

INFORMATION

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.



COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company
through its Division

First American Title Insurance Company

TABLE OF CONTENTS

AGREEMENT TO ISSUE POLICY on the following page
 COMMITMENT DATE Schedule A (Page 1)
 POLICIES TO BE ISSUED, AMOUNTS AND PROPOSED INSURED Schedule A (Page 1)
 INTEREST IN THE LAND Schedule A (Exhibit A)
 DESCRIPTION OF THE LAND on the following page
 EXCEPTIONS - PART ONE Schedule B (inside)
 EXCEPTIONS - PART TWO Schedule B (inside)
 REQUIREMENTS (Standard) on the third page
 REQUIREMENTS (Continued) Requirements (inside)
 CONDITIONS on the third page

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY
If you have any questions about the Commitment, contact:

First American Title Insurance Company National Commercial Services
2425 E. Camelback Road, Suite 300, Phoenix, AZ 85016

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under the Commitment is limited by the following:

**The Provisions in Schedule A
The Requirements
The Exceptions in Schedule B - Parts 1 and 2
The Conditions**

This Commitment is not valid without SCHEDULE A and Parts 1 and 2 of SCHEDULE B.

SCHEDULE B - EXCEPTIONS

Any Policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

Part One: (for use with 2006 ALTA policies)

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests or claims that are not shown by the Public Records but which could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

Part One: (for use with 1992 and prior ALTA policies)

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.

2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water; whether or not the aforementioned matters excepted are shown by the public records.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

Part One of Schedule B will be eliminated from any A.L.T.A. Extended Coverage Policy, A.L.T.A. Plain Language Policy and policies with EAGLE Protection added. However, the same or similar exception may be made in Schedule B of those policies in conformity with Schedule B, Part Two of this Commitment.

**REQUIREMENTS
(Standard)**

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this commitment who will get interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

(Continued on Requirements Page)

CONDITIONS

1. **DEFINITIONS**

- (a) "Mortgage" means mortgage, deed of trust or other security instrument.
- (b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. **LATER DEFECTS**

The Exceptions in Schedule B may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements are met. We shall have no liability to you because of this amendment.

3. **EXISTING DEFECTS**

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. **LIMITATION OF OUR LIABILITY**

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements

or

eliminate with our written consent any Exceptions shown in Schedule B

We shall not be liable for more than the Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. **CLAIMS MUST BE BASED ON THIS COMMITMENT**

Any claims, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this Commitment and is subject to its terms

**First American Title
Insurance Company
National Commercial
Services**



**The First American
Corporation**

PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from public records or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our web site at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial services providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products and services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

**First American Title Insurance Company
National Commercial Services**

SCHEDULE A

Scottsdale Waterfront

ESCROW/CLOSING INQUIRIES should be directed to your Escrow Officer: **Sheila Hunter at (602)567-8100**

Effective Date: **December 20, 2011** at 7:30 a.m.

1. Policy or (Policies) to be issued:

ALTA 2006 Extended Owner's Policy for \$0.00

Proposed Insured:

Alliance Residential, a _____

2. The estate or interest in the land described or referred to in this commitment and covered herein is fee simple and title thereto is at the effective date hereof vested in:

Scottsdale Waterfront, L.L.C., an Arizona limited liability company

3. Title to the estate or interest in the land upon issuance of the policy shall be vested in:

Alliance Residential, a _____

4. The land referred to in this Commitment is located in Maricopa County, AZ and is described as:

SEE EXHIBIT "A " ATTACHED HEREIN

Title officer: Cynthia L. Friese/wbd @ (602)567-8100/cfriese@firstam.com.

Pages 1 through 5 of this document consist of the Title Insurance Commitment contract and our Privacy Policy.

EXHIBIT "A"

LOT 4, OF SCOTTSDALE WATERFRONT, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 702 OF MAPS, PAGE 30.

**First American Title Insurance Company
National Commercial Services**

SCHEDULE B

PART TWO:

1. Second installment of 2011 taxes, a lien, payable on or before March 1, 2012, and delinquent May 1, 2012.
2. Taxes for the full year of 2012.
(The first half is due October 1, 2012 and is delinquent November 1, 2012. The second half is due March 1, 2013 and is delinquent May 1, 2013 .)
3. Any charge upon said land by reason of its inclusion in Arcadia Water Company. (All assessments due and payable are paid.)
4. Reservations or Exceptions in Patents, or in Acts authorizing the issuance thereof.
5. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Scottsdale Waterfront, as recorded in Plat Book 702 of Maps, Page(s) 30, 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).
6. The terms and provisions contained in the document entitled "Facilities Agreement" recorded October 07, 1996 as 96-714044 of Official Records; amended as 97-178049 of Official Records; First Supplement recorded as 97-848714 of Official Records; Confirmation of Facilities Agreement recorded as 98-144338 of Official Records; Amendment to Facilities Agreement recorded as 98-292248 of Official Records; Third Amendment to Facilities and Easement Agreement recorded as 2001-227787 of Official Records; Fourth Amendment to Facilities and Easement Agreement recorded as 2004-937017 of Official Records; recorded as 2004-962256 of Official Records; Fifth Amendment recorded as 2004-1122491 of Official Records and Confirmation recorded June 22, 2006 as 2006-842571 of Official Records.
7. The terms and provisions contained in the document entitled "Federal Emergency Management Agency Flood Control Notification" recorded February 06, 2001 as 2001-090812 of Official Records.
8. The terms and provisions contained in the document entitled "Development Agreement" recorded October 16, 2003 as 2003-1441816 of Official Records; Partial Agreement and Assumption of Development Agreement recorded as 2004-1141391 of Official Records; Partial Assignment and Assumption of Development Agreement recorded as 2005-027154 of Official Records; First Amendment to Development Agreement recorded as 2005-1492401 of Official Records and Partial Assignment and Assumption of Development Agreement recorded as 2006-975772 of Official Records; Second Amendment recorded November 19, 2009 as 2009-1070188 of Official Records; Third Amendment recorded January 27, 2011 as 2011-077459 of Official Records and Fourth Amendment recorded May 05, 2011 as 2011-383292 of Official Records.

