

Form No. 1056.92 (10-17-92)
ALTA Loan Policy Form 1

POLICY OF TITLE INSURANCE

Issued by

First American Title Insurance Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage;
7. Lack of priority of the lien of the insured mortgage over any statutory lien for services, labor or material:
 - (a) arising from an improvement or work related to the land which is contracted for or commenced prior to Date of Policy; or
 - (b) arising from an improvement or work related to the land which is contracted for or commenced subsequent to Date of Policy and which is financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance;
8. Any assessments for street improvements under construction or completed at Date of Policy which now have gained or hereafter may gain priority over the insured mortgage; or
9. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

First American Title Insurance Company

BY  PRESIDENT

ATTEST  SECRETARY

82-DR-2006
REV: 09/27/2006

EXCLUSIONS FROM COVERAGE

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 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 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 (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material), or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at 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
- 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 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 statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance
- 7 Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on
 - (a) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer, or
 - (b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination, or

- (c) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure
 - (i) to timely record the instrument of transfer, or
 - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

First American Title Insurance Company of New York

SCHEDULE A

PROFORMA POLICY

Type of Coverage **ALTA Extended Coverage Loan Policy (1992)**

Amount of Insurance \$0 00

Date of Policy DATE OF RECORDING

To and include _____

1 Name of Insured

Greenwich Capital Financial Products, Inc., its successors and/or assigns

2 The estate or interest in the land which is encumbered by the insured mortgage is fee simple

3 Title to the estate or interest in the land is vested in

MHG Scottsdale Holdings LLC a Delaware limited liability company

4 The insured mortgage and assignments thereof, if any, are described as follows

SEE EXHIBIT "1" ATTACHED HEREIN

5 The land referred to in this policy is situated in the State of Arizona, County of Maricopa and described as follows

For complete legal description see Exhibit "A" attached hereto and made a part hereof

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EXHIBIT "1"

- a) A Deed of Trust given to secure an indebtedness of \$0 00, dated _____, recorded _____ as _____ of Official Records

Trustor MHG Scottsdale Holdings LLC a Delaware limited liability company

Trustee First American Title Insurance Company, a California corporation

Beneficiary Greenwich Capital Financial Products, Inc

Exhibit "A "

LOT A, SCOTTSDALE MALL, A SUBDIVISION RECORDED IN BOOK 170 OF MAPS, PAGE 2, RECORDS OF MARICOPA COUNTY, ARIZONA;

EXCEPT THE FOLLOWING DESCRIBED PROPERTY IDENTIFIED AS PARCEL A AND PARCEL B AS FOLLOWS

PARCEL "A"

THAT PARCEL OF REAL PROPERTY CONVEYED TO THE CITY OF SCOTTSDALE IN INSTRUMENT RECORDED AUGUST 28, 1985 IN RECORDING NO 85-407038 AND MORE PARTICULARLY DESCRIBED AS FOLLOWS

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 2 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA,

THENCE NORTH 89 DEGREES 45 MINUTES 50 SECONDS WEST, 30 00 FEET ALONG THE NORTH SECTION LINE OF SAID SECTION 26,

THENCE SOUTH 00 DEGREES 07 MINUTES 52 SECONDS WEST, 65 00 FEET TO A POINT ON THE WEST RIGHT-OF-WAY OF CIVIC CENTER PLAZA, SAID POINT BEING THE TRUE POINT OF BEGINNING,

THENCE SOUTH 00 DEGREES 07 MINUTES 52 SECONDS WEST, 267 60 FEET ALONG SAID RIGHT-OF-WAY,

THENCE NORTH 02 DEGREES 24 MINUTES 17 SECONDS WEST, 70 51 FEET,

THENCE NORTH 00 DEGREES 05 MINUTES 47 SECONDS EAST, 200 41 FEET,

THENCE SOUTH 44 DEGREES 48 MINUTES 59 SECONDS EAST, 4 59 FEET TO THE TRUE POINT OF BEGINNING

PARCEL "B"

THAT PARCEL OF REAL PROPERTY QUIT-CLAIMED TO THE CITY OF SCOTTSDALE IN INSTRUMENT RECORDED SEPTEMBER 9, 1985 IN RECORDING NO 85-444862 AND MORE PARTICULARLY DESCRIBED AS FOLLOWS

THE EAST 10 FEET OF THE NORTH 10 03 FEET OF THE SOUTH 255 09 FEET OF LOT A SCOTTSDALE MALL

TOGETHER WITH THE EAST 14 FEET OF THE NORTH 182 59 FEET TO THE SOUTH 245 06 FEET OF LOT A SCOTTSDALE MALL

TOGETHER WITH THE EAST 25 FEET OF THE SOUTH 62 47 FEET OF LOT A SCOTTSDALE MALL

SCHEDULE B

This policy does not insure against loss or damage, nor against costs, attorneys' fees or expenses, any or all of which arise by reason of the following (All recording data refer to records in the office of the County Recorder of the County in which said property is situated)

- 1 Taxes for the full year of 2006
(The first half is due October 1, 2006 and is delinquent November 1, 2006 The second half is due March 1, 2007 and is delinquent May 1, 2007)
- 2 Reservations or Exceptions in Patents, or in Acts authorizing the issuance thereof
- 3 Water rights, claims or title to water, whether or not shown by the public records
- 4 Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Scottsdale Mall, as recorded in Plat Book 170 of Maps, Page(s) 2, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c)
- 5 An easement for underground public utilities and incidental purposes in the document recorded as Docket 10917, Page 141 of Official Records, as shown on that certain survey dated April 24, 2006, prepared by Merestone Land Survey
- 6 An easement for underground public utilities and incidental purposes in the document recorded as Docket 10917, Page 143 of Official Records, as shown on that certain survey dated April 24, 2006, prepared by Merestone Land Survey
- 7 An easement for public pedestrian and incidental purposes in the document recorded as Docket 10917, Page 145 of Official Records, as shown on that certain survey dated April 24, 2006, prepared by Merestone Land Survey
- 8 An easement for fire hydrants, water meters and underground public utilities and incidental purposes in the document recorded as Docket 11046, Page 772 of Official Records, as shown on that certain survey dated April 24, 2006, prepared by Merestone Land Survey
- 9 Any facts, rights, interests or claims that may exist or arise by reason of the following matters disclosed by an ALTA/ACSM survey made by Merestone Land Survey on April 24, 2006, designated Job Number 06552
 - a) Party wall and other various improvements encroaching onto the real property abutting the Southerly most property line of subject property

Policy affirmatively insures against monetary loss by reason of the above mentioned encroachments

It is understood and agreed that this Policy of Title Insurance will be issued simultaneously with Lawyers Title Insurance Corporation Policy No NYN 06-001072-L. It is further understood and agreed that for all loss or aggregate of losses up to the aggregate face amount of the Policy, First American Title Insurance Company shall be liable for 70% and Lawyers Title Insurance Company shall be liable for 30% of such loss or aggregate of losses up to the total amount of coverage.

NOTICE: This is a pro-forma policy furnished to or on behalf of the party to be insured. It neither reflects the present status of title, nor is it intended to be a commitment to insure. The inclusion of endorsements as part of the pro-forma policy in no way evidences the willingness of the Company to provide any affirmative coverage shown therein.

There are Requirements which must be met before a final policy can be issued in the same form as this pro-forma policy. A commitment to insure setting forth these requirements should be obtained from the Company.

End of Schedule B

SCHEDULE B
(Continued)**PART TWO**

In addition to the matters set forth in Part One of this Schedule, the title to the estate or interest in the land described or referred to in Schedule A is subject to the following matters, if any be shown, but the Company insures that these matters are subordinate to the lien or charge of the insured mortgage upon the estate or interest

- 1 A document entitled "Assignment of Leases and Rents" recorded _____ as _____ of Official Records, as additional security for the payment of the indebtedness secured by the deed of trust recorded _____ as _____ of Official Records
- 2 A financing statement recorded _____ as _____ of Official Records
Debtor MHG Scottsdale Holdings LLC
Secured party _____
- 3 Rights of tenants as tenants only, under unrecorded unexpired leases with no right or option to purchase

CONDITIONS AND STIPULATIONS**1 DEFINITION OF TERMS.**

The following terms when used in this policy mean.

