

Arthur Attorney, Esq.
Direct Dial:
E-mail:

January 1, 2013

VIA EMAIL AND FEDERAL EXPRESS

Ms. Jane Smith
XYZ Property Holdings
1234 A Street
San Diego, CA 92104

Re: Real Estate Purchase (the “**Agreement**”) between ABC, LLC, a California limited liability company (“**Seller**”) and XYZ, LP, a California limited partnership (“**Buyer**”); Preliminary Report No. _____ (“**Title Report**”).

Dear Ms. Keller:

Pursuant to Section ____ of the Agreement, this letter shall constitute Seller’s Title Notice, which responds to Buyer’s Title Objection Notice dated _____. All capitalized items not otherwise defined herein shall have the meaning set forth in the Agreement. Based upon our review of the Title Reports issued by Best Title Insurance Company (“**Title Company**”) our response to your letter is as follows:

1. **Exceptions 1 and 2.** Buyer’s objection is more appropriately addressed to Title Company as taxes will be paid pursuant to the terms of the Agreement. Exceptions 1 and 2 should be removed or revised at Closing to insert the words “a lien not yet due and owing” or words to that effect.

2. **Exception 6.** Seller has no evidence of payment of shared costs for storm drain maintenance.

3. **Exceptions 7.** Pursuant to the Agreement, Seller has no affirmative obligation to remove or cure any exceptions. Notwithstanding the foregoing, Seller will execute a commercially reasonable Seller’s Affidavit if one is provided by Title Company.

4. **Exception 8.** This objection should be appropriately addressed to Title Company and therefore Seller will not take any action with respect to Buyer’s requests. The Agreement has expired and Title Company should be able to remove this exception.

5. **Exception 9.** This Exception should be removed by Title Company at Closing.

6. **Exceptions 11 and 12.** Pursuant to the Agreement, Seller has no affirmative obligation to remove or cure any exceptions. Notwithstanding the foregoing, Seller will execute a commercially reasonable Seller's Affidavit if one is provided by Title Company to assist Title Company to remove these Exceptions.

6. **Exception 13 and 14.** Buyer's objections should be appropriately addressed to Title Company and therefore Seller will not take any action with respect to Buyer's requests.

It is my understanding that the issues raised in your letter regarding Parcel Three has been resolved. Therefore, Seller will take no action related to this request.

Seller will cause the UCC-1 referenced in your letter to be terminated at Closing.

Pursuant to the terms and conditions of the Agreement, Buyer does not have a right to reserve its objection until Buyer has reviewed a survey of the Property. Buyer's receipt of a survey is not a condition for the satisfaction or waiver of the title contingency in the Agreement.

Should you have any questions please do not hesitate to contact me directly.

Very truly yours,

Arthur Attorney, Esq.

cc: _____