



OLD REPUBLIC TITLE COMPANY

750 N. CAPITOL AVE, STE A-1 • SAN JOSE, CA • 95133 • (408) 272-1600 • Fax: (408) 272-7978

PRELIMINARY REPORT

UPDATE-B

Issued for the sole use of:

Our Order No. 0612004079-MA

Fireside Realty
2111 Lincoln Avenue
San Jose, California 95125

Reference

Attention: Donna Montana

When Replying Please Contact:

Maggie Anderson

Buyer: Richard A. Croteau and
Roxanna S. Croteau

Property Address: 1704 Hillsdale Avenue, San Jose, CA

In response to the above referenced application for a policy of title insurance, OLD REPUBLIC 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 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 may be 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 October 27th, 2005, at 7:30 A.M.

OLD REPUBLIC TITLE COMPANY

For Exceptions Shown or Referred to, See Attached

Page 1 of 7 Pages

OLD REPUBLIC TITLE COMPANY

ORDER NO. 0612004079-MA

UPDATE-B

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

a Homeowner's Policy of Title Insurance (1998); AND an ALTA Loan Policy. A specific request should be made if another form or additional coverage is desired.

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

a FEE.

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

PAUL H. ARRIGHI and SHIRLEY J. ARRIGHI, Trustees of the Arrighi Family Trust dated May 4, 1993 as amended

OLD REPUBLIC TITLE COMPANY

ORDER NO. 0612004079-MA

UPDATE-B

The land referred to in this Report is situated in the County of Santa Clara, City of San Jose,
State of California, and is described as follows:

LOT 41, as delineated upon that certain Map entitled "Tract No. 1630", filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on March 20th, 1956 in Book 68 of Maps, at Page 2 and 3

EXCEPTING THEREFROM the underground water or rights thereto with no rights of surface entry, as granted to San Jose Water Works, a California corporation, by instrument, recorded May 17th, 1956 in Book 3497 of Official Records, Page 545

447-15-020
17015
GC/NV/ar
A 447-15-20

upd/SH/KH 10/14/05
upd-b/GC/KH 11/1/05

OLD REPUBLIC TITLE COMPANY

ORDER NO. 0612004079-MA

UPDATE-B

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

1. Taxes for the fiscal year 2005-2006. A lien, but not yet due.

Bill No.: 447-15-020 Code No.: 17 015

First Installment \$1,687.44 Open

Second Installment \$1,687.44 Open

The above installments include a property tax exemption of \$7,000.00.

2. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as shown on the filed Map.

For : Public utility easement

Affects : the Southwesterly 5 feet

3. Building set-back line as shown on the filed Map.

Affects : 25 feet from Irlanda Way and 12.5 feet from Hillsdale Avenue

4. Covenants, Conditions and Restrictions, which do not contain express provisions for forfeiture or reversion of title in the event of violation, but deleting restrictions, if any, based on race, color, religion or national origin, as provided in an instrument

Recorded : April 9th, 1956 in Book 3462 of Official Records, Page 163

Modification thereof, but deleting restrictions, if any, based on race, color, religion or national origin

Recorded : November 21st, 1956 in Book 3664 of Official Records, Page 546

Said Covenants, Conditions and Restrictions provide that a violation thereof shall not defeat or render invalid the lien of any Mortgage or Deed of Trust made in good faith and for value.

NOTE: "If this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.1 of the 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."

OLD REPUBLIC TITLE COMPANY

ORDER NO. 0612004079-MA
UPDATE-B

5. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,

Amount : \$172,000.00
Trustor/Borrower : Paul H. Arrighi, Sr. and Shirley J. Arrighi
Trustee : Master Mortgage Company, a California Corporation
Beneficiary/Lender : First Nationwide Mortgage Corporation
Dated : July 5th, 1996
Recorded : July 10th, 1996 in Book P411 of Official Records, Page 1257
under Recorder's Serial Number 13361364
Loan No. : 0003964236
Returned to Address: P.O. Box 960, Frederick, MD 21705-0960

NOTE: While it appears that this matter should have been eliminated upon a subsequent sale and/or financing, we find it still "unreleased" of record and we are unable to delete or ignore it without being furnished sufficient evidence of it having been satisfied.

Reference is made to Tigor Title of California Order No. 209410, apparently closed on September 30th, 1998.

6. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,

Amount : \$132,550.00
Trustor/Borrower : Paul H. Arrighi, Sr. and Shirley J. Arrighi
Trustee : First American Title Insurance Company
Beneficiary/Lender : PHH Mortgage Services Corporation
Dated : September 22nd, 1998
Recorded : September 30th, 1998 in Official Records under Recorder's
Serial Number 14423002
Loan No. : 0123992
Returned to Address: 6000 Atrium Way, Mt. Laurel, NJ 08054

The record beneficial interest under said Deed of Trust as a result of the last recorded assignment thereof is,

Vested In : Mortgage Electronic Registration Systems, Inc.
By Assignment From : Cendant Mortgage Corporation
Recorded : August 11th, 1999 in Official Records under Recorder's
Serial Number 14935991
Loan No. : 100020000001239924
Returned to Address: P.O. Box 2026, Flint, MI 48501-2026

OLD REPUBLIC TITLE COMPANY

ORDER NO. 0612004079-MA
UPDATE-B

7. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,

Amount : \$100,000.00
Trustor/Borrower : Paul H. Arrighi and Shirley J. Arrighi, Trustees of the Arrighi Family Trust dated May 4, 1993 as amended
Trustee : Equitable Deed Company
Beneficiary/Lender : Bank of America, N.A.
Dated : May 15th, 2002
Recorded : May 29th, 2002 in Official Records under Recorder's Serial Number 16285224
Loan No. : 02502501572306998
Returned to Address: 9000 Southside Boulevard, Building 700, Jacksonville, FL 32256

NOTE: Said Deed of Trust appears to secure a Revolving Line or Equity Line of Credit. If this loan is to be paid off and reconveyed through this transaction, the Company will require a written statement from the Beneficiary/Lender that a freeze is in effect on the account, and that the demand for payoff from the Beneficiary/Lender states that a reconveyance will be issued upon payment of the amounts shown therein.

The Beneficiary/Lender may be assisted in freezing this account by receiving a creditline freeze authorization letter signed by the Trustor/Borrower/Seller with the request for payoff demand. A sample copy of a typical such letter is available from the Company upon request.

8. The requirement that a Certification of Trustee be furnished in accordance with Probate Code Section 18100.5

9. NOTE: The Homeowner's Policy applies only if each insured named in Schedule A is a Natural Person (as Natural Person is defined in said policy). If each insured to be named in Schedule A is not such a Natural Person, contact the Title Dept. immediately.

----- Informational Notes -----

1. The last recorded instrument(s) conveying record title to the premises is/are:

A deed executed by James T. Harris and Lois S. Harris, husband and wife to Paul H. Arrighi and Shirley J. Arrighi, husband and wife as joint tenants, recorded July 10th, 1996 in Official Records, under Recorder's Serial Number 13361363

OLD REPUBLIC TITLE COMPANY

ORDER NO. 0612004079-MA

UPDATE-B

A deed executed by Paul H. Arrighi, Sr. and Shirley J. Arrighi, husband and wife to Paul H. Arrighi and Shirley J. Arrighi, Trustees of the Arrighi Family Trust dated May 4, 1993 as amended, recorded October 13th, 1998 in Official Records, under Recorder's Serial Number 14442431

The last conveyance affecting said land recorded within the last two years, prior to the date of this Report are:NONE

2. Please obtain a Statement of Information from buyers, in order to determine marital status. If married, the name of the spouse must be run to complete this report.

3. Upon sale or transfer, this property will be subject to the City of San Jose Conveyance Tax.

4. The mailing address of the vestee as shown in the records is: 1704 Hillside Avenue, San Jose, CA 95124.

5. In addition to existing requirements pertaining to sellers who are non-residents of California, as a result of recent changes to Section 18662 of the Revenue and Taxation Code, in transactions closing after January 1, 2003 the buyer may then be responsible to withhold 3 1/3% of the sales price (as defined therein) from any seller, if this property is not the seller's principal residence. The statute, as modified, also provides for certain exemptions to the buyer's responsibility to withhold, which may apply.

6. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 3.1.

7. Short Term Rate ("STR") applies (but may be precluded or limited by application of the above shown section(s) of our Schedule of Fees and Charges).

C

**CALIFORNIA LAND TITLE ASSOCIATION
HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998
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 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 the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990
EXCLUSIONS**

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 or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (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 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; or
 - (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 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 claim, which arises out of the transaction vesting in the insured the estate or interest insured by this 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.

EXCEPTIONS

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

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 notices 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 public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflict 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 expected under (a), (b) or (c) are shown by the public records.

AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (1992) SCHEDULE OF EXCLUSIONS FROM COVERAGE

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.
(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) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, 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 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 creating 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 creditor's rights laws.

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, attorney's fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or governmental 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 Risk.

2. The right to take the land by condemning it, unless:

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 appear in the Public Records.
That result in no loss to you

That first affect you 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 Item 2 of Schedule A
or
in street, alleys, or waterways that touch your land.

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

**AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (1987) WITH REGIONAL EXCEPTIONS
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 governmental regulation. This includes building and zoning ordinances and also laws and regulation 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 Item 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - 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 appear 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 you 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.

REGIONAL EXCEPTIONS

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

1. Any facts, rights, interests or claims which are not shown by the Public Records but which could be ascertained by making inquiry of parties in possession of the land.
2. Any liens or easements not shown by the Public Records. However, this does not limit the affirmative coverage in Item 8 of Covered Title Risks.
3. Any facts about the land not shown by the Public Records which a correct survey would disclose. However, this does not limit the affirmative coverage in Item 12 of Covered Title Risks.
4. (a) Any water rights or claims or title to water in or under the land; (b) unpatented mining claims; (c) reservations or exceptions in patents or in acts authorizing the issuance thereof.