- (a) "insured" the insured named in Schedule A. The term "insured" also includes
 - (i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12(c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land),
 - (ii) any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not,
 - (iii) the parties designated in Section 2(a) of these Conditions and Stipulations
- (b) "insured claimant" an insured claiming loss or damage
- (c) "knowledge" or "known" actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land
- (d) "land" the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy
- (e) "mortgage" mortgage, deed of trust, trust deed, or other security instrument
- (f) "public records" records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located
- (g) "unmarketability of the title" an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the insured mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title

2 CONTINUATION OF INSURANCE.

- (a) After Acquisition of Title. The coverage of this policy shall continue in force as of Date of Policy in favor of (i) an insured who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage, (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds, and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage

- (b) **After Conveyance of Title** The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.
- (c) **Amount of Insurance** The amount of insurance after the acquisition or after the conveyance shall in neither event exceed the least of
 - (i) the Amount of Insurance stated in Schedule A,
 - (ii) the amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made, or
 - (iii) the amount paid by any governmental agency or governmental instrumentality, if the agency or instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty

3 NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required, provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4 DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

- (a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.
- (b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

- (c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order
- (d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5 **PROOF OF LOSS OR DAMAGE**

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

6 **OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.**

In case of a claim under this policy, the Company shall have the following options:

- (a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness
 - (i) to pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which

- were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay, or
- (ii) to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage, together with any collateral security, to the Company upon payment therefor

Upon the exercise by the Company of either of the options provided for in paragraphs a(i) or (ii), all liability and obligations to the insured under this policy, other than to make the payment required in those paragraphs, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant

- (i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay, or
- (ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay

Upon the exercise by the Company of either of the options provided for in paragraphs b(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation

7 DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described

- (a) The liability of the Company under this policy shall not exceed the least of
- (i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2 (c) of these Conditions and Stipulations,
- (ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon, or
- (iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy
- (b) In the event the insured has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations
- (c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations

8 LIMITATION OF LIABILITY

- (a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title or to the lien of the insured mortgage, as insured
- (c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company
- (d) The Company shall not be liable for
 - (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements, or
 - (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy

9 REDUCTION OF INSURANCE, REDUCTION OR TERMINATION OF LIABILITY

- (a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto. However, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of the insurance afforded under this policy except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage
- (b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A
- (c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company except as provided in Section 2(a) of these Conditions and Stipulations

10 LIABILITY NONCUMULATIVE

If the insured acquires title to the estate or interest in satisfaction of the indebtedness secured by the insured mortgage, or any part thereof, it is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy

11 PAYMENT OF LOSS.

- (a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company
- (b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter

12 SUBROGATION UPON PAYMENT OR SETTLEMENT**(a) The Company's Right of Subrogation**

Whenever the Company shall have settled and paid a claim 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, guarantees, 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(a)(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(a)(i) of these Conditions and Stipulations

13 ARBITRATION.

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

14 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 the title to the estate or interest covered hereby 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 signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

15 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.

16 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 Company at 1 First American Way, Santa Ana, California 92707, or to the office which issued this policy

Lender's Proforma

F A Special
Lack of Signatures

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

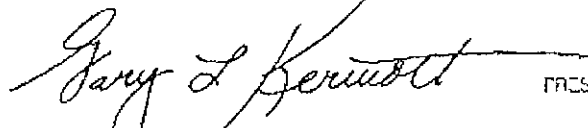
Issued By

First American Title Insurance Company

The Company hereby assures the Insured that the Company will not deny liability under the policy or any endorsements issued therewith solely on the grounds that the policy and/or endorsement(s) were issued electronically and/or lack signatures in accordance with Paragraph 14 (c) of the Conditions and Stipulations

This endorsement is made a part of said 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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

First American Title Insurance Company

BY  PRESIDENT

ATTEST  SECRETARY



ENDORSEMENT

Attached to Policy No NCS-198695-NY

Issued By

First American Title Insurance Company

Lender's Proforma

The Company insures the owner of the Indebtedness secured by the insured mortgage against loss or damage sustained by reason of

- 1 Any incorrectness in the assurance that, at Date of Policy
 - (a) There are no covenants, conditions or restrictions under which the lien of the mortgage referred to in Schedule A can be divested, subordinated or extinguished, or its validity, priority or enforceability impaired
 - (b) Unless expressly excepted in Schedule B
 - (1) There are no present violations on the land of any enforceable covenants, conditions or restrictions, nor do any existing improvements on the land violate any building setback lines shown on a plat of subdivision recorded or filed in the public records
 - (2) Any instrument referred to in Schedule B as containing covenants, conditions or restrictions on the land does not, in addition, (i) establish an easement on the land, (ii) provide a lien for liquidated damages, (iii) provide for a private charge or assessment, (iv) provide for an option to purchase, a right of first refusal or the prior approval of a future purchaser or occupant
 - (3) There is no encroachment of existing improvements located on the land onto adjoining land, nor any encroachment onto the land of existing improvements located on adjoining land
 - (4) There is no encroachment of existing improvements located on the land onto that *portion* of the land subject to any easement excepted in Schedule B
 - (5) There are no notices of violation of covenants, conditions and restrictions relating to environmental protection recorded or filed in the public records
- 2 Any future violation on the land of any existing covenants, conditions or restrictions occurring prior to the acquisition of title to the estate or interest in the land by the Insured, provided the violation results in
 - (a) Invalidity, loss of priority, or unenforceability of the lien of the insured mortgage, or
 - (b) loss of title to the estate or interest in the land if the Insured shall acquire title in satisfaction of the indebtedness secured by the insured mortgage
- 3 Damage to existing improvements, including lawns, shrubbery or trees
 - (a) which are located on or encroach upon that portion of the land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved,
 - (b) resulting from the future exercise of any right to use the surface of the land for the extraction or development of minerals excepted from the description of the land or excepted in Schedule B
- 4 Any final court order or judgment requiring the removal from any land adjoining the land of any encroachment excepted in Schedule B

Lender's Proforma

- 5 Any final court order or judgment denying the right to maintain any existing improvements on the land because of any violation of covenants, conditions or restrictions or building setback lines shown on a plat of subdivision recorded or filed in the public records

Wherever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease

As used in paragraphs 1(b)(1) and 5, the words "covenants, conditions or restrictions" shall not be deemed to refer to or include any covenants, conditions or restrictions relating to environmental protection

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and 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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof

F A Form 42

CLTA Form 100 2 (Revised 3/27/92)

ALTA Form 9 (Restrictions, Encroachments, Minerals)

Lender's Proforma

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company hereby insures the insured against loss or damage which the insured shall sustain by reason of the failure of the land to be the same, except as to the depiction of Parcel 2, as that delineated on the plat of a survey made by Merestone Land Survey on April 24, 2006, designated Job No 06552

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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

CLTA Form 116 1 (Modified) (Revised 6-14-96)
ALTA or CLTA - Owner

Lender's Proforma

L T A A, Endorsement No 7
Abuts

Reference

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The provisions of said policy are hereby modified and amended as of the date hereof as to the following matters and none other

The Company hereby insures the Insured that said land abuts and has access to the *physically* open street known as

Drinkwater Blvd and N Buckboard Trail

The Company hereby insures the Insured against loss which said Insured shall sustain in the event that the assurances herein shall prove to be incorrect

