



*Chicago Title*  
*Presents*  
**The Preliminary  
Report**



**Chicago Title**

*Informative  
Literature  
Offered  
Exclusively by:*  
**Chicago Title**

**It Is Important  
for All Parties  
to Review The  
Preliminary  
Report.**



The Preliminary Report is an offer to issue a policy of title insurance covering a particular estate or interest in land subject to stated exceptions.

Since these exceptions may point to potential problems with your intended purchase, it is important for all parties to review the report once it is received.

A Preliminary Report provides a list of the matters which will be shown as exceptions to coverage in a designated policy or policies of title insurance, if issued currently, covering a particular estate or interest in land. It is designed to provide an interim, or "preliminary" response to an application for title insurance and is intended to facilitate the issuance of the designated policy or policies. It is normally prepared after application (order) for such policy(ies) of title insurance on behalf of the principals to a real property transaction, for the purpose of facilitating requirements relative to closing and policy issuance in form and content approved by those parties.

If a title policy is not contemplated, a Preliminary Report should not be ordered. Instead, consideration should be given to requesting a Condition of Title Report or other similar title product.

The Preliminary Report states on its face that it is made solely to facilitate the subsequent issuance of a title insurance policy and that the insurer assumes no liability for errors in the report. Accordingly, any claim arising from a defect in title must be made under the title policy and not the Preliminary Report.

After a title order has been placed, matters relative to the title policy coverage on the subject property are assembled in a title search package and examined by skilled technicians. This is when the Preliminary Report is prepared and sent to the customer. The report contains relevant information so that the parties to the transaction will become aware of matters which will not be insured against by the title company. This report is issued before the title policy, hence the name Preliminary Report.



Those matters shown in the report are as follows:

**1**

The estate of interest covered.

**2**

The owner of the estate or interest.

**3**

The parcel of land involved.



**4**

The exceptions, liens, encumbrances and other risks which will not be insured against if a Title Policy is issued.

**5**

Other requirements and provisions which are reflected as "Notes" in the Preliminary Report which are removed if and when a title policy is issued.

**Please note:** this brochure is intended for general information purposes only and is not to be relied on in interpreting the full legal effect of the documents and words shown herein.



# Commentary- Preliminary Report

**1.**  
This number identifies the customer's escrow file for the property and includes the escrow officer's number for identification purposes.

**2.**  
The address of the subject property.

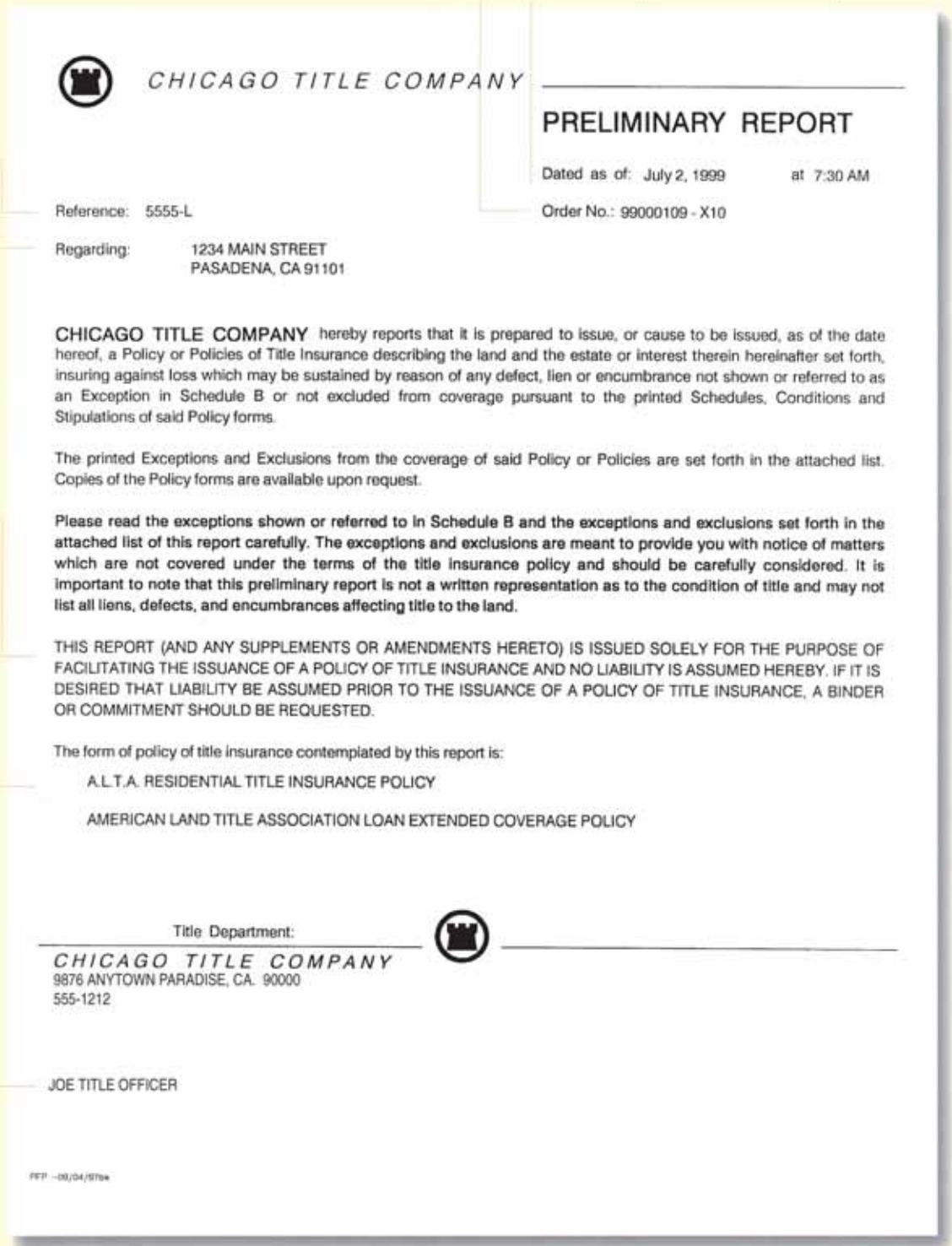
**5.**  
This paragraph specifies that no liability is ever intended under a preliminary report, and further indicates what should be requested if the customer desires assumption of liability prior to policy issuance.