MAY 7, 2001

OLD REPUBLIC TITLE COMPANY

Privacy Policy Notice

PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Old Republic Title Company.

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you such as on applications or other forms.
- Information about your transactions we secure from our files, or from [our affiliates or] others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements.

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

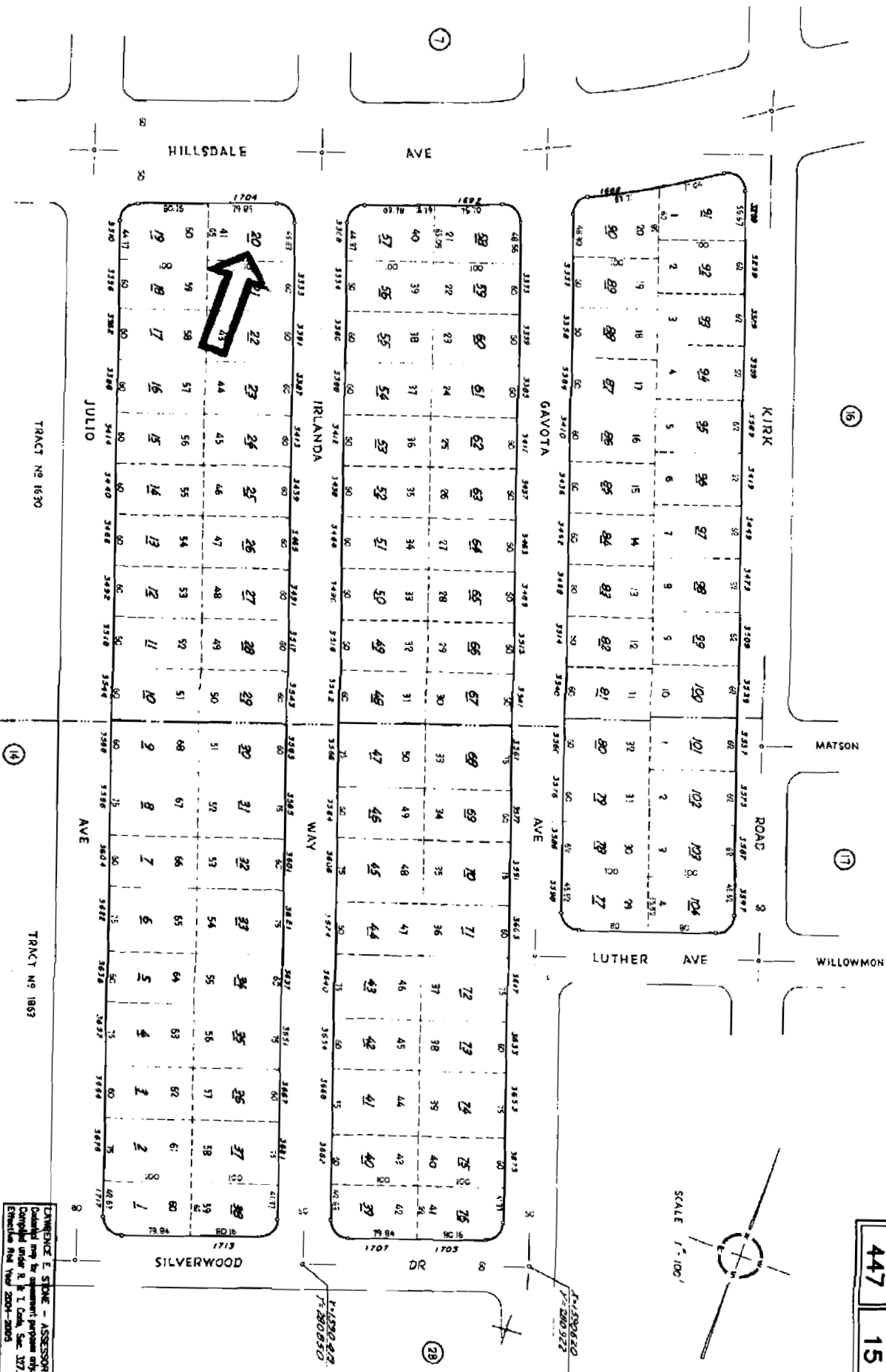
We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

NOTICE: This is neither a plat nor a survey. It is furnished merely as a convenience to aid you in locating the land indicated hereon with reference to streets and other land. No liability is assumed by reason of any reliance hereon.

