



First American Title Company

Order Number: DIV-1339603 (10)

Title Officer: Christe McMullen
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Escrow Officer: Mitsy Miller (MM)
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Borrower: SIMPSON, James & Sandra
Owner: SIMPSON, James & Sandra
Property: 123 Maple Street
San Diego, CA 92101

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.

Dated as of February 11, 2004 at 7:30 A.M.

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

ALTA Loan Policy (10-17-92) with ALTA Endorsement – Form 1 Coverage

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:

JAMES SIMPSON AND SANDRA SIMPSON, husband and wife as joint tenants

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

A fee.

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:

1. General and special taxes and assessments for the fiscal year 2004-2005, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2003-2004.
First Installment: \$597.36, PAID
Penalty: \$0.00
Second Installment: \$597.34, DUE
Penalty: \$0.00
Tax Rate Area: 012033
A. P. No.: 0395-148-19-0000
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. Any and all offers of dedication, conditions, restrictions, easements, fenceline/boundary discrepancies, notes and/or provisions shown or disclosed by the filed or recorded map referred to in the legal description.

5. Covenants, conditions, restrictions and easements in the document recorded as Book 3578, Page 359 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.
6. An easement for pole lines, conduits and incidental purposes in the document recorded as Book 3627, Page 315 of Official Records.
7. A Deed of Trust dated October 15, 2003 to secure an indebtedness of \$371,000.00 recorded October 23, 2003 as Instrument No. 03-802905 of Official Records.

Trustor: James Simpson and Sandra Simpson
Trustee: First American Title Insurance Company
Beneficiary: Countrywide Home Loans, Inc.

INFORMATIONAL NOTES

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent average 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. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) Single Family Residence known as 15400 Don Roberto Road, Victorville, California.

2. According to the public records, there has been no conveyance of the land within a period of twenty four months prior to the date of this report, except as follows:

A document recorded October 23, 2003 as Instrument No. 03-802904 of Official Records.

From: Javier Figueroa and Patricia A. Figueroa, husband and wife as joint tenants

To: James Simpson and Sandra Simpson, husband and wife as joint tenants

3. Short term rate applies.

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LEGAL DESCRIPTION

Real property in the City of San Diego, County of San Diego, State of California and described as follows:

LOT 120, TRACT NO. 4294, AS PER PLAT RECORDED I N BOOK 57 OF MAPS, PAGES 11, 12 AND 13, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THE WESTERLY 2 FEET AS GRANTED TO THE CITY OF VICTORVILLE I N DEED RECORDED DECEMBER 5,1980 AS INSTRUMENT NO. 80-278033, OFFICIAL RECORDS.

EXCEPTING THEREFROM 50% OF ALL OIL, GAS AND OTHER HYDROCARBONS LYING 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND, PROVIDED, HOWEVER, THAT M I S EXCEPTION AND RESERVATION SHALL NOT INCLUDE ANY RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED RECORDED FEBRUARY 2, 1955, FROM C.A. MYERS, ET AL, IN BOOK 3559, PAGE 82, OFFICIAL RECORDS.

APN: 0395-148-19-0000