

**State Farm General Insurance Company**900 Old River Rd
Bakersfield, CA 93311-6000

SEP - 4 2012

AT1 003119 0001 R-12- 8190-F429 V 3 F

ARBOR WOODS HOMEOWNERS
ASSOCIATION
ATTN CEOSD NET
PO BOX 34398 PMB 605
SAN DIEGO CA 92163-4398Location: 521 ARBOR DR
SAN DIEGO CA
92103-7439

SFPP No: 1030649112

Mortgagee: RESIDENTIAL CREDIT
SOLUTIONS INC
ISAOA
Loan No: 051326892**Forms, Options, and Endorsements**

Special Form 3	FP-6149
Dir & Officers	OPT DO
Amendatory Endorsement	FE-6205
Tree Debris Removal	FE-6451
Policy Endorsement	FE-6506.2
Extra Replacement Cost Cov	FE-6507.1
Condo-Assn Policy Endorsement	FE-6466
Developer/Sponsor Exclusion	FE-6384
Glass Deductible - Sect I	FE-6538.1
Policy Endorsement	FE-6567
Addl Condo Prop Not Covered	FE-6570
Bldg Ordinance or Law Covg	FE-6476.1

Continued on back of page

NOTICE: Information concerning changes in your policy language is included. Please call your agent if you have any questions.

RENEWAL CERTIFICATE**POLICY NUMBER 90-63-9157-3**Condominium Policy
NOV 05 2012 to NOV 05 2013

BILLED THROUGH SFPP

Coverages and Limits**Section I**

A Buildings	\$2,524,000
B Business Personal Property	Excluded
Auxiliary Structures (Cov A) and Basic Liability	29,900

Deductibles - Section I

Basic	5,000
Other deductibles may apply - refer to policy	

Section II

L Business Liability	\$5,000,000
M Medical Payments	5,000
Gen Aggregate (Other than PCO)	10,000,000
Products-Completed Operations (PCO Aggregate)	10,000,000

Annual Premium	\$4,590.00
Forms, Opts, & Endrmnt	2,324.00
Bus Liability - Cov L	438.00
Auxiliary Structures	26.00
Total Amount	\$7,378.00

Premium Reductions

Renewal Year Discount	
Prot. Devices Discount	
Claim Record Discount	

Inflation Coverage Index: 208.8

*Thanks for letting us serve you...*Agent DICK HESS INSURANCE AGENCY IN
Telephone (858) 277-7222Moving? See your State Farm agent.
See reverse for important information.
Prepared

AUG 28 2012

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138-3076 f.8 10-11-2010 (of 3089c)



FORM 438BFU NS - LENDERS LOSS PAYABLE ENDORSEMENT

S.F. FORM

1. Loss or damage, if any, under this policy shall be paid **to the Payee named on the Declarations of this policy**, its successors and assigns, hereinafter referred to as "the Lender," in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended: (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto; (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed; (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the named insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the named insured, excluding herefrom, however, any acts or omissions of the Lender while exercising active control and management of the property.
3. In the event of failure of the insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, this Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefor. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.
4. Whenever this Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the insured no liability therefor exists, this Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the insured, whether secured or unsecured, (with refund of all interest not accrued), and this Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
5. If there be any other insurance upon the within described property, this Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate this Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.

In accordance with the Terrorism Risk Insurance Reauthorization Act of 2007, this disclosure is part of your policy.



POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is not excluded from your current policy. However your policy does contain other exclusions which may be applicable, such as an exclusion for nuclear hazard. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2007, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under this policy, any covered losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. Under the formula, the

United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

There is no separate premium charged to cover insured losses caused by terrorism. Your insurance policy establishes the coverage that exists for insured losses. This notice does not expand coverage beyond that described in your policy.

THIS IS YOUR NOTIFICATION THAT UNDER THE TERRORISM RISK INSURANCE ACT, AS AMENDED, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM UNDER YOUR POLICY MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT AND MAY BE SUBJECT TO A \$100 BILLION CAP THAT MAY REDUCE YOUR COVERAGE.

FE-6999.1