BOOK 447 PAGE 15

SCALE 1"=100'



CRAWFORD E. STONE - ASSESSOR
 Certified by the Department of Public Safety
 Commission under S. I. Code, Sec. 127.
 Expiration Date: 12/31/2004



OLD REPUBLIC TITLE COMPANY

750 N. CAPITOL AVE, STE A-1 • SAN JOSE, CA • 95133 • (408) 272-1600 • Fax: (408) 272-7978

PRELIMINARY REPORT

UPDATE-A

Issued for the sole use of:

Our Order No. 0612004079-MA

Fireside Realty
2111 Lincoln Avenue
San Jose, California 95125

Reference

Attention: Donna Montana

When Replying Please Contact:

Maggie Anderson

Buyer: Richard A. Croteau and
Roxanna S. Croteau

Property Address: 1704 Hillside Avenue, San Jose, CA

In response to the above referenced application for a policy of title insurance, OLD REPUBLIC 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 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 may be 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 October 11th, 2005, at 7:30 A.M.

OLD REPUBLIC TITLE COMPANY

For Exceptions Shown or Referred to, See Attached

Page 1 of 7 Pages

OLD REPUBLIC TITLE COMPANY

ORDER NO. 0612004079-MA

UPDATE-A

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

a Homeowner's Policy of Title Insurance (1998); AND an ALTA Loan Policy. A specific request should be made if another form or additional coverage is desired.

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

a FEE.

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

PAUL H. ARRIGHI and SHIRLEY J. ARRIGHI, Trustees of the Arrighi Family Trust dated May 4, 1993 as amended

OLD REPUBLIC TITLE COMPANY

ORDER NO. 0612004079-MA

UPDATE-A

The land referred to in this Report is situated in the County of Santa Clara, City of San Jose,
State of California, and is described as follows:

LOT 41, as delineated upon that certain Map entitled "Tract No. 1630", filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on March 20th, 1956 in Book 68 of Maps, at Page 2 and 3

EXCEPTING THEREFROM the underground water or rights thereto with no rights of surface entry, as granted to San Jose Water Works, a California corporation, by instrument, recorded May 17th, 1956 in Book 3497 of Official Records, Page 545

447-15-020
17015
GC/NV/ar
A 447-15-20

upd/SH/KH 10/14/05

OLD REPUBLIC TITLE COMPANY

ORDER NO. 0612004079-MA

UPDATE-A

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

1. Taxes for the fiscal year 2005-2006. A lien, but not yet due.

Bill No.: 447-15-020 Code No.: 17 015

First Installment \$1,687.44 Open

Second Installment \$1,687.44 Open

The above installments include a property tax exemption of \$7,000.00.

2. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as shown on the filed Map.

For : Public utility easement

Affects : the Southwesterly 5 feet

3. Building set-back line as shown on the filed Map.

Affects : 25 feet from Irlanda Way and 12.5 feet from Hillsdale Avenue

4. Covenants, Conditions and Restrictions, which do not contain express provisions for forfeiture or reversion of title in the event of violation, but deleting restrictions, if any, based on race, color, religion or national origin, as provided in an instrument

Recorded : April 9th, 1956 in Book 3462 of Official Records, Page 163

Modification thereof, but deleting restrictions, if any, based on race, color, religion or national origin

Recorded : November 21st, 1956 in Book 3664 of Official Records, Page 546

Said Covenants, Conditions and Restrictions provide that a violation thereof shall not defeat or render invalid the lien of any Mortgage or Deed of Trust made in good faith and for value.

NOTE: "If this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.1 of the 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."

OLD REPUBLIC TITLE COMPANY

ORDER NO. 0612004079-MA

UPDATE-A

5. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,

Amount : \$172,000.00
Trustor/Borrower : Paul H. Arrighi, Sr. and Shirley J. Arrighi
Trustee : Master Mortgage Company, a California Corporation
Beneficiary/Lender : First Nationwide Mortgage Corporation
Dated : July 5th, 1996
Recorded : July 10th, 1996 in Book P411 of Official Records, Page 1257
under Recorder's Serial Number 13361364
Loan No. : 0003964236
Returned to Address: P.O. Box 960, Frederick, MD 21705-0960

NOTE: While it appears that this matter should have been eliminated upon a subsequent sale and/or financing, we find it still "unreleased" of record and we are unable to delete or ignore it without being furnished sufficient evidence of it having been satisfied.

Reference is made to Ticor Title of California Order No. 209410, apparently closed on September 30th, 1998.

6. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,

Amount : \$132,550.00
Trustor/Borrower : Paul H. Arrighi, Sr. and Shirley J. Arrighi
Trustee : First American Title Insurance Company
Beneficiary/Lender : PHH Mortgage Services Corporation
Dated : September 22nd, 1998
Recorded : September 30th, 1998 in Official Records under Recorder's
Serial Number 14423002
Loan No. : 0123992
Returned to Address: 6000 Atrium Way, Mt. Laurel, NJ 08054

The record beneficial interest under said Deed of Trust as a result of the last recorded assignment thereof is,

Vested In : Mortgage Electronic Registration Systems, Inc.
By Assignment From : Cendant Mortgage Corporation
Recorded : August 11th, 1999 in Official Records under Recorder's
Serial Number 14935991
Loan No. : 100020000001239924
Returned to Address: P.O. Box 2026, Flint, MI 48501-2026