The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions thereof

This endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof

Lender's Proforma

ALTA 8 1 -
Modified Loan for Commercial

Environmental Protection Lien

ENDORSEMENT

Attached to Policy No NCS-198695-NY

Issued By

First American Title Insurance Company

The Company insures the insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over

- (a) Any environmental protection lien which, at Date of Policy, is recorded in those records established under state statutes at Date of Policy for the purpose of imparting *constructive notice of matters relating to real property* to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B, or
- (b) Any environmental protection lien provided for by any state statute in effect at Date of Policy, except environmental protection liens provided for by the following state statutes None

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 endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Lender's Proforma

L T A A Tax Endorsement

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The provisions of said policy are hereby modified and amended as of the date hereof as to the following matters and none other

The company hereby insures the Insured that the land referred to in Schedule A consists of a separate tax lot or lots known as Tax Parcel No 130-23-206 2 and said lot or lots will not include any property not included within said land

The Company hereby insures said Insured against any loss which the Insured shall sustain in the event that the assurances herein shall prove to be incorrect

The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions hereof

This endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof

The Company hereby insures the Insured that Paragraph of the Conditions and Stipulations of the Policy, requiring arbitration is hereby deleted

Lender's Proforma

L.T.A.A. Endorsement No. 7
Usury

ENDORSEMENT

Attached to Policy No NCS-198695-NY

Issued By

First American Title Insurance Company

The provisions of said policy are hereby modified and amended as of the date hereof as to the following matters and none other

The Company hereby insures the Insured against loss or damage which the Insured shall sustain by reason of the entry of any court order or judgment which constitutes a final determination and adjudges that the lien of the mortgage referred to in Schedule A is invalid or unenforceable as to the principal and interest due on the note or notes secured thereby, said interest being computed in accordance with the provisions of such mortgage, on the grounds that the loan evidenced by the note or notes secured thereby are usurious under the laws of the State of Arizona

The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions thereof

This endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof

Lender's Proforma

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company hereby insures the insured against loss which the insured shall sustain by reason of

- (a) any defect in the execution of the document entitled "Assignment of Leases and Rents" referred to in paragraph 1 of Part II of Schedule B, and
- (b) the existence, as shown by the public records, of any prior assignment of the lessor's interest in the lease or leases specified in such document, including any assignments of rents thereunder, other than as set forth in Schedule B

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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

CLTA Form 104 6 (Revised 9-10-93)
ALTA - Lender

Lender's Proforma

Endorsement

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The provisions of said Policy are hereby modified and amended as of the date hereof as to the following matters and none other

The Company hereby insures the named insured at date of policy against loss or damage which the insured shall sustain by reason of the entry of any court order or judgment which constitutes a final determination and denies the right to enforce the lien of the mortgage referred to in Schedule A on the ground that making the loan secured thereby constituted a violation of the "doing business" law of the State of Arizona

Provided however that this endorsement does not insure that the named insured has the authority to maintain an action to judicially foreclose the lien of the Mortgage referred to in Schedule A until such insured has qualified to transact business within the State

The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions thereof

This endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof

Lender's Proforma

ENDORSEMENT

Attached to Policy No NCS-198695-NY

Issued By

First American Title Insurance Company

- 1 The Company hereby insures the insured against loss or damage sustained or incurred by the insured by reason of the failure, at Date of Policy

- (a) Of the land to be classified Zone C-2 (Intermediate Commercial) according to applicable zoning ordinances and amendments thereto, or
- (b) Of that classification to allow Hotels/Motels

There shall be no liability under this paragraph 1(b) if the use or uses are not allowed as a result of any lack of compliance with any conditions, restrictions, or requirements contained in the zoning ordinances and amendments thereto mentioned above, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses

- 2 The Company further insures the insured against loss or damage arising from a final decree of a court of competent jurisdiction

- (a) prohibiting the use of the land, with any structure presently located thereon, as specified in paragraph 1(b), or
- (b) requiring the removal or alteration of the structure on the basis that, at Date of Policy, the ordinances and amendments thereto have been violated with respect to any of the following matters
 - (i) Area, width or depth of the land as a building site for the structure,
 - (ii) Floor space area of the structure,
 - (iii) Setback of the structure from the property lines of the land,
 - (iv) Height of the structure, or
 - (v) Number of parking spaces

Lender's Proforma

- 3 There shall be no liability under this endorsement based on the invalidity of the ordinances and amendments thereto mentioned above until after a final decree of a court of competent jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses

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. It neither extends the date of policy nor the effective date of any endorsements. 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.

F A Form 75 (Revised 3/99)
Zoning - Completed Structure

Lender's Proforma

Creditor's Rights
Reference

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The provisions of said Policy are hereby modified and amended as of the date hereof as to the following matters and none other

EXCLUSION FROM COVERAGE NO 7 IS HEREBY DELETED

The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions thereof

This endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof

Lender's Proforma

Subdivision

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The provisions of said Policy are hereby modified and amended as of the date hereof as to the following matters and none other

The Company hereby insures the Insured against loss or damage resulting from any violation existing on the date of policy of any laws, ordinances, regulations or rules relating to or governing (i) subdivisions, (ii) separation or ownership of any parcel or parcels of which the land is or was a part or (iii) any change in the area or dimensions of any parcel or parcels of which the land is or was a part

The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions thereof

This endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof

Lender's Proforma

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of

- 1 The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for changes in the rate of interest
- 2 Loss of priority of the lien of the insured mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the insured mortgage, which loss of priority is caused by the changes in the rate of interest

"Changes in the rate of interest", as used in this endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the insured mortgage at Date of Policy

This endorsement does not insure against loss or damage based upon

- (a) usury, or
- (b) any consumer credit protection or truth in lending law

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 that the insurance afforded by this endorsement is not subject to Section 3(d) of the Exclusions From Coverage. 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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof

CLTA Form 111 5
ALTA Form 6
(Variable Rate Mortgage)

Lender's Proforma

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company hereby insures the owner of the indebtedness secured by the mortgage referred to in paragraph 4 of Schedule A against loss which the insured shall sustain as a result of any exercise of the right of use or maintenance of the easement referred to in paragraph(s) 5 of Schedule B over or through the land

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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof

CLTA Form 103.1 (Revised 9-10-93)
ALTA or CLTA - Lender

Lender's Proforma

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company hereby insures the owner of the indebtedness secured by the mortgage referred to in paragraph 4 of Schedule A against loss which the insured shall sustain as a result of any exercise of the right of use or maintenance of the easement referred to in paragraph(s) 6 of Schedule B over or through the land

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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof

CLTA Form 103 1 (Revised 9-10-93)

ALTA or CLTA - Lender

Lender's Proforma

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company hereby insures the owner of the indebtedness secured by the mortgage referred to in paragraph 4 of Schedule A against loss which the insured shall sustain as a result of any exercise of the right of use or maintenance of the easement referred to in paragraph(s) 7 of Schedule B over or through the land

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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

CLTA Form 103 1 (Revised 9-10-93)
ALTA or CLTA - Lender

Lender's Proforma

ENDORSEMENT

Attached to Policy No NCS-198695-NY

Issued By

First American Title Insurance Company

The Company hereby insures the owner of the indebtedness secured by the mortgage referred to in paragraph 4 of Schedule A against loss which the insured shall sustain as a result of any exercise of the right of use or maintenance of the easement referred to in paragraph(s) 8 of Schedule B over or through the land

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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof

CLTA Form 103 1 (Revised 9-10-93)
ALTA or CLTA - Lender

Lender's Proforma

Endorsement L T A A No 5
(FAT AZ 1056)

Improvement Endorsement
Reference

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company insures the Insured that as of the effective date hereof there is located on said land

Existing Commercial

Known as 7353 East Indian School Rd , Scottsdale, AZ

and that the map attached to this policy shows the correct location and dimensions of said land according to those records which under the recording laws impart constructive notice as to said land