9. The terms and provisions contained in the document entitled "Irrevocable Public Access Easement Agreement" recorded September 29, 2004 as 2004-1141386 of Official Records.
10. An easement for anchors, stub pole, down guy and incidental purposes in the document recorded as Docket 10527, Page 415.
11. An easement for water lines and incidental purposes in the document recorded as Docket 13690, Page 1.
12. An easement for flood control and incidental purposes in the document recorded as 83-176908 of Official Records.
13. An easement for electrical lines and incidental purposes in the document recorded as 93-676417 of Official Records.
14. An easement for wellsite, pipelines, facilities and incidental purposes in the document recorded as 96-714039 of Official Records and amended as 97-178049 of Official Records.
15. An easement for maintenance of a gas pipeline and incidental purposes in the document recorded as 2005-950181 of Official Records.
16. An easement for maintenance of a gas pipeline and incidental purposes in the document recorded as 2005-950179 of Official Records.
17. Terms and provisions of an unrecorded lease dated June 10, 2004, by and between Scottsdale Waterfront Commercial, L.L.C., an Arizona limited liability company as lessor and Eddie V'S Scottsdale Waterfront, L.L.C., a Delaware limited liability company as lessee, as disclosed by a Memorandum of Lease recorded October 27, 2004 as 2004-1258012 of Official Records.
18. 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 _____ on _____, designated Job Number _____:

19. The rights of parties in possession by reason of any unrecorded lease or leases or month to month tenancies affecting any portion of the within described property.

NOTE: This matter will be more fully set forth or deleted upon compliance with the applicable requirement(s) set forth herein.
20. Water rights, claims or title to water, whether or not shown by the public records.

End of Schedule B

**First American Title Insurance Company
National Commercial Services**

REQUIREMENTS:

1. Compliance with A.R.S. 11-480 relative to all documents to be recorded in connection herewith. See note at end of this section for details.
2. First half of 2011 taxes are paid in full.

NOTE: Taxes are assessed in the total amount of \$81,467.74 for the year 2011 under Assessor's Parcel No. 173-42-069A 9.

3. Payment in full of all assessments, late charges, transfer fees, and any other amounts due Arcadia Water Company.
4. Furnish Plat of Survey of the subject property by a Registered Land Surveyor in accordance with the "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys" which became effective February 23, 2011. Said Plat of survey shall include the required certification and, at a minimum, also have shown thereon Items 1, 8, 11(b), 16, 17, 20(a), and 20(b) from Table A thereof. If zoning assurances are requested, Items 7(a), 7(b), 7(c) and 9 from Table A and information regarding the usage of the property must be included.

NOTE: If a Zoning Endorsement is requested, Items 7(a), 7(b) and 7(c) of Table A will also be required. If "parking" is to be added to the endorsement, the number and type of parking spaces must be shown on the survey. Property use information must also be provided to First American Title Insurance Company.

5. Furnish copies of any existing leases affecting the within described property and insertion of said leases in Schedule B of the Policy of Title Insurance.
6. Furnish a copy of the Articles of Organization, stamped "filed" by the Arizona Corporation Commission; a fully executed copy of the Operating Agreement, and any amendments thereto; and a list of the current members of Scottsdale Waterfront, L.L.C., an Arizona limited liability company
7. Proper showing as to the type of entity and the location of the formation of Alliance Residential. Additional requirements may be necessary upon being supplied with same.
8. Record Warranty Deed from Scottsdale Waterfront, L.L.C., an Arizona limited liability company to Buyer(s).

NOTE: If this will be other than a Cash Transaction, notify the title department prior to close and additional requirements will be made.

9. Return to title department for final recheck before recording.

NOTE: In connection with Arizona Revised Statutes 11-480, as of January 1, 1991, the County Recorder may not accept documents for recording that do not comply with the following:

- a. Print must be ten-point type or larger.
- b. A margin of two inches at the top of the first page for recording and return address information and margins of one-half inch along other borders of every page.
- c. Each instrument shall be no larger than 8-1/2 inches in width and 14 inches in length.

DISCLOSURE NOTE: In the event any Affidavit required pursuant to A.R.S. §33-422 has been, or will be, recorded pertaining to the land, such Affidavit is not reflected in this Commitment nor will it be shown in any policy to be issued in connection with this Commitment. The statute applies only to unsubdivided land in an unincorporated area of a county.

NOTE: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

End of Requirements