**6.**  
This paragraph specifies the type of coverage form of policy we are prepared to issue and the general scope of the insurance.

**7.**  
Name of the title officer.

**3.**  
This number identifies the title order for the subject property and also includes the title officer's designated number for easy identification.

**4.**  
This date represents the date and time, up to which, matters affecting the title to the real property therein described have been examined and reported therein. This normally is the same as the "plant date."



 **CHICAGO TITLE COMPANY**

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**PRELIMINARY REPORT**

Dated as of: July 2, 1999 at 7:30 AM

Order No.: 99000109 - X10

Reference: 5555-L

Regarding: 1234 MAIN STREET  
PASADENA, CA 91101

**CHICAGO TITLE COMPANY** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception in Schedule B 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 the attached list. Copies of the Policy forms are available upon request.

Please read the exceptions shown or referred to in Schedule B and the exceptions and exclusions set forth in the attached list 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.

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

A.L.T.A. RESIDENTIAL TITLE INSURANCE POLICY

AMERICAN LAND TITLE ASSOCIATION LOAN EXTENDED COVERAGE POLICY

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Title Department: 

**CHICAGO TITLE COMPANY**  
9876 ANYTOWN PARADISE, CA. 90000  
555-1212

JOE TITLE OFFICER

FFP -09/04/97sw

## Schedule A

### 1.

A fee (the word "estate" is used to express the degree, quantity, nature, duration, or extent of an interest in land). A fee simple is the highest type of estate or interest an owner can have in land, freely transferable and inheritable, and whose owner is entitled to possession. (There are many other estates or interests in land that we could insure.)

### 2.

This shows who the owner of record is and how title is vested (or how the owner holds title to the land i.e., a single man, a widow, husband and wife as joint tenants, etc.)

### 3.

The description of the land covered in the preliminary report.

#### Note:

Many times, minerals (e.g., oil and gas, etc.) have been reserved or excepted in previous conveyances. In these instances, we would add an "exception" to the legal description, such as: "Except therefrom all oil, gas and other hydrocarbon substances in and under or that may be produced from a depth of 500 feet below the surface of said land, without the right of surface entry, as reserved in the deed recorded..."

