

FORM 8700 EAGLE (7/02)

CLTA Homeowner's Policy of Title Insurance (6/2/98)

ALTA Homeowner's Policy of Title Insurance (10/17/98)

EagleEDGE™ Added

Schedule A

# SCHEDULE A

Policy No.: Premium: \$

Policy Amount: \$ Policy Date and Time:

Deductible Amounts and Maximum Dollar Limits of Liability  
For Covered Risks 14, 15, 16 and 18:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 14 (Subdivision Law Violation):	1% of Policy Amount or \$2,500 (whichever is less)	\$10,000
Covered Risk 15 (Building Permit):	1% of Policy Amount or \$5,000 (whichever is less)	\$25,000
Covered Risk 16 (Zoning):	1% of Policy Amount or \$5,000 (whichever is less)	\$25,000
Covered Risk 18 (Encroachment of Boundary Walls or Fences):	1% of Policy Amount or \$2,500 (whichever is less)	\$5,000

Street Address of the Land:

1. Name of insured:
2. Your interest in the Land covered by this Policy is:
3. The Land referred to in this Policy is described as:

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## *EagleEDGE™ Buyer's Endorsement*

Attached to Policy No.: \_\_\_\_\_

ISSUED BY

*First American Title Insurance Company*

**A. We assure You that:**

1. The Policy Date is hereby changed to the Date and Time of Assignment shown on the face page (page 1) of the Policy; and
2. The Policy Amount at the Date and Time of Assignment is: \$\_\_\_\_\_.

**B. We insure You, the Buyer, against actual loss sustained by You by reason of:**

1. Your interest in the Land covered by this Policy not being vested at Policy Date (as changed by this Endorsement) in \_\_\_\_\_  
(Buyer)
2. Your Title being subject to any defects, liens, encumbrances or other matters covered by this Policy, other than those excluded by the Policy or remaining as exceptions in Schedule B, except:
3. The matters, if any, previously shown as exceptions number \_\_\_\_\_ in Schedule B of the Policy. These matters are hereby removed as exceptions to Your Policy.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it increase the face amount thereof.

*First American Title Insurance Company*

By: \_\_\_\_\_

Authorized Signatory

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FORM 8700 EAGLE (7/02)

CLTA Homeowner's Policy of Title Insurance (6/2/98)

ALTA Homeowner's Policy of Title Insurance (10/17/98)

EagleEDGE™ Added



*First American Title Insurance Company*

***EagleEDGE™***

***EAGLE Protection™ Owner's Title Insurance Policy***

ONE-TO-FOUR FAMILY RESIDENCE

**OWNER'S INFORMATION SHEET**

Your Title Insurance Policy is a legal contract between You and Us.

It applies only to a one-to-four family residence. If the Land described in Schedule A of the Policy is not an improved residential lot on which there is located a one-to-four family residence, contact Us immediately.

The Policy insures You against actual loss resulting from certain Covered Risks. These Covered Risks are listed on page 2 of the Policy. The Policy is limited by:

- Provisions of Schedule A
- Exceptions in Schedule B
- Our Duty To Defend Against Legal Actions on page 2
- Exclusions on page 2 and 3.
- Conditions on pages 3 and 4.
- EagleEDGE™ Buyer's Endorsement, when attached.

You should keep a copy of the Policy even if You transfer Your Title to the Land and assign this Policy.

If You want to make a claim, see paragraph 3 under Conditions on page 3.

You do not owe any more premiums for the Policy.

This sheet is not Your insurance Policy. It is only a brief outline of some of the important Policy features. The Policy explains in detail Your rights and obligations and Our rights and obligations. Since the Policy-and not this sheet-is the legal document, **YOU SHOULD READ THE POLICY VERY CAREFULLY.**

If You have any questions about Your Policy, contact:

***First American Title Insurance Company***

1 First American Way • Santa Ana, CA 92707

(714) 800-3000 • (800) 854-3643

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*First American  
Title Insurance Company*

**FORM No. 1341-M. EAGLE ALTA PLAIN LANGUAGE OWNERS POLICY EAGLE PROTECTION ADDED (2/10/97)**

POLICY OF TITLE INSURANCE

POLICY OF TITLE INSURANCE

ISSUED BY

ISSUED BY

First American Title Insurance Company

***First American Title Insurance Company***

EAGLE Protection Owners Policy

EAGLE Protection Owners Policy

ONE-TO-FOUR FAMILY OR CONDOMINIUM RESIDENCES

ONE-TO-FOUR FAMILY OR CONDOMINIUM RESIDENCES

Owner's Coverage Statement

This Policy insures your title to the land described in Schedule A - if that land is a one-to-four family residential lot or condominium unit.

