs) when it is in operation. It is anticipated, within reasonable probability, no water will need to be drawn from the Aqueduct. However, a stand-by system must be in place should the de-watering system prove to be inadequate. In an absolute worst-case scenario of no water coming from de-watering operations, a total of 720,000 gallons per day would be required over a period of approximately two hundred working days. This is equivalent to a total of 430 acre-feet over this period of time.

Please contact me by either my office phone 661) 273-1588, or my cell phone 909) 322-8794.

Sincerely,

Jim Irvine
Director of Construction
Anaverde, LLC

Check Request

DATE: June 22, 2007

Please issue a check in the amount of: $7,500.00

To the following:
Antelope Valley East-Kern Water Agency
6500 West North "N" Street
Palmdale, CA 93551

Description: Temporary Construction Water for Grading - Phase II (DWR Fee)
AVEK Administration Fee (1st and last DWR Admin Fee)

Total

Date check needed: ASAP
Mail check: No - please return to 2710 Elizabeth Road, Palmdale, CA 93551

Attention: Jim Irvine/Sharon Myers

Description: Fees for construction grading water from CA Aqueduct

Cost Code 35445  Project # 740019200.15205

Prepared By: Sharon Myers  Date: 22-Jun-07

Requested By: Jim Irvine

Approved By:  Date: 6-22-07

Accounting Department Only

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<tr>
<th>G/L Acct. No/ Job/ Cat #</th>
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The following is an outline of the steps necessary to obtain construction water from AVEK on a temporary basis:

1) Submit a request for temporary construction water to AVEK’s board of Directors along with a check for $7,500.00. (Includes $5,000 DWR Fee + $1,500 AVEK Admin Fee + $1,000 first and last DWR Admin fee). Be sure to include information about the location of the turnout along with an estimate of total amount of water needed in Acre-Feet, maximum flow rate and timeframe for operation of the turnout. If approved by AVEK’s Board then move on to step 2.

2) Execute a temporary water service agreement with AVEK.

3) Provide liability coverage with AVEK named as additionally insured for a minimum of $2 million per the Non-Permanent Water Service Contract (NPWSC).

4) Provide a rough drawing (sketch) of the connection equipment to be installed on AVEK right-of-way for AVEK review.

5) Meet with AVEK & DWR staff at the connection location to discuss installation criteria.

6) Provide for water charge deposit. Deposit = (Total Usage) x (applicable rate). Current rate is $507.50 per Acre-Foot.

7) Install the delivery system and contact AVEK for final approval before operation. (DWR will want to inspect your metering, pump and piping before they’ll allow you to start taking water).

**Note:** The above will give you the ability to take temporary construction water for a period of six months. At the end of that term, the DWR will allow for ONE three month extension at a cost of $1,000.00 (plus the monthly administrative fee).

Please contact me at (661) 943-3201 if you have any questions or need any additional information.

Sincerely,
Michael Flood
Agency Engineer
Antelope Valley East-Kern Water Agency
6500 West Avenue N
Palmdale, Ca. 93551