The Company hereby insures the Insured against loss which said Insured shall sustain in the event that the assurance herein shall prove to be incorrect

The total liability of the Company under said policy and any endorsements therein shall not exceed, in the aggregate, the face amount of this policy and costs which the Company is obligated under the Conditions and Stipulations thereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions hereof

This Endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof

Lender's Proforma

Endorsement Arbitration

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The provisions of said Policy are hereby modified and amended as of the date hereof as to the following matters and none other

The Company hereby insures the Insured that Paragraph 13 of the Conditions and Stipulations of the Policy, requiring arbitration is hereby deleted

The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions thereof

This endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof



First American Title Insurance Company

COINSURANCE ENDORSEMENT

Attached to Title Insurance Policy Number NCS - 198695 (Loan Policy)
Issued by First American Title Insurance Company (the "Coinsurance Policy")

First American Title Insurance Company and Lawyers Title Insurance Corporation (each, a "Coinsurer" and collectively, the "Coinsurers") join as insurers under the Coinsurance Policy, issued in the aggregate face amount of \$22,000,000, to which this Endorsement is attached

Anything in this Endorsement or the Coinsurance Policy notwithstanding, each of the Coinsurers respectively shall be liable to the insured only for such proportion of loss that each Coinsurer's liability under the Coinsurance Policy bears to the whole amount of insurance held by all Coinsurers under the Coinsurance Policy, as aforesaid, and the proportion of all costs which the Coinsurers are obligated to pay under the Conditions and Stipulations thereof

The total liability allocated among the Coinsurers as follows

| Coinsurer | Policy Number | Percentage of Aggregate Liability Amount | Maximum Liability Amount |
|--|----------------|--|-----------------------------|
| First American Title Insurance Company | NCS-198695 | 70% | \$15,400,000 |
| Lawyers Title Insurance Corporation | NYN06-001072-L | 30% | \$6,600,000 |

Wherever, in the Policy, the term "the Company" is used, such term shall be interpreted to mean the Coinsurers, where proper, the singular number shall be deemed to include the plural

Paragraph Number 17 of the Conditions and Stipulations of the Policy is hereby amended to read as follows

All notices required to be given the Insurers and any statement in writing required to be furnished the Insurers shall be addressed to each of the Insurers at its Home Office, as follows

First American Title Insurance Company
1 First American Way
Santa Ana, California 92707

Lawyers Title Insurance Corporation
101 Gateway Centre Parkway
Gateway One
Richmond, Virginia 23235

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

Coinsurance Endorsement

Issue date August 15, 2006

H

Certificate Number 00000337 doc

Certificate of Insurance

Producer

Beecher Carlson Insurance Services, Inc
2002 Summit Boulevard, Suite 900
Atlanta, GA 30319
Phone 678-539-4800

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.

Insured

Morgans Group LLC
475 Tenth Avenue
New York, NY 10018

Coverages

This is to certify that the policies of insurance listed below have been issued to the Insured named herein for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

Insurance: "All Risk" of Direct Physical Loss or Damage including Flood, Earthquake and Boiler and Machinery subject to policy terms and conditions

All Real and Personal Property Including, but not limited to Property in the Care, Custody or Control of the Insured, Improvements and Betterments, Business Interruption, Extra Expense, Contingent Business Interruption and Extra Expense, Extended Period of Indemnity, Rental Value, Leasehold Interest, Unnamed Locations, Automatic Acquisition, Property in the Course of Construction, Property in Transit, EDP Equipment/Medical/Extra Expense, Accounts Receivable, Valuable Papers, Off-Premises Power, Debris removal, demolition and Increased Cost of Construction, Ingress/Egress, Civil authority, Consequential Damage, Expediting Expense.

| Insurer | Policy Number(s) | Effective Dates | | |
|----------------|------------------|-----------------|----|-----------|
| See Addendum A | See Addendum A | 11/1/2005 | to | 11/1/2006 |

Limit of Insurance

\$380,000,000 – Property Damage and Time Element (combined and per occurrence)
\$270,000,000 – Terrorism (combined and per occurrence)
\$100,000,000 – Earthquake (combined, per occurrence and in the term aggregate), except
\$ 50,000,000 – Earthquake in California (combined, per occurrence and in the term aggregate)
\$100,000,000 – Flood (combined, per occurrence and in the term aggregate)

Deductible

\$250,000 – Combined Property Damage and Time Element per occurrence, except
5% of value – Named Wind Storm for all Tier 1 counties (\$250,000 minimum)
5% of value – Flood in FEMA Special Flood Hazard Areas described as 100 year (\$1,000,000 minimum)
5% of value – Earthquake in California (\$250,000 minimum)

Location/Description

Location: MHG Scottsdale Holdings, LLC located at 7353 East Indian School Road, Scottsdale, AZ 85251

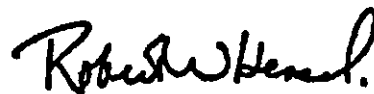
The above Property Insurance covers Builders Risk

Cancellation

Should the policy be terminated prior to the expiration date, the company will give the certificate holder 30 days written notice.

Certificate Holder

Proof of Insurance



Authorized Representative

ADDENDUM A

Morgans Hotel Group Property/Terrorism/Boiler & Machinery/CA Earthquake 11/01/2005 to 11/01/2006

| <i>All Risk Property</i> | <i>Share</i> | <i>Limit</i> | <i>Policy Number</i> |
|--------------------------|--------------|---------------------|----------------------|
| Primary \$25M | | | |
| Lexington | 40% | \$10,000,000 | 8754539 |
| Allied World | 10% | 2,500,000 | P005370/001 |
| Liberty Mutual | 10% | 2,500,000 | YS2-L9L-439632-015 |
| Axis Surplus | 7.5% | 1,875,000 | EA7 716845-01 |
| Lloyds | 32.5% | 8,125,000 | B06640247A05 |
| Total | 100% | \$25,000,000 | |

| | | | |
|-----------------------|-------------|---------------------|---------------|
| \$25M xs \$25M | | | |
| Nutmeg (Hartford) | 60% | \$15,000,000 | SX0000423 |
| Arch | 40% | 10,000,000 | ESP0011077-00 |
| Total: | 100% | \$25,000,000 | |

| | | | |
|------------------------------|-------------|---------------------|---------------------|
| \$50M xs \$50M | | | |
| Axis Surplus | 40% | \$20,000,000 | EA770813-05 |
| Princeton E&S (Munich) | 35% | 17,500,000 | 78-A3-XP-0000031-00 |
| Continental Casualty (C N A) | 25% | 12,500,000 | RMP268259981 |
| Total | 100% | \$50,000,000 | |

| | | | |
|------------------------------|-------------|----------------------|--------------|
| \$150M xs \$100M | | | |
| Axis Surplus | 25% | \$ 37,500,000 | EA770812-05 |
| Great American | 13.33% | 20,000,000 | CPP5849713 |
| Greenwich | 3.33% | 5,000,000 | ACG434713 |
| Continental Casualty (C N A) | 58% | 87,500,000 | RMP268259981 |
| Total | 100% | \$150,000,000 | |

| | | | |
|-------------------------|-------------|----------------------|---------------------|
| \$130M xs \$250M | | | |
| RSUI | 38.47% | \$ 50,000,000 | NHD343749 |
| Liberty Mutual | 38.47% | 50,000,000 | MQ2-L9L-439632-025 |
| Princeton E&S (Munich) | 23.06% | 30,000,000 | 78-A3-XP-0000032-00 |
| Total | 100% | \$130,000,000 | |