Your insurance, as described in this Coverage Statement, is effective on the Policy Date shown in Schedule A.

Your insurance is limited by the following:

- ? Exclusions on page 2
- ? Exceptions in Schedule B
- ? Conditions on pages 3 and 4

We insure you against actual loss resulting from:

- ? any title risks covered by this Policy - up to the Policy Amount and
- ? any costs, attorneys' fees and expenses we have to pay under this Policy

COVERED TITLE RISKS

This Policy covers the following title risks if they affect your title on the Policy Date or, to the extent expressly stated below, if they affect your title after the Policy Date. Some of these Covered Title Risks will be subject to a separate deductible amount and to maximum dollar limits which are less than the Policy Amount when expressly stated below. These Covered Title Risks are:

1. Someone else owns an interest in your title.
2. A document is not properly signed, sealed, acknowledged, or delivered.

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- a. Forgery, fraud, duress, incompetency, incapacity or impersonation;
- b. Forgery after the Policy Date of an instrument by which someone else claims to own an interest in or have a lien on your title.
4. Defective recording of any document.
5. You do not have any legal right of pedestrian and vehicular access to and from the land.
6. There are restrictive covenants limiting your use of the land.
7. There is a lien on your title because of:
  - a. a mortgage or deed of trust
  - b. a judgment, tax, or special assessment
  - c. a charge by a homeowner's or condominium association
8. There are liens on your title, arising now or later, for labor and material furnished before the Policy Date - unless you agreed to pay for the labor and material.
9. Others have rights arising out of leases, contracts, or options.
10. Someone else has an easement on your land.
11. Your title is unmarketable, which allows another person to refuse to perform a contract to purchase, to lease or to make a mortgage loan.
12. You are forced to remove your existing structure - other than a boundary wall or fence - because:
  - a. it extends on to adjoining land or on to any easement
  - b. it violates a restriction shown in Schedule B
  - c. it violates an existing zoning law
  - d. any portion of it was built without obtaining a building permit from the proper government office or agency. Your insurance under this Item 12d is limited to your actual loss in excess of a deductible amount equal to one percent (1%) of the Policy Amount and to our maximum dollar limit of liability of \$25,000.
13. You cannot use the land because use as a single-family residence violates a restriction shown in Schedule B or an existing zoning law.
14. Someone else seeks to take away your title because of a violation of a restriction shown in Schedule B which happened before you became the owner of your land.
15. Someone else seeks to enforce a restriction shown in Schedule B because of a violation on your land, other than a violation already covered by Items 12b, 13 or 14, which happened before you became the owner of your land. Your insurance under this Item 15 is limited to your actual loss in excess of a deductible amount equal to one percent (1%) of the Policy Amount, but not to exceed the Policy

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Amount.

16. Someone else refuses to perform a contract to purchase, to lease or to make a mortgage loan because of any violation on your land of any restrictions shown in Schedule B which happened before you became the owner of your land.
17. Someone else, after the Policy Date, builds a structure - other than a boundary wall or fence - which encroaches on to your land.
18. You cannot obtain a building permit for your land, or someone else refuses to perform a contract to purchase, to lease or to make a mortgage loan on your land, because at Policy Date it violates an existing subdivision law. Your insurance under this Item 18 is limited to your actual loss in excess of a deductible amount equal to one percent (1%) of the Policy Amount and to our maximum dollar limit of liability of \$10,000.
19. Your existing structure, or any part of it, or a structure you may build after the Policy Date as a replacement of or modification to the existing structure, or any part of it, is damaged because another person uses the surface of your land for the extraction or development of minerals owned by them.
20. Other defects, liens or encumbrances.

#### COMPANY'S DUTY TO DEFEND AGAINST COURT CASES

We will defend your title in any court case as to that part of the case that is based on a Covered Title Risk insured against by this Policy. We will pay the costs, attorneys' fees, and expenses we incur in that defense.

We can end this duty to defend your title by exercising any of our options listed in Item 4 of the Conditions.

This Policy is not complete without Schedules A and B.

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:  
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 coverage described in Items 12c and d, 13 and 18 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
3. Title Risks:
4. Failure to pay value for your title
5. Lack of a right:

This exclusion does not limit the coverage described in Items 5 and 12a of Covered Title Risks.

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## 1. DEFINITIONS

- a. Easement - the right of someone else to use your land for a special purpose.
- b. Land - the land or condominium unit described in Schedule A and any improvements on the land which are real property.
- c. Mortgage - a mortgage, deed of trust, trust deed or other security instrument.
- d. Public Records - title records that give constructive notice of matters affecting your title - according to the state statutes where your land is locate
- e. Title - the ownership of your interest in the land, as shown in Schedule A.