OLD REPUBLIC TITLE COMPANY

ORDER NO. 0612004079-MA

UPDATE-A

7. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,

Amount : \$100,000.00
Trustor/Borrower : Paul H. Arrighi and Shirley J. Arrighi, Trustees of the Arrighi Family Trust dated May 4, 1993 as amended
Trustee : Equitable Deed Company
Beneficiary/Lender : Bank of America, N.A.
Dated : May 15th, 2002
Recorded : May 29th, 2002 in Official Records under Recorder's Serial Number 16285224
Loan No. : 02502501572306998
Returned to Address: 9000 Southside Boulevard, Building 700, Jacksonville, FL 32256

NOTE: Said Deed of Trust appears to secure a Revolving Line or Equity Line of Credit. If this loan is to be paid off and reconveyed through this transaction, the Company will require a written statement from the Beneficiary/Lender that a freeze is in effect on the account, and that the demand for payoff from the Beneficiary/Lender states that a reconveyance will be issued upon payment of the amounts shown therein.

The Beneficiary/Lender may be assisted in freezing this account by receiving a creditline freeze authorization letter signed by the Trustor/Borrower/Seller with the request for payoff demand. A sample copy of a typical such letter is available from the Company upon request.

8. The requirement that a Certification of Trustee be furnished in accordance with Probate Code Section 18100.5

9. NOTE: The Homeowner's Policy applies only if each insured named in Schedule A is a Natural Person (as Natural Person is defined in said policy). If each insured to be named in Schedule A is not such a Natural Person, contact the Title Dept. immediately.

----- Informational Notes -----

1. The last recorded instrument(s) conveying record title to the premises is/are:

A deed executed by James T. Harris and Lois S. Harris, husband and wife to Paul H. Arrighi and Shirley J. Arrighi, husband and wife as joint tenants, recorded July 10th, 1996 in Official Records, under Recorder's Serial Number 13361363

OLD REPUBLIC TITLE COMPANY

ORDER NO. 0612004079-MA

UPDATE-A

A deed executed by Paul H. Arrighi, Sr. and Shirley J. Arrighi, husband and wife to Paul H. Arrighi and Shirley J. Arrighi, Trustees of the Arrighi Family Trust dated May 4, 1993 as amended, recorded October 13th, 1998 in Official Records, under Recorder's Serial Number 14442431

The last conveyance affecting said land recorded within the last two years, prior to the date of this Report are:NONE

2. Please obtain a Statement of Information from buyers, in order to determine marital status. If married, the name of the spouse must be run to complete this report.

3. Upon sale or transfer, this property will be subject to the City of San Jose Conveyance Tax.

4. The mailing address of the vestee as shown in the records is: 1704 Hillside Avenue, San Jose, CA 95124.

5. In addition to existing requirements pertaining to sellers who are non-residents of California, as a result of recent changes to Section 18662 of the Revenue and Taxation Code, in transactions closing after January 1, 2003 the buyer may then be responsible to withhold 3 1/3% of the sales price (as defined therein) from any seller, if this property is not the seller's principal residence. The statute, as modified, also provides for certain exemptions to the buyer's responsibility to withhold, which may apply.

6. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 3.1.

7. Short Term Rate ("STR") applies (but may be precluded or limited by application of the above shown section(s) of our Schedule of Fees and Charges).

C

**CALIFORNIA LAND TITLE ASSOCIATION
HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998
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 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 the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY - 1990
EXCLUSIONS**

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 or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (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 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; or
 - (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 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 claim, which arises out of the transaction vesting in the insured the estate of interest insured by this 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.

EXCEPTIONS

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

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 notices 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 public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflict 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 expected under (a), (b) or (c) are shown by the public records.

AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (1992) SCHEDULE OF EXCLUSIONS FROM COVERAGE

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.
(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) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, 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 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 creating 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 creditor's rights laws.

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, attorney's fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or governmental regulation. This includes building and zoning ordinances and also laws and regulations concerning:
land use
improvements on the land
land division

MAY 7, 2001

OLD REPUBLIC TITLE COMPANY

Privacy Policy Notice

PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Old Republic Title Company.

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you such as on applications or other forms.
- Information about your transactions we secure from our files, or from [our affiliates or] others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements.

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

NOTICE:

If this Document contains any Restrictions based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that Restriction violates State and Federal Fair Housing Laws and is Void, and may be removed pursuant to Section 12956.1 of the 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.

RE: CC & R'S ATTACHED

Handwritten signature or initials in the bottom right corner of the page.

1197918

67082

BOOK 3462 PAGE 163

DECLARATION OF RESTRICTIONS

THIS DECLARATION made and dated this 2nd day of April, 1956, by HAROLD L. SHAW and MARTHA J. SHAW, husband and wife, hereinafter called the "DECLARANTS".