## SCHEDULE A

Order No: 99000109 X10

Your Ref: 5555-L

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

A FEE

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

JOHN HOMEOWNER AND MARY HOMEOWNER, HUSBAND AND WIFE, AS JOINT TENANTS

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

LOT 1 OF TRACT NO. 2000, IN THE CITY OF PASADENA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1999 PAGES 100 TO 120 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

FFEA-10/21/97a

## Schedule B

### 1., 2., & 3. Taxes.

The first item (encumbrance) shown in Schedule B is a statement regarding the amount and status of the current years taxes, (e.g. taxes now a lien, now due, or respective installments paid or unpaid.)

### Supplemental Taxes (if any).

Supplemental taxes currently due, paid or unpaid, delinquent, etc.

### Tax Sale.

If there are tax delinquencies for a prior year or years, the amount including the penalty and interest to redeem prior to a certain future date will also be shown (In this example there are no delinquencies to report.)

### Note:

From this point on, the remaining items shown in the preliminary report will be shown in order of their respective recording priorities. (Usually, but not always, based on recording dates, the oldest first, and so on.)

### 4. & 5. An Easement.

This is a right or interest in the land of another which entitled the holder thereof to some use or benefit, e.g., to install poles, wires, pipelines, roadways, sewers, storm drain, etc. Either "dedicated" on the subdivision tract map or granted by means of a deed.

### 6.

This is a relinquishment of access to and from a particular street.

## SCHEDULE B

Page 1

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

- A 1. PROPERTY TAXES, INCLUDING ANY ASSESSMENTS COLLECTED WITH TAXES, TO BE LEVIED FOR THE FISCAL YEAR 1999-2000 THAT ARE A LIEN NOT YET DUE.
- B 2. PROPERTY TAXES FOR THE FISCAL YEAR SHOWN BELOW ARE PAID. FOR INFORMATION PURPOSES THE AMOUNTS ARE:
- |                  |               |
|------------------|---------------|
| FISCAL YEAR:     | 1998-1999     |
| 1ST INSTALLMENT: | \$3,282.45    |
| 2ND INSTALLMENT: | \$3,282.44    |
| EXEMPTION:       | \$7,000.00    |
| CODE AREA:       | 7112          |
| ASSESSMENT NO:   | 12345-012-001 |
- C 3. THE LIEN OF SUPPLEMENTAL OR ESCAPED ASSESSMENTS OF PROPERTY TAXES, IF ANY, MADE PURSUANT TO THE PROVISIONS OF PART 0.5, CHAPTER 3.5 OR PART 2, CHAPTER 3, ARTICLES 3 AND 4 RESPECTIVELY (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE OF THE STATE OF CALIFORNIA AS A RESULT OF THE TRANSFER OF TITLE TO THE VESTEE NAMED IN SCHEDULE A; OR AS A RESULT OF CHANGES IN OWNERSHIP OR NEW CONSTRUCTION OCCURRING PRIOR TO DATE OF POLICY.
- 5 4. AN EASEMENT AFFECTING THE PORTION OF SAID LAND STATED HEREIN FOR THE EXCLUSIVE RIGHT TO DEVELOP WATER UPON SAID TRACT OF LAND BY PIPING, BORING AND TUNNELING OR BY OTHER PROPER MEANS AND INCIDENTAL PURPOSES IN FAVOR OF SUNNY SLOPE WATER COMPANY, A CORPORATION, AS PROVIDED IN THE DEED RECORDED IN BOOK 1000 PAGE 115 OF DEEDS, AS GRANTED BY A DEED RECORDED IN BOOK 4180 PAGE 164 OF DEEDS AND AS RESERVED BY A DOCUMENT RECORDED IN BOOK 4340 PAGE 209 OF DEEDS.
- 7 5. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SHOWN OR AS OFFERED FOR DEDICATION ON THE RECORDED MAP SHOWN BELOW.
- |          |   |
|----------|---|
| MAP OF:  | TRACT 2000                              |
| EASEMENT |   |
| PURPOSE: | SANITARY SEWER AND STORM DRAIN PURPOSES |
| AFFECTS: | SOUTHERLY 5 FEET                        |
- 8 6. THE FACT THAT THE OWNERSHIP OF SAID LAND DOES NOT INCLUDE RIGHTS OF ACCESS TO OR FROM THE STREET OR HIGHWAY ABUTTING SAID LAND, SUCH RIGHTS HAVING BEEN RELINQUISHED BY THE MAP OF SAID TRACT.
- |          |             |
|----------|-------------|
| AFFECTS: | MAIN STREET |
|----------|-------------|
- SAID LAND HOWEVER, ABUTS UPON A PUBLIC THOROUGHFARE OTHER THAN THE ROAD

PREP -10/31/99a

**7., 8., & 9.  
Covenants,  
Conditions and/or  
Restrictions.**

Many times these are imposed by the owner(s) to help regulate setbacks, side yards, architectural matter, further construction, access and such other items of common interest to those living near or within the development. Most protective restrictions will state that a violation of the terms and conditions contained therein will not disturb the trust deed placed on the property (this is also known as a "good faith provision.")