## 2. CONTINUATION OF COVERAGE

This Policy protects you as long as you:

This Policy protects:

## 3. HOW TO MAKE A CLAIM

- a. You Must Give The Company Notice Of Your Claim. If anyone claims a right against your insured title, you must notify us promptly in writing.  
Send the notice to First American Title Insurance Company, 114 East Fifth Street, Santa Ana, California, 92701, Attention: Claims Department. Please include the Policy number shown in Schedule A, and the county and state where the land is located.  
Our obligation to you could be reduced if:
- b. Proof Of Your Loss Must Be Given To The Company  
You must give us a written statement to prove your claim of loss. This statement must be given to us not later than 90 days after you know the facts which will let you establish the amount of your loss.  
The statement must have the following facts:  
You may want to provide us with an appraisal of your loss by a professional appraiser as a part of your statement of loss.  
We may require you to show us your records, checks, letters, contracts, and other papers which relate to your claim of loss. We may make copies of these papers.  
We may require you to answer questions under oath.  
Our obligation to you could be reduced if you fail or refuse to:

## 4. OUR CHOICES WHEN YOU NOTIFY US OF A CLAIM

After we receive your claim notice or in any other way learn of a matter for which we are liable, we can do one or more of the following:

- a. Pay the claim against your title.
- b. Negotiate a settlement.
- c. Prosecute or defend a court case related to the claim.
- d. Pay you the amount required by this Policy.

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- e. Take other action which will protect you.
- f. Cancel the coverage described in Items 12d or 18 of Covered Title Risks by paying the amount of insurance specified in the given Item as the limit for the particular covered risk, and only those costs, attorneys' fees and expenses incurred up to that time which we are obligated to pay.
- g. Cancel this Policy by paying the Policy Amount, then in force, and only those costs, attorneys' fees and expenses incurred up to that time which we are obligated to pay.

**5. HANDLING A CLAIM OR COURT CASE**

You must cooperate with us in handling any claim or court case and give us all relevant information. We are required to repay you only for those settlement costs, attorneys' fees and expenses that we approve in advance.

When we defend your title, we have a right to choose the attorney. We can appeal any decision to the highest court. We do not have to pay your claim until your case is finally decided.

**6. LIMITATION OF THE COMPANY'S LIABILITY**

- a. After subtracting any deductible amount that applies, we will pay up to (i) your actual loss, (ii) the amount of insurance specified in the given Item as the limit for the particular Covered Title Risk for claims based upon the coverage described in Items 12d, 15 and 18 of Covered Title Risks, or (iii) the Policy Amount in force when the claim is made - whichever is less.
- b. If we remove the claim against your title within a reasonable time after receiving notice of it, we will have no further liability for it.  
If you cannot use any of your land because of a claim against your title, and you rent reasonable substitute land or facilities, we will repay you for your actual rent until:
- c. The Policy Amount will be reduced by all payments made under this Policy - except for costs, attorneys' fees and expenses. All payments made under this Policy for claims based upon the coverage described in Items 12d and 18 of Covered Title Risks shall also reduce the amount of insurance specified in the given Item as the limit for the particular Covered Title Risk - except for costs, attorneys' fees and expenses.
- d. The Policy Amount will be reduced by any amount we pay to our insured holder of any mortgage shown in this Policy or a later mortgage given by you.
- e. If you do anything to affect any right of recovery you may have, we can subtract from our liability the amount by which you reduced the value of that right.

**7. TRANSFER OF YOUR RIGHTS**

When we settle a claim, we have all the rights you had against any person or property related to the claim. You must transfer these rights to us when we ask, and you must not do anything to affect these rights. You must let us use your name in enforcing these rights.

We will not be liable to you if we do not pursue these rights or if we do not recover any amount that might be recoverable.

With the money we recover from enforcing these rights, we will pay whatever part of your loss we have not paid. We have a right to keep what is left.

**8. ARBITRATION**

If it is permitted in your state, you or the Company may demand arbitration.

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The arbitration shall be binding on both you and the Company. The arbitration shall decide any matter in dispute between you and the Company.

The arbitration award may:

The arbitration shall be under the Title Insurance Arbitration Rules of the American Arbitration Association. You may choose current Rules or Rules in existence on Policy Date.

The law used in the arbitration is the law of the place where the property is located.

You can get a copy of the Rules from the Company.

**9. OUR LIABILITY IS LIMITED TO THIS POLICY**

This Policy, plus any endorsements, is the entire contract between you and the Company. Any claim you make against us must be made under this Policy and is subject to its terms.