| | | | |
|-------------------------------------|-------------|---------------------|-----------------|
| Excess California Earthquake | | | |
| \$10M xs \$25M | | | |
| ACE Bermuda | 100% | \$10,000,000 | MORGANS00797P05 |
| \$15M xs \$35M | | | |
| Lloyds | 16.67% | \$ 2,500,000 | BO66421685A05 |
| Great American | 12.67% | 1,900,000 | CPP 5849726 |
| Greenwich | 4.00% | 600,000 | ACG 4349726 |
| Traders & Pacific (Endurance) | 33.33% | 5,000,000 | CPN10000048200 |
| Continental Casualty (C N A) | 33.33% | 5,000,000 | RMP271086012 |
| Total | 100% | \$25,000,000 | |

| | | | |
|--------------------------------------|------|--------------|------------|
| Excess Boiler & Machinery | | | |
| Hartford Steam Boiler | 100% | \$75,000,000 | FBP2285206 |

| | | | |
|-------------------------|------|----------------------|--------------|
| Terrorism | | | |
| Primary \$100M | | | |
| Lexington | 100% | \$100,000,000 | 940602 |
| \$170M xs \$100M | | | |
| Axis Specialty Bermuda | | | 1130070105PR |
| Lloyds | 100% | \$170,000,000 | BO6640247C05 |
| Total | | \$270,000,000 | |

| | | |
|--|--|---|
| ACORD™ CERTIFICATE OF LIABILITY INSURANCE | | DATE (MM/DD/YYYY) 6/22/2006 |
| PRODUCER (678) 539-4800 FAX (678) 539-4890 Beecher Carlson - Atlanta 2002 Summit Boulevard Suite 900 Atlanta GA 30319 | | THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW |
| INSURED Morgans Hotel Group Co 475 Tenth Avenue New York NY 10018 | | |
| | | INSURERS AFFORDING COVERAGE |
| | | NAIC # |
| | | INSURER A Arch Insurance Company |
| | | INSURER B Subscription |
| | | INSURER C Arch Insurance Group |
| | | INSURER D |
| | | INSURER E |

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

| INSR ADD LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|--------------|---|---------------------|----------------------------------|-----------------------------------|---|
| A | GENERAL LIABILITY | 31GPP4930500 | 6/1/2006 | 6/1/2007 | EACH OCCURRENCE \$ 1,000,000 |
| | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY | | | | DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 |
| | <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR | | | | MED EXP (Any one person) \$ 5,000 |
| | <input checked="" type="checkbox"/> Liquor Liability | | | | PERSONAL & ADV INJURY \$ 1,000,000 |
| | <input checked="" type="checkbox"/> Garagekeeper | | | | GENERAL AGGREGATE \$ 20,000,000 |
| | GEN'L AGGREGATE LIMIT APPLIES PER | | | | PRODUCTS COMP/OP AGG \$ 1,000,000 |
| | <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | AUTOMOBILE LIABILITY | | | | COMBINED SINGLE LIMIT (Ea accident) \$ |
| | <input type="checkbox"/> ANY AUTO | | | | BODILY INJURY (Per person) \$ |
| | <input type="checkbox"/> ALL OWNED AUTOS | | | | BODILY INJURY (Per accident) \$ |
| | <input type="checkbox"/> SCHEDULED AUTOS | | | | PROPERTY DAMAGE (Per accident) \$ |
| | <input type="checkbox"/> HIRED AUTOS | | | | |
| | <input type="checkbox"/> NON OWNED AUTOS | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| B | GARAGE LIABILITY | See Attached | 6/1/2006 | 6/1/2007 | AUTO ONLY EA ACCIDENT \$ |
| | <input type="checkbox"/> ANY AUTO | | | | OTHER THAN EA ACC \$ |
| | | | | | AUTO ONLY AGG \$ |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
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| | | | | | |
| | | | | | |
| C | EXCESS/UMBRELLA LIABILITY | AUC900701002 | 6/1/2006 | 6/1/2007 | EACH OCCURRENCE \$ 50,000,000 |
| | <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE | | | | AGGREGATE \$ 50,000,000 |
| | | | | | |
| | <input type="checkbox"/> DEDUCTIBLE | | | | |
| | <input type="checkbox"/> RETENTION \$ | | | | |
| | | | | | |
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| | | | | | |
| C | WORKERS COMPENSATION AND EMPLOYERS LIABILITY | 31WCI4930400 | 6/1/2006 | 6/1/2007 | WC STATUTORY LIMITS OTH-ER |
| | ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? | | | | E.L. EACH ACCIDENT \$ 1,000,000 |
| | If yes describe under SPECIAL PROVISIONS below | | | | E.L. DISEASE EA EMPLOYEE \$ 1,000,000 |
| | | | | | E.L. DISEASE POLICY LIMIT \$ 1,000,000 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| OTHER | | | | | |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

RE **Mirador Apartments - 1100 West Avenue, Miami, FL**
 Additional Insured **EUROHYPO AG New York Branch** as administrative agents its successors and/or assigns
 No Terrorism exclusions apply No Deductible / SIR applies

CERTIFICATE HOLDER

EUROHYPO AG New York Branch
 as administrative agents its
 successors and/or assigns
 1114 Avenue of the Americas
 29th Floor
 New York, NY 10013

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF THE ISSUING INSURER WILL ENDEAVOR TO MAIL **30** DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES

AUTHORIZED REPRESENTATIVE
Robert Hessel/KATHBL

Robert Hessel

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

COMMENTS/REMARKS

Morgans Hotel Group Co
Excess Umbrella Limits
06/01/2006 to 06/01/2007

Policy Number - Insurer - Limit

AUC 9007010-02 Zurich (American Guarantee & Liability Ins Co) \$25,000,000 Lead

AUC 9007010-02 Chubb (Federal Insurance Company) \$25,000,000 excess \$25,000,000

Form No. 1056.92 (10-17-92)
ALTA Loan Policy Form 1

POLICY OF TITLE INSURANCE

Issued by

First American Title Insurance Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage;
7. Lack of priority of the lien of the insured mortgage over any statutory lien for services, labor or material:
 - (a) arising from an improvement or work related to the land which is contracted for or commenced prior to Date of Policy; or
 - (b) arising from an improvement or work related to the land which is contracted for or commenced subsequent to Date of Policy and which is financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance;
8. Any assessments for street improvements under construction or completed at Date of Policy which now have gained or hereafter may gain priority over the insured mortgage; or
9. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

First American Title Insurance Company

BY  PRESIDENT

ATTEST  SECRETARY

First American Title Insurance Company

82-DR-2006
8/18/2006

EXCLUSIONS FROM COVERAGE

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 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 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 (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material), or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at 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

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 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 statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance

7 Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on

- (a) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer, or
- (b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination, or

- (c) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure
 - (i) to timely record the instrument of transfer, or
 - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor

First American Title Insurance Company of New York**SCHEDULE A****PROFORMA POLICY**

Type of Coverage **ALTA Extended Coverage Loan Policy (1992)**

Amount of Insurance \$0 00

Date of Policy DATE OF RECORDING

To and include _____

1 Name of Insured

Greenwich Capital Financial Products, Inc., its successors and/or assigns

2 The estate or interest in the land which is encumbered by the insured mortgage is fee simple

3 Title to the estate or interest in the land is vested in

MHG Scottsdale Holdings LLC a Delaware limited liability company

4 The insured mortgage and assignments thereof, if any, are described as follows

SEE EXHIBIT "1" ATTACHED HEREIN

5 The land referred to in this policy is situated in the State of Arizona, County of Maricopa and described as follows

For complete legal description see Exhibit "A" attached hereto and made a part hereof

EXHIBIT "1"

- a) A Deed of Trust given to secure an indebtedness of \$0 00, dated _____, recorded _____ as _____ of Official Records

Trustor MHG Scottsdale Holdings LLC a Delaware limited liability company

Trustee First American Title Insurance Company, a California corporation

Beneficiary Greenwich Capital Financial Products, Inc

Exhibit "A "