**10. Deed of Trust.**

A (recorded) deed of trust conveys title to particular land to a neutral third party (trustee) with limited powers (such as powers of sale) for the purpose of securing a loan (debt) or agreement.

**SCHEDULE B  
(continued)**

Page 2

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REFERRED TO ABOVE, OVER WHICH RIGHTS OF VEHICULAR INGRESS AND EGRESS HAVE NOT BEEN RELINQUISHED.

- V 7. COVENANTS, CONDITIONS AND RESTRICTIONS (BUT OMITTING THEREFROM ANY COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN, IF ANY, UNLESS AND ONLY TO THE EXTENT THAT SAID COVENANT (A) IS EXEMPT UNDER CHAPTER 42, SECTION 3607 OF THE UNITED STATES CODE OR (B) RELATES TO HANDICAP BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS) AS SET FORTH IN THE DOCUMENT.

RECORDED: MARCH 27, 1974 AS INSTRUMENT NO. 2334

- X 8. THE MATTERS SET FORTH IN THE DOCUMENT SHOWN BELOW WHICH, AMONG OTHER THINGS, CONTAINS OR PROVIDES FOR: CERTAIN EASEMENTS; LIENS AND THE SUBORDINATION THEREOF; PROVISIONS RELATING TO PARTITION; RESTRICTIONS ON SEVERABILITY OF COMPONENT PARTS; AND COVENANTS, CONDITIONS AND RESTRICTIONS, (BUT OMITTING THEREFROM ANY COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN, IF ANY, UNLESS AND ONLY TO THE EXTENT THAT SAID COVENANT (A) IS EXEMPT UNDER CHAPTER 42, SECTION 3607 OF THE UNITED STATES CODE OR (B) RELATES TO HANDICAP BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS).

RECORDED: SEPTEMBER 23, 1974 AS INSTRUMENT NO. 3568

- X 9. THE EFFECT OF AN OFFER OF THE RIGHT TO PROHIBIT THE CONSTRUCTION OF ADDITIONAL RESIDENTIAL BUILDINGS WITHIN LOT 2, EXCEPT THOSE PORTIONS OF LOT 2 SHOWN WITHIN THE "PERMITTED RESIDENTIAL BUILDING AREAS" SHOWN ON SAID MAP AND EXCEPT FOR ADDITIONAL PARKING AND RECREATIONAL FACILITIES AND APPURTENANCES, ALSO AN OFFER OF THE RIGHT TO RESTRICT THE ERECTION OF BUILDINGS OR OTHER STRUCTURES WITHIN THOSE AREAS DESIGNATED ON THE MAP AS RESTRICTED USE AREAS, EXCEPT FOR PATIOS WITHIN THE PERMITTED PATIO BUILDING AREA AS DESIGNATED ON THE MAP. SAID OFFERS WERE DEDICATED TO AND ACCEPTED BY THE COUNTY OF LOS ANGELES ON THE MAP OF SAID TRACT NO. 2000 HEREIN REFERRED TO.

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

AMOUNT: \$275,000.00  
DATED: JANUARY 1, 1999  
TRUSTOR: JOHN HOMEOWNER AND MARY HOMEOWNER, HUSBAND AND WIFE,  
AS JOINT TENANTS  
TRUSTEE: CHICAGO TITLE COMPANY  
BENEFICIARY: LOANS OF CALIFORNIA  
RECORDED: FEBRUARY 1, 1999 AS INSTRUMENT NO. 9914-012, OFFICIAL RECORDS

**Note #1.**

Covers matters regarding title charges and normal billing matters in relation to the respective title order.

**Note #2.**

This confidential information statement is used to enable the Title Officer to eliminate the title problems which may arise through similarity of the name of seller and/or buyer with the name of another person against whom there may be judgments, tax liens, or other matters affecting property ownership. (This is also known as the statement of identity, the "S.I.")

**Note #3.**

A state chartered savings & loan associate prior to making a loan, may investigate the sales price, etc., of any sale made within six months prior to their anticipated loan. Therefore, they must require recording information of deeds or any transfers within that period.