**10. GRADUATED LIABILITY COVERAGE**

The Policy Amount stated in Schedule A will increase by five percent (5%), of the original Policy Amount, per year for the first five years immediately following the Policy Date to a maximum Policy Amount of one hundred twenty-five percent (125%) of the original Policy Amount. This increase will happen in each of these years on the anniversary of the Policy Date.

**OWNER'S INFORMATION SHEET**

**OWNER'S INFORMATION SHEET**

Your Title Insurance Policy is a legal contract between you and First American Title Insurance Company.

It applies only to a one-to-four family residential lot or condominium unit. If your land is not either of these, contact us immediately.

The Policy insures you against certain risks to your land title. These risks are listed on page one of the Policy. The Policy is limited by:

- ? Exclusions on page 2;
- ? Exceptions on Schedule B; and
- ? Conditions on pages 3 and 4

You should keep the Policy even if you transfer the title to your land.

If you want to make a claim, see Item 3 under Conditions on page 3.

You do not owe any more premiums for the Policy.

This sheet is not your insurance Policy. It is only a brief outline of some of the important Policy features. The Policy explains in detail your rights and obligations and our rights and obligations. Since the Policy-and not this sheet-is the legal document,

**YOU SHOULD READ THE POLICY VERY CAREFULLY.**

If you have any questions about your Policy, contact:

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*First American  
Title Insurance Company*

First American Title Insurance Company

POST OFFICE BOX 267

SANTA ANA, CALIFORNIA 92702

First American Title Insurance Company

EAGLE Protection Owner's Policy

One-To-Four Family Residences

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SCHEDULE A

SCHEDULE A

Policy No.: Policy Date:

Policy Amount: \$

1. Name of insured
2. Your interest in the land covered by this Policy is:
3. The land referred to in this Policy is described as follows:

SCHEDULE B

SCHEDULE B

EXCEPTIONS

In addition to the Exclusions, you are not insured against loss, costs, attorney's fees, and expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.
3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.
4. Any water rights or claims or title to water in or under the land.

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**Short Form Commercial Loan Policy**

ISSUED BY

**First American Title Insurance Company**

**SCHEDULE A**

Amount of Insurance:

Premium:

File Number:

Mortgage Amount:

Policy Number: C

Loan Number:

Mortgage Date:

Date of Policy:

or the date of recording of the insured mortgage, whichever is later.

Name of Insured:

Name of Borrower(s):

Property Address:

County and State:

Type of Improvements: O

The estate or interest in the land identified in this Schedule A and which is encumbered by the insured mortgage is fee simple and is at Date of Policy vested in the borrower(s) shown in the insured mortgage and named above.

The land referred to in this policy is described as set forth in the insured mortgage.

This policy consists of one page, including the reverse side hereof, unless an Addendum is attached.

SUBJECT TO THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B BELOW, AND ANY ADDENDUM ATTACHED HERETO, FIRST AMERICAN TITLE INSURANCE COMPANY, A CALIFORNIA CORPORATION, HEREIN CALLED THE "COMPANY", HEREBY INSURES THE INSURED IN ACCORDANCE WITH AND SUBJECT TO THE TERMS, EXCLUSIONS, CONDITIONS AND STIPULATIONS SET FORTH IN THE AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92), ALL OF WHICH ARE INCORPORATED HEREIN. ALL REFERENCES TO SCHEDULES A AND B SHALL REFER TO SCHEDULES A AND B OF THIS POLICY.

Incorporated herein in their entirety are:

1. ALTA Endorsement Form 6 (Variable Rate), if the insured mortgage secures obligations which provide for an adjustable interest rate.
  2. ALTA Endorsement Form 6.2 (Variable Rate - Negative Amortization), if the insured mortgage secures obligations which provide for both an adjustable interest rate and negative amortization.
  3. ALTA Endorsement Form 8.1 (Environmental Protection Lien), deleting therefrom that portion limiting the coverage to residential property, referring to the following state statutes: \_\_\_\_\_ Y
  4. ALTA Endorsement Form 9 (Restrictions, Encroachments, Minerals).
- Addendum attached.  
 No Addendum attached.