LOT A, SCOTTSDALE MALL, A SUBDIVISION RECORDED IN BOOK 170 OF MAPS, PAGE 2, RECORDS OF MARICOPA COUNTY, ARIZONA,

EXCEPT THE FOLLOWING DESCRIBED PROPERTY IDENTIFIED AS PARCEL A AND PARCEL B AS FOLLOWS

PARCEL "A"

THAT PARCEL OF REAL PROPERTY CONVEYED TO THE CITY OF SCOTTSDALE IN INSTRUMENT RECORDED AUGUST 28, 1985 IN RECORDING NO 85-407038 AND MORE PARTICULARLY DESCRIBED AS FOLLOWS

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 2 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA,

THENCE NORTH 89 DEGREES 45 MINUTES 50 SECONDS WEST, 30 00 FEET ALONG THE NORTH SECTION LINE OF SAID SECTION 26,

THENCE SOUTH 00 DEGREES 07 MINUTES 52 SECONDS WEST, 65 00 FEET TO A POINT ON THE WEST RIGHT-OF-WAY OF CIVIC CENTER PLAZA, SAID POINT BEING THE TRUE POINT OF BEGINNING,

THENCE SOUTH 00 DEGREES 07 MINUTES 52 SECONDS WEST, 267 60 FEET ALONG SAID RIGHT-OF-WAY,

THENCE NORTH 02 DEGREES 24 MINUTES 17 SECONDS WEST, 70 51 FEET,

THENCE NORTH 00 DEGREES 05 MINUTES 47 SECONDS EAST, 200 41 FEET,

THENCE SOUTH 44 DEGREES 48 MINUTES 59 SECONDS EAST, 4 59 FEET TO THE TRUE POINT OF BEGINNING

PARCEL "B"

THAT PARCEL OF REAL PROPERTY QUIT-CLAIMED TO THE CITY OF SCOTTSDALE IN INSTRUMENT RECORDED SEPTEMBER 9, 1985 IN RECORDING NO 85-444862 AND MORE PARTICULARLY DESCRIBED AS FOLLOWS

THE EAST 10 FEET OF THE NORTH 10 03 FEET OF THE SOUTH 255 09 FEET OF LOT A SCOTTSDALE MALL

TOGETHER WITH THE EAST 14 FEET OF THE NORTH 182 59 FEET TO THE SOUTH 245 06 FEET OF LOT A SCOTTSDALE MALL

TOGETHER WITH THE EAST 25 FEET OF THE SOUTH 62 47 FEET OF LOT A SCOTTSDALE MALL

SCHEDULE B

This policy does not insure against loss or damage, nor against costs, attorneys' fees or expenses, any or all of which arise by reason of the following (All recording data refer to records in the office of the County Recorder of the County in which said property is situated)

- 1 Taxes for the full year of 2006
(The first half is due October 1, 2006 and is delinquent November 1, 2006 The second half is due March 1, 2007 and is delinquent May 1, 2007)
- 2 Reservations or Exceptions in Patents, or in Acts authorizing the issuance thereof
- 3 Water rights, claims or title to water, whether or not shown by the public records
- 4 Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Scottsdale Mall, as recorded in Plat Book 170 of Maps, Page(s) 2, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c)
- 5 An easement for underground public utilities and incidental purposes in the document recorded as Docket 10917, Page 141 of Official Records, as shown on that certain survey dated April 24, 2006, prepared by Merestone Land Survey
- 6 An easement for underground public utilities and incidental purposes in the document recorded as Docket 10917, Page 143 of Official Records, as shown on that certain survey dated April 24, 2006, prepared by Merestone Land Survey
- 7 An easement for public pedestrian and incidental purposes in the document recorded as Docket 10917, Page 145 of Official Records, as shown on that certain survey dated April 24, 2006, prepared by Merestone Land Survey
- 8 An easement for fire hydrants, water meters and underground public utilities and incidental purposes in the document recorded as Docket 11046, Page 772 of Official Records, as shown on that certain survey dated April 24, 2006, prepared by Merestone Land Survey
- 9 Any facts, rights, interests or claims that may exist or arise by reason of the following matters disclosed by an ALTA/ACSM survey made by Merestone Land Survey on April 24, 2006, designated Job Number 06552
 - a) Party wall and other various improvements encroaching onto the real property abutting the Southerly most property line of subject property

Policy affirmatively insures against monetary loss by reason of the above mentioned encroachments

It is understood and agreed that this Policy of Title Insurance will be issued simultaneously with Lawyers Title Insurance Corporation Policy No NYN 06-001072-L. It is further understood and agreed that for all loss or aggregate of losses up to the aggregate face amount of the Policy, First American Title Insurance Company shall be liable for 70% and Lawyers Title Insurance Company shall be liable for 30% of such loss or aggregate of losses up to the total amount of coverage.

NOTICE: This is a pro-forma policy furnished to or on behalf of the party to be insured. It neither reflects the present status of title, nor is it intended to be a commitment to insure. The inclusion of endorsements as part of the pro-forma policy in no way evidences the willingness of the Company to provide any affirmative coverage shown therein.

There are Requirements which must be met before a final policy can be issued in the same form as this pro-forma policy. A commitment to insure setting forth these requirements should be obtained from the Company.

End of Schedule B

SCHEDULE B
(Continued)**PART TWO**

In addition to the matters set forth in Part One of this Schedule, the title to the estate or interest in the land described or referred to in Schedule A is subject to the following matters, if any be shown, but the Company insures that these matters are subordinate to the lien or charge of the insured mortgage upon the estate or interest

- 1 A document entitled "Assignment of Leases and Rents" recorded _____ as _____ of Official Records, as additional security for the payment of the indebtedness secured by the deed of trust recorded _____ as _____ of Official Records
- 2 A financing statement recorded _____ as _____ of Official Records
Debtor MHG Scottsdale Holdings LLC
Secured party _____
- 3 Rights of tenants as tenants only, under unrecorded unexpired leases with no right or option to purchase

CONDITIONS AND STIPULATIONS**1 DEFINITION OF TERMS.**

The following terms when used in this policy mean

- (a) "insured" the insured named in Schedule A The term "insured" also includes
 - (i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12(c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land),
 - (ii) any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not,
 - (iii) the parties designated in Section 2(a) of these *Conditions and Stipulations*
- (b) "insured claimant" an insured claiming loss or damage
- (c) "knowledge" or "known" actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land
- (d) "land" the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy
- (e) "mortgage" mortgage, deed of trust, trust deed, or other security instrument.
- (f) "public records" records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located
- (g) "unmarketability of the title" an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the insured mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title

2 CONTINUATION OF INSURANCE.

- (a) After Acquisition of Title The coverage of this policy shall continue in force as of Date of Policy in favor of (i) an insured who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage, (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds, and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage

- (b) **After Conveyance of Title** The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.
- (c) **Amount of Insurance** The amount of insurance after the acquisition or after the conveyance shall in neither event exceed the least of
 - (i) the Amount of Insurance stated in Schedule A,
 - (ii) the amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made, or
 - (iii) the amount paid by any governmental agency or governmental instrumentality, if the agency or instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

3 NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required, provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4 DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

- (a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.
- (b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

- (c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order
- (d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5 PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

6 OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following options:

- (a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness
 - (i) to pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which

- were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay, or
- (ii) to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage, together with any collateral security, to the Company upon payment therefor

Upon the exercise by the Company of either of the options provided for in paragraphs a(i) or (ii), all liability and obligations to the insured under this policy, other than to make the payment required in those paragraphs, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant

- (i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay, or
- (ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay

Upon the exercise by the Company of either of the options provided for in paragraphs b(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation

7 DETERMINATION AND EXTENT OF LIABILITY.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described

- (a) The liability of the Company under this policy shall not exceed the least of
 - (i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2 (c) of these Conditions and Stipulations,
 - (ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon, or
 - (iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy
- (b) In the event the insured has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations
- (c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations

8 LIMITATION OF LIABILITY

- (a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title or to the lien of the insured mortgage, as insured
- (c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company
- (d) The Company shall not be liable for
 - (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements, or
 - (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy

9 REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

- (a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto. However, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of the insurance afforded under this policy except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage
- (b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A
- (c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company except as provided in Section 2(a) of these Conditions and Stipulations

10 LIABILITY NONCUMULATIVE

If the insured acquires title to the estate or interest in satisfaction of the indebtedness secured by the insured mortgage, or any part thereof, it is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy

11 PAYMENT OF LOSS.

- (a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company
- (b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter

12 SUBROGATION UPON PAYMENT OR SETTLEMENT**(a) The Company's Right of Subrogation**

Whenever the Company shall have settled and paid a claim 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(a)(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(a)(i) of these Conditions and Stipulations

13 ARBITRATION.

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

14 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 the title to the estate or interest covered hereby 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 signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

15 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.