**Note #4.**

This determines what type of charge will be incurred for the policy. Title policy fees under our current pricing schedule permit a reduction for parties who were "insured owners" within the past 60 months thereby making a "short term" rate available.

**Note #5.**

This is Chicago Title's note to the customer regarding the current "good funds" statute and wiring information.

**SCHEDULE B  
(continued)**

Page 3

Order No: 99000109 X10

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ORIGINAL LOAN  
NUMBER: 00123-04-7111

\* END OF SCHEDULE B

NOTE NO. 1: WHEN THIS TITLE ORDER CLOSES AND IF CHICAGO TITLE IS HANDLING LOAN PROCEEDS THROUGH SUB-ESCROW, ALL TITLE CHARGES AND EXPENSES NORMALLY BILLED, WILL BE DEDUCTED FROM THOSE LOAN PROCEEDS (TITLE CHARGES AND EXPENSES WOULD INCLUDE TITLE PREMIUMS, ANY TAX OR BOND ADVANCES, DOCUMENTARY TRANSFER TAX AND RECORDING FEES, ETC.).

NOTE NO. 2: WE WILL REQUIRE A STATEMENT OF INFORMATION FROM THE PARTIES NAMED BELOW IN ORDER TO COMPLETE THIS REPORT, BASED ON THE EFFECT OF DOCUMENTS, PROCEEDINGS, LIENS, DECREES, OR OTHER MATTERS WHICH DO NOT SPECIFICALLY DESCRIBE SAID LAND, BUT WHICH, IF ANY DO EXIST, MAY AFFECT THE TITLE OR IMPOSE LIENS OR ENCUMBRANCES THEREON.

PARTIES: ALL PARTIES

(NOTE: THE STATEMENT OF INFORMATION IS NECESSARY TO COMPLETE THE SEARCH AND EXAMINATION OF TITLE UNDER THIS ORDER. ANY TITLE SEARCH INCLUDES MATTERS THAT ARE INDEXED BY NAME ONLY, AND HAVING A COMPLETED STATEMENT OF INFORMATION ASSISTS THE COMPANY IN THE ELIMINATION OF CERTAIN MATTERS WHICH APPEAR TO INVOLVE THE PARTIES BUT IN FACT AFFECT ANOTHER PARTY WITH THE SAME OR SIMILAR NAME. BE ASSURED THAT THE STATEMENT OF INFORMATION IS ESSENTIAL AND WILL BE KEPT STRICTLY CONFIDENTIAL TO THIS FILE.)

NOTE NO. 3: THERE ARE NO CONVEYANCES AFFECTING SAID LAND, RECORDED WITHIN SIX (6) MONTHS OF THE DATE OF THIS REPORT.

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

NOTE NO. 5: IF THIS COMPANY IS REQUESTED TO DISBURSE FUNDS IN CONNECTION WITH THIS TRANSACTION, CHAPTER 598, STATUTES OF 1989 MANDATES HOLD PERIODS FOR CHECKS DEPOSITED TO ESCROW OR SUB-ESCROW ACCOUNTS. THE MANDATORY HOLD PERIOD FOR CASHIER'S CHECKS, CERTIFIED CHECKS AND TELLER'S CHECKS IS ONE BUSINESS DAY AFTER THE DAY DEPOSITED. OTHER CHECKS REQUIRE A HOLD PERIOD OF FROM TWO TO FIVE BUSINESS DAYS AFTER THE DAY DEPOSITED. IN THE EVENT THAT THE PARTIES TO THE CONTEMPLATED TRANSACTION WISH TO RECORD PRIOR TO THE TIME THAT THE FUNDS ARE AVAILABLE FOR DISBURSEMENT (AND SUBJECT TO COMPANY APPROVAL), THE COMPANY WILL REQUIRE THE PRIOR WRITTEN CONSENT OF THE PARTIES. UPON REQUEST, A FORM ACCEPTABLE TO THE COMPANY AUTHORIZING SAID

FTL/MS-C-9/03/ESB\*



**SCHEDULE B  
(continued)**

Order No: 99000109 X10

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EARLY RECORDING MAY BE PROVIDED TO ESCROW FOR EXECUTION.

WIRE TRANSFERS

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

CHICAGO TITLE WILL DISBURSE BY WIRE (WIRE-OUT) ONLY COLLECTED FUNDS OR FUNDS RECEIVED BY CONFIRMED WIRE (WIRE-IN).