WITNESSETH:

WHEREAS, DECLARANTS are the Owners of a certain tract of land situate in the City of San Jose, County of Santa Clara, State of California, described as follows:

Tract No. 1630 as per Map filed for record in the office of the County Recorder of Santa Clara County, State of California, on March 20, 1956, in Book 68, Pages 2 and 3 of Maps, to which said Map and the said record thereof reference is hereby made; and

WHEREAS, DECLARANTS, before said property is sold, desire to subject said property to covenants, conditions, restrictions, provisions, reservations and charges as hereinafter set forth, for the benefit of said property and of the present and subsequent owners thereof;

NOW, THEREFORE, DECLARANTS DO hereby declare and impose for the benefit of

(1) Declarants, their successors and assigns; and (2) All others hereafter acquiring title to said lots, and each of them; the following covenants, conditions, restrictions, provisions, reservations and charges, to-wit:

PART A. RESIDENTIAL AREA

A-1. Land Use and Building Type. No buildings or structures other than one private single-family residence, together with the customary out-buildings, including a private garage, which garage, however, may be incorporated in and made a part of the residence building, shall be erected, maintained or permitted on any of the lots of said Tract, for a period of twenty-five (25) years from the date of recording of this Tract.

A-2. Architectural Control. No building shall be erected, placed, or altered on any lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. No fence or wall shall be erected, placed or altered on any lot nearer to any street than the minimum building setback line unless similarly approved, nor shall any hedge therein be permitted to exceed the height of four (4) feet. Approval shall be as provided in Part B.

A-3. Dwelling Quality and Size. The ground floor area of the main structure, exclusive of one-story open porches and garages, shall be not less than 1000 square feet for a one-story building, nor less than 1200 square feet for a dwelling of more than one story.

A-4. Building Location. No building shall be located on any lot nearer to the front line or nearer to the side street line than the minimum building setback lines shown on the recorded plat. In any event no building shall be located on any lot nearer than twenty-five (25) feet to the front lot line, or nearer than twelve and one-half (12½) feet to any side street line. No building shall be located nearer than five (5) feet to an interior lot line, except that no side yard shall be required for a garage or other permitted accessory building located twenty-five (25) feet or more from the minimum building setback line. No building shall be located on any interior lot nearer than two (2) feet to the rear lot line. For the purposes of this covenant, eaves, steps, and

Covenants and restrictions in this deed apply to the land and the building thereon and shall not be subject to termination or modification by any person or persons unless and only to the extent that said covenant is exempt under Chapter 42, Section 307 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

DECLARATION OF RESTRICTIONS

Tract 1630

open porches shall not be considered as a part of a building, provided however, that this shall not be construed to permit any portion of a building on one lot to encroach upon another lot.

A-5. Lot Area and Width. No dwelling shall be erected or placed on any lot having a width of less than sixty (60) feet at the minimum building setback line nor shall any dwelling be erected or placed on any lot having an area of less than 6000 square feet, except that a dwelling may be erected or placed on lots numbered 128, 129 and 130 as shown on the recorded plat.

A-6. Derricks. No derrick or other structure designed for use in boring, mining, or quarrying for water, oil or natural gas, or precious minerals shall ever be erected, maintained or permitted upon any lot in said tract.

A-7. Nuisances. No noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

A-8. Temporary Structures. No trailer, basement, tent, shack, garage, barn or other out-building erected in the Tract shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

A-9. Signs. No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one (1) square foot, one sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

A-10. Livestock and Poultry. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purpose.

A-11. Garbage and Refuse Disposal. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

A-12. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadway shall be permitted to remain on any corner lot within the triangular area formed by the street property lines, and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight-line limitations shall apply on any lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

A-13. Local Ordinances. Any building or structure on any of said property shall be constructed in accordance with zoning and building ordinances of the City of San Jose, County of Santa Clara.

PART B. ARCHITECTURAL CONTROL COMMITTEE.

B-1. Membership. The Architectural Control Committee is composed of HAROLD L. SHAW, MARTHA J. SHAW, and R. Simoni. A majority of the Committee may designate a representative to act for it. In the event of death or resignation of any member of the Committee, the remaining members shall have full authority to designate a successor. Neither the members of the Committee, nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. At any time, the then record owners of a majority of the lots shall have the power through a duly recorded written instrument to change the membership of the Committee or to withdraw from the Committee or restore to it any of its powers and duties.

Tract 1630.

B-2. Procedure. The Committee's approval or disapproval as required in these covenants shall be in writing. In the event the Committee, or its designated representative, fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the constructions has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

PART C. GENERAL PROVISIONS.