16 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 Company at 1 First American Way, Santa Ana, California 92707, or to the office which issued this policy

Lender's Proforma

F.A. Special
Lack of Signatures

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company hereby assures the Insured that the Company will not deny liability under the policy or any endorsements issued therewith solely on the grounds that the policy and/or endorsement(s) were issued electronically and/or lack signatures in accordance with Paragraph 14 (c) of the Conditions and Stipulations.

This endorsement is made a part of said 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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

First American Title Insurance Company

BY

Gary L. Keruett

PRESIDENT

ATTEST

Mark D. Arnesen

SECRETARY



ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

82-DR-2006
8/18/2006

Lender's Proforma

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of

- 1 Any incorrectness in the assurance that, at Date of Policy
 - (a) There are no covenants, conditions or restrictions under which the lien of the mortgage referred to in Schedule A can be divested, subordinated or extinguished, or its validity, priority or enforceability impaired
 - (b) Unless expressly excepted in Schedule B
 - (1) There are no present violations on the land of any enforceable covenants, conditions or restrictions, nor do any existing improvements on the land violate any building setback lines shown on a plat of subdivision recorded or filed in the public records
 - (2) Any instrument referred to in Schedule B as containing covenants, conditions or restrictions on the land does not, in addition, (i) establish an easement on the land, (ii) provide a lien for liquidated damages, (iii) provide for a private charge or assessment, (iv) provide for an option to purchase, a right of first refusal or the prior approval of a future purchaser or occupant
 - (3) There is no encroachment of existing improvements located on the land onto adjoining land, nor any encroachment onto the land of existing improvements located on adjoining land
 - (4) There is no encroachment of existing improvements located on the land onto that portion of the land subject to any easement excepted in Schedule B
 - (5) There are no notices of violation of covenants, conditions and restrictions relating to environmental protection recorded or filed in the public records
- 2 Any future violation on the land of any existing covenants, conditions or restrictions occurring prior to the acquisition of title to the estate or interest in the land by the Insured, provided the violation results in
 - (a) Invalidity, loss of priority, or unenforceability of the lien of the insured mortgage, or
 - (b) loss of title to the estate or interest in the land if the Insured shall acquire title in satisfaction of the indebtedness secured by the insured mortgage
- 3 Damage to existing improvements, including lawns, shrubbery or trees
 - (a) which are located on or encroach upon that portion of the land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved,
 - (b) resulting from the future exercise of any right to use the surface of the land for the extraction or development of minerals excepted from the description of the land or excepted in Schedule B
- 4 Any final court order or judgment requiring the removal from any land adjoining the land of any encroachment excepted in Schedule B

Lender's Proforma

- 5 Any final court order or judgment denying the right to maintain any existing improvements on the land because of any violation of covenants, conditions or restrictions or building setback lines shown on a plat of subdivision recorded or filed in the public records

Wherever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease

As used in paragraphs 1(b)(1) and 5, the words "covenants, conditions or restrictions" shall not be deemed to refer to or include any covenants, conditions or restrictions relating to environmental protection

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and 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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof

FA Form 42
CLTA Form 100 2 (Revised 3/27/92)
ALTA Form 9 (Restrictions, Encroachments, Minerals)

Lender's Proforma

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company hereby insures the insured against loss or damage which the insured shall sustain by reason of the failure of the land to be the same, except as to the depiction of Parcel 2, as that delineated on the plat of a survey made by Merestone Land Survey on April 24, 2006, designated Job No 06552

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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

CLTA Form 116 1 (Modified) (Revised 6-14-96)
ALTA or CLTA - Owner

Lender's Proforma

L T A A Endorsement No 7
Abuts

Reference

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The provisions of said policy are hereby modified and amended as of the date hereof as to the following matters and none other

The Company hereby insures the Insured that said land abuts and has access to the physically open street known as

Drinkwater Blvd and N Buckboard Trail

The Company hereby insures the Insured against loss which said Insured shall sustain in the event that the assurances herein shall prove to be incorrect

The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions thereof

This endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof

Lender's Proforma

ALTA 8 1 -
Modified Loan for Commercial

Environmental Protection Lien

ENDORSEMENT

Attached to Policy No NCS-198695-NY

Issued By

First American Title Insurance Company

The Company insures the insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over

- (a) Any environmental protection lien which, at Date of Policy, is recorded in those records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B, or
- (b) Any environmental protection lien provided for by any state statute in effect at Date of Policy, except environmental protection liens provided for by the following state statutes None

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 endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Lender's Proforma

L T A A Tax Endorsement

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The provisions of said policy are hereby modified and amended as of the date hereof as to the following matters and none other

The company hereby insures the Insured that the land referred to in Schedule A consists of a separate tax lot or lots known as Tax Parcel No 130-23-206 2 and said lot or lots will not include any property not included within said land

The Company hereby insures said Insured against any loss which the Insured shall sustain in the event that the assurances herein shall prove to be incorrect

The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions hereof

This endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof

The Company hereby insures the Insured that Paragraph of the Conditions and Stipulations of the Policy, requiring arbitration is hereby deleted

Lender's Proforma

L T A A Endorsement No 7
Usury

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The provisions of said policy are hereby modified and amended as of the date hereof as to the following matters and none other

The Company hereby insures the Insured against loss or damage which the Insured shall sustain by reason of the entry of any court order or judgment which constitutes a final determination and adjudges that the lien of the mortgage referred to in Schedule A is invalid or unenforceable as to the principal and interest due on the note or notes secured thereby, said interest being computed in accordance with the provisions of such mortgage, on the grounds that the loan evidenced by the note or notes secured thereby are usurious under the laws of the State of Arizona

The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions thereof

This endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof

Lender's Proforma

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company hereby insures the insured against loss which the insured shall sustain by reason of

- (a) any defect in the execution of the document entitled "Assignment of Leases and Rents" referred to in paragraph 1 of Part II of Schedule B, and
- (b) the existence, as shown by the public records, of any prior assignment of the lessor's interest in the lease or leases specified in such document, including any assignments of rents thereunder, other than as set forth in Schedule B

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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

CLTA Form 104 6 (Revised 9-10-93)
ALTA - Lender

Lender's Proforma

Endorsement

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The provisions of said Policy are hereby modified and amended as of the date hereof as to the following matters and none other

The Company hereby insures the named insured at date of policy against loss or damage which the insured shall sustain by reason of the entry of any court order or judgment which constitutes a final determination and denies the right to enforce the lien of the mortgage referred to in Schedule A on the ground that making the loan secured thereby constituted a violation of the "doing business" law of the State of Arizona

Provided however that this endorsement does not insure that the named insured has the authority to maintain an action to judicially foreclose the lien of the Mortgage referred to in Schedule A until such insured has qualified to transact business within the State

The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions thereof

This endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof

Lender's Proforma

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

- 1 The Company hereby insures the insured against loss or damage sustained or incurred by the insured by reason of the failure, at Date of Policy