THE COMPANY'S WIRE-IN INSTRUCTIONS ARE:

WIRE-IN INSTRUCTIONS FOR CALIFORNIA BANK:

BANK: CALIFORNIA BANK  
1000 LOAN CENTER DRIVE  
PASADENA, CA 91101

BANK ABA: 00000000

ACCOUNT NAME: CHICAGO TITLE COMPANY

ACCOUNT NO.: 00000-00000

FOR CREDIT TO: CHICAGO TITLE COMPANY

FURTHER CREDIT TO: ORDER NO.: 99000109

*N* NOTE NO. 6: IF A 1970 ALTA OWNER'S OR LENDER'S OR 1975 ALTA LEASEHOLD OWNER'S OR LENDER'S POLICY FORM HAS BEEN REQUESTED, THE POLICY, WHEN APPROVED FOR ISSUANCE, WILL BE ENDORSED TO ADD THE FOLLOWING TO THE EXCLUSIONS FROM COVERAGE CONTAINED THEREIN:

LOAN POLICY EXCLUSION:

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.

OWNER'S POLICY EXCLUSION:

ANY CLAIM WHICH ARISES OUT OF THE TRANSACTION VESTING IN THE INSURED, THE





## Plat Map

This plat map normally is a reduced size copy of the recorded subdivision map or the pertinent county tax assessor's map. It is included for informational purposes only and the Company assumes no liability for any loss occurring by reason of release on the map.

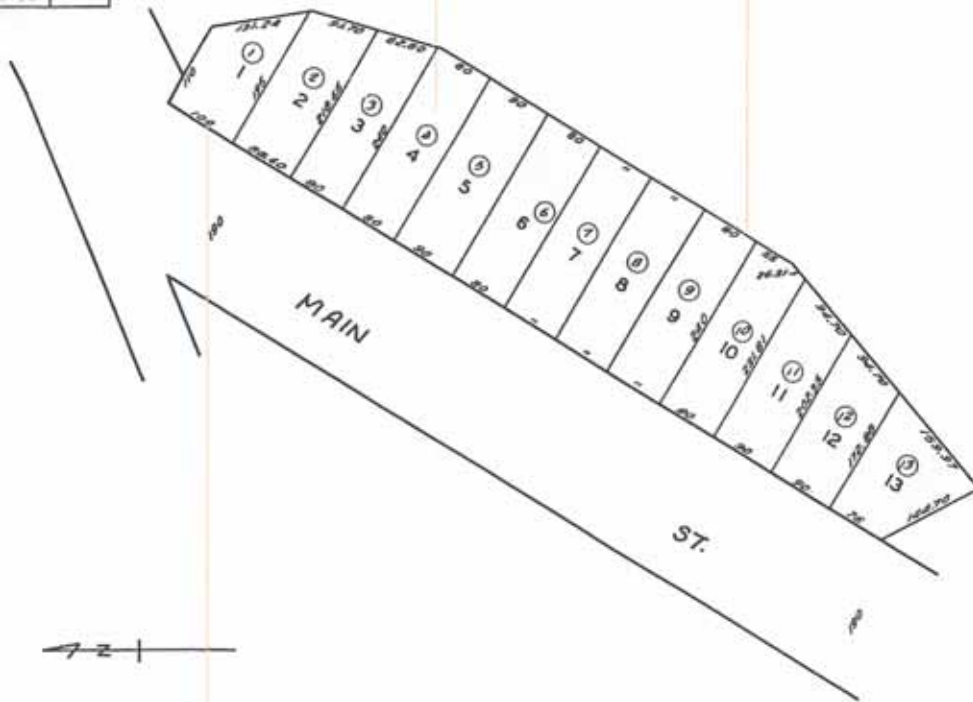
**Book Number**

**Page Number**

**Parcel Number**

**Lot Lines**

12345 | 12



TRACT No. 2000

M.B. 1999/100-120

Chicago Title Insurance Company:  
Easements and other matters depicted hereon is provided as a courtesy only and no representation is made as to the accuracy and completeness thereof. The company assumes no liability for any loss by reason of reliance thereon. It is recommended that a Licensed Land Surveyor or Registered Engineer be obtained to determine the actual locations.

**Tract Number Recorders Map Book and Page of Tract**

**Lot Dimensions**



Chicago<sup>®</sup> Title

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