[Witness clause optional]

**First American Title Insurance Company**

By: Gary L. Keruott  
President

By: Mark A. Anderson  
Secretary



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The Company further insures, as of Date of Policy shown in Schedule A, against loss or damage sustained or incurred by the Insured by reason of:

1. The invalidity, unenforceability or lack of priority of the lien of the insured mortgage as to subsequent advances that do not have the same priority over liens, encumbrances and other matters disclosed by the public records as do advances secured by the insured mortgage as of the Date of Policy, except for liens, encumbrances or other matters, the existence of which are actually known to the insured prior to the date of the advances.
2. Any violation, variation, encroachment or adverse circumstance affecting the title that would have been disclosed by an accurate survey, not otherwise covered by ALTA Endorsement Form 9. The term "encroachment" includes encroachments of existing improvements located on the land onto adjoining land, and encroachments onto the land of existing improvements located on the adjoining land.
3. The failure of the land to have the Type of Improvements and Property Address shown in Schedule A.

#### SCHEDULE B

#### EXCEPTIONS FROM COVERAGE

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 the matters set forth below, except as expressly stated below or in any endorsement incorporated by reference, but limited by any addendum attached hereto:

1. Those taxes and special assessments which become due and payable subsequent to Date of Policy.
2. Covenants, conditions and restrictions, if any, appearing in the public records ("CC&Rs"). This policy provides coverage if: (a) the CC&Rs have been violated, except that this insurance does not extend to CC&Rs relating to environmental protection unless a notice of violation thereof has been recorded or filed in the public records and is not referenced in an addendum attached hereto; (b) a future violation of any CC&Rs, including any relating to environmental protection, results in a forfeiture or reversion of title; (c) there are any provisions in the CC&Rs under which the lien of the insured mortgage can be extinguished, subordinated or impaired; or (d) the present use of the land is or will be adversely affected or impaired by reason of the CC&Rs.
3. The easements or servitudes appearing in the public records ("Easements"). This policy provides coverage if: (a) any of the improvements encroach upon the Easements; (b) any use of the Easements for the purposes granted or reserved interferes with or damages the improvements, including lawns, shrubbery and trees; or (c) the present use of the land is or will be adversely affected or impaired by reason of any Easements.
4. Parties in possession, as tenants only, under leases existing at Date of Policy. This policy provides coverage if any of the leases affecting the land contain an option to purchase or a right of first refusal, and if any such option to purchase or right of first refusal has not been subordinated to the lien of the insured mortgage by a duly authorized subordination agreement.
5. Any lease, grant, exception or reservation of minerals or mineral rights appearing in the public records. This policy provides coverage if: (a) the present use of the land is or will be adversely affected or impaired by reason of the lease, grant, exception or reservation of minerals or mineral rights; and (b) existing improvements, including lawns, shrubbery and trees, are damaged by reason of the future exercise of any right to use the surface of the land for the extraction of minerals or development of mineral rights so leased, granted, excepted or reserved.

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under this policy, all right of subrogation shall vest in the Company unaffected by any act of the Insured Claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Insured Claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the Insured Claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Insured Claimant shall permit the Company to sue, compromise or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights or remedies. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall be subrogated to all rights and remedies of the Insured Claimant after the Insured Claimant shall have recovered its principal, interest, and costs of collection.

**(b) The Insured's Rights and Limitations.**

Notwithstanding the foregoing, the owner of the indebtedness secured by the Insured Mortgage, provided the priority of the lien of the Insured Mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the Insured Mortgage, or release any collateral security for the indebtedness. When the permitted acts of the Insured Claimant occur and the Insured has Knowledge of any claim of title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of the Insured Mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's right of subrogation.

**(c) The Company's Rights Against Non-Insured Obligors.** The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the Insured to indemnities, guaranties, other policies

of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of the Insured Mortgage by an obligor (except an obligor described in Section 1(b)(ii) of these Conditions and Stipulations) who acquires the Insured Mortgage as a result of an indemnity, guarantee, other policy of insurance or bond and the obligor will not be an Insured under this policy notwithstanding Section 1(b)(i) of these Conditions and Stipulations.

**12. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.**

- (a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the Insured Mortgage or of any other matters insured against by this policy or by any action asserting such claim, shall be restricted to this policy.
- (c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto.

**13. SEVERABILITY.**

In the event any provision of this policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

**14. NOTICES, WHERE SENT.**

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the office which issued this policy or to the Company at 1 First American Way, Santa Ana, California 92707. The Company's telephone no. is (714) 800-3000.

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**ENDORSEMENT**

Attached to Policy No.

Issued by

**FIRST AMERICAN TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by reason of the lien of the Insured Mortgage being invalid or unenforceable in whole or in part as to the principal and/or interest due on the note(s) secured thereby, said interest being computed in accordance with the provisions of the Insured Mortgage and/or note(s), on the grounds that the loan evidenced by the note(s) secured thereby is usurious under the laws of the State of California.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

**FIRST AMERICAN TITLE INSURANCE COMPANY**

Dated:

By: \_\_\_\_\_

Authorized Signatory

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