- (a) Of the land to be classified Zone C-2 (Intermediate Commercial) according to applicable zoning ordinances and amendments thereto, or
- (b) Of that classification to allow Hotels/Motels

There shall be no liability under this paragraph 1(b) if the use or uses are not allowed as a result of any lack of compliance with any conditions, restrictions, or requirements contained in the zoning ordinances and amendments thereto mentioned above, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses

- 2 The Company further insures the insured against loss or damage arising from a final decree of a court of competent jurisdiction

- (a) prohibiting the use of the land, with any structure presently located thereon, as specified in paragraph 1(b), or
- (b) requiring the removal or alteration of the structure on the basis that, at Date of Policy, the ordinances and amendments thereto have been violated with respect to any of the following matters
 - (i) Area, width or depth of the land as a building site for the structure,
 - (ii) Floor space area of the structure,
 - (iii) Setback of the structure from the property lines of the land,
 - (iv) Height of the structure; or
 - (v) Number of parking spaces

Lender's Proforma

- 3 There shall be no liability under this endorsement based on the invalidity of the ordinances and amendments thereto mentioned above until after a final decree of a court of competent jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses

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. It neither extends the date of policy nor the effective date of any endorsements. 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.

F A Form 75 (Revised 3/99)
Zoning - Completed Structure

Lender's Proforma

Creditor's Rights
Reference

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The provisions of said Policy are hereby modified and amended as of the date hereof as to the following matters and none other

EXCLUSION FROM COVERAGE NO. 7 IS HEREBY DELETED

The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions thereof

This endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof

Lender's Proforma

Subdivision

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The provisions of said Policy are hereby modified and amended as of the date hereof as to the following matters and none other

The Company hereby insures the Insured against loss or damage resulting from any violation existing on the date of policy of any laws, ordinances, regulations or rules relating to or governing (i) subdivisions, (ii) separation or ownership of any parcel or parcels of which the land is or was a part or (iii) any change in the area or dimensions of any parcel or parcels of which the land is or was a part

The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions thereof

This endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof

Lender's Proforma

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of

- 1 The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for changes in the rate of interest
- 2 Loss of priority of the lien of the insured mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the insured mortgage, which loss of priority is caused by the changes in the rate of interest

"Changes in the rate of interest", as used in this endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the insured mortgage at Date of Policy

This endorsement does not insure against loss or damage based upon

- (a) usury, or
- (b) any consumer credit protection or truth in lending law

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 that the insurance afforded by this endorsement is not subject to Section 3(d) of the Exclusions From Coverage. 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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

CLTA Form 111 5
ALTA Form 6
(Variable Rate Mortgage)

Lender's Proforma

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company hereby insures the owner of the indebtedness secured by the mortgage referred to in paragraph 4 of Schedule A against loss which the insured shall sustain as a result of any exercise of the right of use or maintenance of the easement referred to in paragraph(s) 5 of Schedule B over or through the land

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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

CLTA Form 103 1 (Revised 9-10-93)
ALTA or CLTA - Lender

Lender's Proforma

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company hereby insures the owner of the indebtedness secured by the mortgage referred to in paragraph 4 of Schedule A against loss which the insured shall sustain as a result of any exercise of the right of use or maintenance of the easement referred to in paragraph(s) 6 of Schedule B over or through the land

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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

CLTA Form 103 1 (Revised 9-10-93)
ALTA or CLTA - Lender

Lender's Proforma

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company hereby insures the owner of the indebtedness secured by the mortgage referred to in paragraph 4 of Schedule A against loss which the insured shall sustain as a result of any exercise of the right of use or maintenance of the easement referred to in paragraph(s) 7 of Schedule B over or through the land

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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

CLTA Form 103 1 (Revised 9-10-93)
ALTA or CLTA - Lender

Lender's Proforma

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company hereby insures the owner of the indebtedness secured by the mortgage referred to in paragraph 4 of Schedule A against loss which the insured shall sustain as a result of any exercise of the right of use or maintenance of the easement referred to in paragraph(s) 8 of Schedule B over or through the land

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 extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof*

CLTA Form 103 1 (Revised 9-10-93)
ALTA or CLTA - Lender

Lender's Proforma

Endorsement L T A A No 5
(FAT-AZ 1056)

Improvement Endorsement
Reference

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The Company insures the Insured that as of the effective date hereof there is located on said land

Existing Commercial

Known as 7353 East Indian School Rd , Scottsdale, AZ

and that the map attached to this policy shows the correct location and dimensions of said land according to those records which under the recording laws impart constructive notice as to said land

The Company hereby insures the Insured against loss which said Insured shall sustain in the event that the assurance herein shall prove to be incorrect

The total liability of the Company under said policy and any endorsements therein shall not exceed, in the aggregate, the face amount of this policy and costs which the Company is obligated under the Conditions and Stipulations thereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions hereof

This Endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof

Lender's Proforma

Endorsement Arbitration

ENDORSEMENT

Attached to Policy No. NCS-198695-NY

Issued By

First American Title Insurance Company

The provisions of said Policy are hereby modified and amended as of the date hereof as to the following matters and none other

The Company hereby insures the Insured that Paragraph 13 of the Conditions and Stipulations of the Policy, requiring arbitration is hereby deleted

The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay

This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions thereof

This endorsement is not to be construed as insuring the title as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof



First American Title Insurance Company

COINSURANCE ENDORSEMENT

Attached to Title Insurance Policy Number NCS - 198695 (Loan Policy)
Issued by First American Title Insurance Company (the "Coinsurance Policy")

First American Title Insurance Company and Lawyers Title Insurance Corporation (each, a "Coinsurer" and collectively, the "Coinsurers") join as insurers under the Coinsurance Policy, issued in the aggregate face amount of \$22,000,000, to which this Endorsement is attached

Anything in this Endorsement or the Coinsurance Policy notwithstanding, each of the Coinsurers respectively shall be liable to the insured only for such proportion of loss that each Coinsurer's liability under the Coinsurance Policy bears to the whole amount of insurance held by all Coinsurers under the Coinsurance Policy, as aforesaid, and the proportion of all costs which the Coinsurers are obligated to pay under the Conditions and Stipulations thereof

The total liability allocated among the Coinsurers as follows

| Coinsurer | Policy Number | Percentage of Aggregate Liability Amount | Maximum Liability Amount |
|--|----------------|--|-----------------------------|
| First American Title Insurance Company | NCS-198695 | 70% | \$15,400,000 |
| Lawyers Title Insurance Corporation | NYN06-001072-L | 30% | \$6,600,000 |

Wherever, in the Policy, the term "the Company" is used, such term shall be interpreted to mean the Coinsurers, where proper, the singular number shall be deemed to include the plural

Paragraph Number 17 of the Conditions and Stipulations of the Policy is hereby amended to read as follows

All notices required to be given the Insurers and any statement in writing required to be furnished the Insurers shall be addressed to each of the Insurers at its Home Office, as follows

First American Title Insurance Company
1 First American Way
Santa Ana, California 92707

Lawyers Title Insurance Corporation
101 Gateway Centre Parkway
Gateway One
Richmond, Virginia 23235

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

Coinurance Endorsement

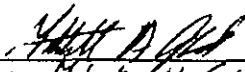


First American Title Insurance Company

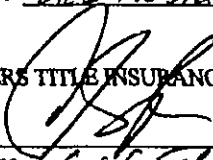
any prior endorsements, nor does it extend the effective date of the Policy and any prior endorsements, nor does it increase the face amount thereof

In Witness Whereof, the Consurers have caused this Endorsement to be signed as of the 19th day of May, 2006

FIRST AMERICAN TITLE INSURANCE COMPANY

By 
Name Mitchell Gluck
Title Vice President

LAWYERS TITLE INSURANCE CORPORATION

By 
Name Carol S. Felt
Title VP