

AMERICAN LAND TITLE ASSOCIATION
OWNER'S POLICY
(10-17-92)

CHICAGO TITLE INSURANCE COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, CHICAGO TITLE INSURANCE COMPANY, a Missouri 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:

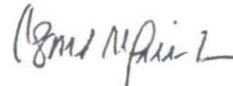
1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

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

In Witness Whereof, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of Date of Policy shown in Schedule A, the policy to become valid when countersigned by an authorized signatory.

CHICAGO TITLE INSURANCE COMPANY

By:



President



ATTEST



Secretary

CHICAGO TITLE INSURANCE COMPANY

EXTENDED OWNERS FORM

SCHEDULE A

Policy No. 2508151

Date of Policy: June 10, 2005 at 3:55 pm

Amount of Insurance: \$3,700,000.00

1. Name of Insured:

JAMES M. SHOUGH, an unmarried man and MICHAEL H. MUGEL, an unmarried man

2. The Estate or Interest in the land which is covered by this policy is:

A Fee

3. Title to the Estate or Interest in said land is at the effective date hereby Vested in:

JAMES M. SHOUGH, an unmarried man and MICHAEL H. MUGEL, an unmarried man

4. The land referred to in this Policy is situated in the County of Maricopa State of Arizona,
and is described as follows:

Lots 22, 23, 24, Block 1 of Scottsdale, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 6 of Maps, page 26;

Except that part of Lot 24 described as follows:

Commencing at the Southeast corner of said Lot 24;

Thence North along the East line thereof, a distance of 5 feet to the Point of Beginning;

Thence continuing North along said East line a distance of 10 feet;

Thence Southwesterly to a point lying 10 feet West and 5 feet North of the Southeast corner of said Lot 24;

Thence East along a line lying 5 feet North of and parallel to the South line of said Lot 24, a distance of 10 feet to the Point of Beginning.

CALIFORNIA TITLE INSURANCE COMPANY

EXTENDED OWNERS FORM

SCHEDULE B

Policy No. 2508151

EXCEPTIONS:

THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE (AND THE COMPANY WILL NOT PAY COSTS, ATTORNEY'S FEES OR EXPENSES) WHICH ARISE BY REASON OF:

- o 1. Reservations or exceptions in the Patent to said land or in Acts authorizing the issuance thereof.
- P 2. Taxes for the full year 2005; first half due on October 1, and delinquent on November 1, of said year; second half due on March 1, and delinquent on May 1, of the year 2006 (A lien not yet due and payable)
- Q 3. The liabilities and obligations imposed upon the premises by inclusion thereof within the boundaries of the Salt River Project Agricultural Improvement and Power District, or by membership in the Salt River Valley Water Users Association, the assessments, dues, claims or liens, accrued, or to accrue, made or assessed against said premises by or under the authority of the United States Reclamation Service or the Salt River Valley Water Users' Association or the effect or operation of any rules, regulations, acts or contracts of said Salt River Valley Water Users' Association

All assessments due and payable are paid

- R 4. Water rights, claims or title to water, whether or not shown by the public records
- S 5. Conditions, covenants and restrictions (but omitting, if any, such conditions, covenants or restrictions based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons) contained in instrument recorded in Book 175 of Deeds, page 575
- T 6. Easement and rights incident thereto for roadway as set forth in instrument recorded in Docket 4858, page 385
- U 7. Easement and rights incident thereto for roadway as set forth in instrument recorded in Docket 11148, page 507
- V 8. Easement and rights incident thereto for roadway as set forth in instrument recorded in Docket 1148, page 509
- W 9. Easement and rights incident thereto for utilities as set forth in instrument recorded in Recording No. 87-141873
- X 10. Unrecorded leases as set forth in Subordination Agreements in Recording No. 99-0173391 through 99-0173398 and 99-0275669

Schedule B Continued

CHICAGO TITLE INSURANCE COMPANY

SCHEDULE B - SECTION 2

Escrow/Title No. 2508151 49

Schedule B of the Policy or Policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the company.

1. Defects, liens, encumbrances, adverse claims or other matters, if any created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by the commitment.
2. Any American Land Title Association Policy issued pursuant hereto (except extended coverage) will contain under Schedule B the standard exceptions set forth at the inside cover hereof.

SPECIAL EXCEPTIONS:

- o 1. Reservations or exceptions in the Patent to said land or in Acts authorizing the issuance thereof.
- P 2. Taxes for the full year 2005; first half due on October 1, and delinquent on November 1, of said year; second half due on March 1, and delinquent on May 1, of the year 2006 (A lien not yet due and payable)
- o 3. The liabilities and obligations imposed upon the premises by inclusion thereof within the boundaries of the Salt River Project Agricultural Improvement and Power District, or by membership in the Salt River Valley Water Users Association, the assessments, dues, claims or liens, accrued, or to accrue, made or assessed against said premises by or under the authority of the United States Reclamation Service or the Salt River Valley Water Users' Association or the effect or operation of any rules, regulations, acts or contracts of said Salt River Valley Water Users' Association
- R 4. Water rights, claims or title to water, whether or not shown by the public records
- S 5. Conditions, covenants and restrictions (but omitting, if any, such conditions, covenants or restrictions based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons) contained in instrument recorded in Book 175 of Deeds, page 575
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Schedule B Continued

CHICAGO TITLE INSURANCE COMPANY

SCHEDULE B - SECTION 2 - CONTINUED

Escrow/Title No. 2508151 49

- W 9. Easement and rights incident thereto for utilities as set forth in instrument recorded in Recording No. 87-141873
- X 10. Unrecorded leases as set forth in Subordination Agreements in Recording No. 99-0173391 through 99-0173398 and 99-0275669
- AD 11. INTENTIONALLY DELETED
- AC 12. INTENTIONALLY DELETED
- AG 13. Rights of the parties in possession as tenants only, under the unrecorded leases or on month to month tenancies shown on that certain rent roll dated (Not Shown), attached hereto and made a part hereof
- AF 14. Any rights, interests or claims which may exist by reason of the following matters disclosed by Survey Job No. 250152A performed June 3, 2005 by Superior Surveying Services, Inc. by A.J. Wadsworth, LS No. 37936
 - a) Northeast stairwell encroaches into 20-foot building setback area
 - b) Southwest stairwell encroaches into 20-foot building setback area
 - c) Five-foot easement for road or highway lines North of South property line
- AA End of Schedule B

CHICAGO TITLE INSURANCE COMPANY

EXTENDED OWNERS FORM - CONTINUED

SCHEDULE B - CONTINUED

Policy No. 2508151

- AG 11. Rights of the parties in possession as tenants only, under the unrecorded leases or on month to month tenancies shown on that certain rent roll dated (Not Shown), attached hereto and made a part hereof
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COUNTERSIGNED:

BY: *Richard Klein*
AUTHORIZED SIGNATORY

AA End of Schedule B

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights of defense the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(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 to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE 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.

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, 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, 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, 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 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 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 additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

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.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, 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.