C-1. Terms. As a general plan for the use, occupancy and improvement on said lots and each of them, those conditions, provisions, covenants, restrictions, reservations and charges herebefore expressed, which insofar as they are made applicable to each of said lots (a) shall apply to and bind the Declarants as and while the Owner of each or any of said lots and also each and every future owner of each, every and any of said lots; (b) shall inure to the benefit of not only the Declarants but also of each and every future owner of each, every or any of said lots; (c) shall run with the land and shall be binding on all parties claiming under them until June 1, 1986, at which time said covenants shall be automatically extended for successive periods of ten (10) years unless by vote of the majority of the then owners of the lots it is agreed to change said covenants in whole or in part; and (d) may be enforced not only by declarants, but also by any future owner of each and every or any of said lots; and said lots are and each of them shall be held and conveyed upon and subject to the conditions, provisions, covenants, restrictions, reservations and charges set forth.

C-2. Changes. These conditions, provisions, covenants, restrictions, reservations and charges, or any of them, may be supplemented, changed or rescinded in any or all particulars at any time by the majority of the then owners of the lots evidenced by an instrument in writing executed by the said majority of owners in the manner provided by law for the conveyance of real property, and duly recorded in the office of the Recorder aforesaid, and upon such recordation shall be valid and binding upon the sellers and owners of the said lots in said Tract, and upon all other persons.

C-3. Enforcement. If the parties hereto, or their successors shall violate or attempt to violate any of the covenants herein before June 1, 1986, or during any of the extended periods for which they are in force, it shall be lawful for any person owning any real property subject thereto to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants, and either to prevent him or them from so doing or to recover damages or other dues for such violation.

C-4. Reversion of Property. A breach or violation of any of the conditions, provisions, restrictions or charges herein contained upon or in respect of lots or building sites, or any of them, shall cause the lot or lots or building site or building sites upon or in respect of which the violation occurs to revert to the Declarants, their successors or assigns, who shall have the right of immediate re-entry upon said realty in the event of any such violation or breach.

C-5. Subordination. It is further provided that a violation or breach of any of said conditions, provisions, restrictions, charges or any re-entry by reason of such breach or violation thereof shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to said realty or any part thereof, but said conditions, provisions, restrictions and charges shall be binding upon and effective against every subsequent owner of said realty claiming title under or through a sale under or foreclosure of any such mortgage or deed of trust.

DECLARATION OF RESTRICTIONS

Tract 1630

C-6. The determination by any court that any one or more of the conditions, restrictions or provisions of this Declaration are illegal or invalid, or shall any one or more of the conditions, restrictions or provisions of this Declaration become unenforcible from any cause whatsoever, such illegality, invalidity or unenforcibleness shall in no wise affect or render illegal, invalid or unenforcible any of the other conditions, restrictions or provisions of this Declaration, but each and all of such other conditions, restrictions or provisions hereof notwithstanding such illegality, invalidity or unenforcibleness shall nevertheless remain in full force and effect.

IN WITNESS WHEREOF, said HAROLD L. SHAW and MARTHA J. SHAW, his wife, have hereunto set their hands this 2nd day of April, 1956.

1197918

BOOK 3462 PAGE 163

FILED FOR RECORD AT REQUEST OF

City Title Insurance Co. APR 9 3 55 P 1956

OFFICIAL RECORDS SANTA CLARA COUNTY

RECORDED

440

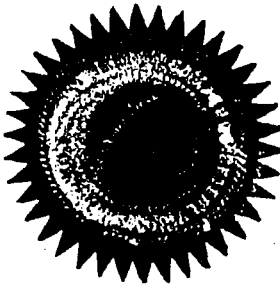
Harold L. Shaw
HAROLD L. SHAW

Martha J. Shaw
MARTHA J. SHAW

STATE OF CALIFORNIA,

County of LOS ANGELES

ss.



ON THIS 4th day of April, A.D. 1956, before me, Noreen Healey a Notary Public in and for said County and State, personally appeared HAROLD L. SHAW and MARTHA J. SHAW, known to me,

to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Noreen Healey

Notary Public in and for said County and State.

MODIFICATION OF RESTRICTIONS

WHEREAS, the undersigned executed a Declaration of Restrictions dated April 2, 1956 and recorded April 9, 1956 in Book 3462 of Official Records, at page 163, affecting "Tract No. 1630", which Map was filed for record in the office of the recorder of the County of Santa Clara, State of California, on March 20, 1956 in Book 68 of Maps, at pages 2 and 3 and

WHEREAS, Clause C-2 provides that said Declaration may be supplemented, changed or rescinded by the majority of the owners of the lots and

WHEREAS, the undersigned are the owners of all of the lots and

WHEREAS, the undersigned desire to modify certain provisions of said Declaration

NOW THEREFORE, the undersigned do hereby declare that Clause C-4 of the Declaration of Restrictions above referred to is hereby rescinded and henceforth will be of no further force or effect.

The undersigned do, also, hereby declare that paragraphs A-1 and A-4 be supplemented and changed and henceforth are to read as follows:

A-1. Land Use and Building Type. No lot shall be used except for residential purposes. No building shall be erected, altered, placed, or permitted to remain on any lot other than one detached single-family dwelling not to exceed two and one-half stories in height and a private garage for not more than two cars.

A-4. Building Location. No building shall be located on any lot nearer to the front line or nearer to the side street line than the minimum building setback lines shown on the recorded plat. In any event no building shall be located on any lot nearer than twenty-five (25) feet to the front lot line, or nearer than twelve and one-half (12 1/2) feet to any side street line. No building shall be located nearer than five (5) feet to an interior lot line, except that no side yard shall be required for a garage or other permitted accessory building located forty-five (45) feet or more from the minimum building setback line. No dwelling shall be located on any interior lot nearer than twenty (20) feet to the rear lot line. Any garage constructed within the rear yard area must be located at least two (2) feet from the rear lot line. For the purposes of this covenant, eaves, steps, and open porches shall not be considered as a part of a building, provided however, that this shall not be construed to permit any portion of a building on one lot to encroach upon another lot.

All the other terms and provisions of said Declaration of Restrictions are to remain in full force and effect.

IN WITNESS WHEREOF the undersigned have hereunto set their hands and seals this 3th day of November, 1956.

CITY TITLE INSURANCE COMPANY, A CORPORATION, SUCCESSOR TO PENINSULA TITLE GUARANTEE COMPANY, A CORPORATION, BY MERGER

BY [Signature] VICE-PRESIDENT

BY [Signature] ASSISTANT SECRETARY

STATE OF CALIFORNIA COUNTY OF SANTA CLARA

November 21, 1956

I, the undersigned, a Notary Public in and for said County and State, personally appeared

R. Simoni

Vice-President, and

Don Hancock

Assistant Secretary of Corporation that executed the within instrument, and know to me the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.

Notary Public

Mar. 6, 1957

Commission Expires:

FILED FOR RECORD AT REQUEST OF CITY TITLE INSURANCE CO. Nov 21 11 46 AM 1956

THESE SIGNATURES ATTACHED TO AND MADE PART OF THAT CERTAIN MODIFICATION OF RESTRICTIONS, FOR TRACT 1630 IN SAN JOSE, CALIFORNIA, DATED NOVEMBER 9, 1956.

✓ DOWNEY-WILSHIRE CORP., a Corporation

BY Harold K. Quinn
President

BY _____
Secretary

✓ HOUSER-WHITNEY COMPANY, INC., a Corporation

BY Harold K. Quinn
President

BY _____
Secretary

✓ CUARENTA UNO, INC., a Corporation

BY Harold K. Quinn
President

BY _____
Secretary

✓ C & S LEIGH, INC., a Corporation

BY Harold K. Quinn
President

BY _____
Secretary

M. J. DEVELOPMENT CO., a Corporation

BY Harold K. Quinn
President

BY _____
Secretary

The undersigned, as Trustees, hereby consent to the foregoing Declaration of Restrictions.

✓ THE ANGLO SAFE DEPOSIT COMPANY, a Corporation

BY _____

BY _____

CITY TITLE INSURANCE COMPANY, A CORPORATION, SUCCESSOR TO PENINSULA TITLE GUARANTEE COMPANY, A CORPORATION, BY MERGER

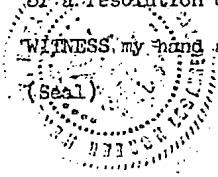
BY _____
Vice-President

BY _____
Assistant Secretary

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

On November 8, 1956, Before me, the undersigned, a Notary Public in and for said County and State, personally appeared HAROLD L. SHAW, known to me to be the President, and MARTHA J. SHAW, known to me to be the Secretary respectively of each of the five corporations that executed the within instrument, namely DOWNEY-WILSHIRE CORP., HOUSER-WHITNEY COMPANY, INC., CUARENIA UNO, INC., C & S LEIGH, INC., and M. J. DEVELOPMENT CO., and known to me to be the persons who executed the within instrument on behalf of each of the five corporations therein named, and acknowledged to me that such respective corporations executed the within instrument pursuant to its by-laws or a resolution of the board of directors of each respective corporations

WITNESS my hand and official seal.



Noreen Healey

Notary Public in and for Santa Clara County & State.
My Commission Expires May 4, 1958.

STATE OF CALIFORNIA }
City and County of San Francisco } ss.

On this 19th day of November, 1956, the year one thousand nine hundred and fifty-six, before me, ALICE C. MORSE, a Notary Public in and for the City and County of San Francisco, State of California, residing therein, duly commissioned and sworn, personally appeared *Harold L. Shaw*

Martha J. Shaw known to me to be the *President and Secretary* respectively of the corporation described in and that executed the within instrument, and also known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the City and County of San Francisco the day and year in this certificate first above written.

Alice C. Morse
Notary Public in and for the City and County of San Francisco, State of California.
My Commission Expires August 1, 1957



CORPORATION)

STATE OF CALIFORNIA }
COUNTY OF Santa Clara } ss.

November 21, 1956, Before me, the undersigned, a Notary Public in and for said County and State, personally appeared R. Sironi, Vice-President, and Don Hancock, Assistant Secretary of corporation that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Mary H. Connelley
Notary Public
Commission Expires March 6, 1957