

207 Waiver

Title

Legal Description

Policy or Appeals

Correspondence Between Legal & Staff

Letter of Authorization

LEGAL DESCRIPTION

Parcel 175-20-005

Lot 9, DESERT ESTATES UNIT ONE, according to Book 54 of Maps, page 21, records of Maricopa County, Arizona

Parcel 175-20-006

Lot 10, DESERT ESTATES UNIT ONE, according to Book 54 of Maps, page 21, records of Maricopa County, Arizona

Parcel 175-20-007

Lot 11, DESERT ESTATES UNIT ONE, according to Book 54 of Maps, page 21, records of Maricopa County, Arizona

EXCEPT the following described property:

BEGINNING at the Northeast corner of said Lot 11;

Thence North 89 degrees 40 minutes 10 seconds West 283.65 feet along the North line of said Lot 11 to a tangent curve;

Thence Southwesterly 16.09 feet along the arc of said curve and said North line, being concave Southeasterly having a radius of 25.00 feet through a central angle of 36 degrees 52 minutes 12 seconds to the South line of the North 5.00 feet of said Lot 11;

Thence South 89 degrees 40 minutes 10 seconds East 298.66 feet along said south line to the East line of of said Lot 11;

Thence South 89 degrees 40 minutes 10 seconds East 298.66 feet along said south line to the East line of said Lot 11;

Thence North 00 degrees 12 minutes 50 seconds East 5.00 feet along said East line to the POINT OF BEGINNING.

LEGAL DESCRIPTION

Parcel 175-20-005

Lot 9, DESERT ESTATES UNIT ONE, according to Book 54 of Maps, page 21, records of Maricopa County, Arizona

Parcel 175-20-006

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Parcel 175-20-007

Lot 11, DESERT ESTATES UNIT ONE, according to Book 54 of Maps, page 21, records of Maricopa County, Arizona

EXCEPT the following described property:

BEGINNING at the Northeast corner of said Lot 11;

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Thence Southwesterly 16.09 feet along the arc of said curve and said North line, being concave Southeasterly having a radius of 25.00 feet through a central angle of 36 degrees 52 minutes 12 seconds to the South line of the North 5.00 feet of said Lot 11;

Thence South 89 degrees 40 minutes 10 seconds East 298.66 feet along said south line to the East line of said Lot 11;

Thence South 89 degrees 40 minutes 10 seconds East 298.66 feet along said south line to the East line of said Lot 11;

Thence North 00 degrees 12 minutes 50 seconds East 5.00 feet along said East line to the POINT OF BEGINNING.

POLICY OF THE CITY OF SCOTTSDALE
ON APPEALS OF DEDICATIONS, EXACTIONS, OR ZONING REGULATIONS

RIGHTS OF PROPERTY OWNER

In addition to other rights granted to you by the U.S. and Arizona Constitution, federal and state law and city ordinances or regulations, you are hereby notified of your right to appeal the following City actions relating to your property:

- 1) Any dedication or exaction which is required of you by an administrative agency or official of the city as a condition of granting approval of your request to use, improve or develop your real property. This appeal right does not apply to a dedication or exaction required as part of a city legislative act (for example a zoning ordinance) where an administrative agency or official has no discretion to determine the dedication or exaction.
- 2) The adoption or amendment of a zoning regulation that creates a taking of property in violation of Arizona and federal court decisions.

APPEAL PROCEDURE

The appeal must be in writing and specify the City action appealed and the date final action was taken, and it must be filed with or mailed to the hearing officer designated by the city within 30 days after the final action is taken. Address the appeal as follows:

Hearing Officer, C/O City Clerk
3939 Drinkwater Blvd.
Scottsdale, AZ 85251

- ❖ No fee will be charged for filing
- ❖ The City Attorney's Office will review the appeal for compliance with the above requirements, and will notify you if your appeal does not comply.
- ❖ Eligible appeals will be forwarded to the hearing officer, and a hearing will be scheduled within 30 days of receipt by the hearing officer of your request. Ten days notice will be given to you of the date, time and place of the hearing unless you indicate that less notice is acceptable to you.
- ❖ The city will submit a takings impact report to the hearing officer.
- ❖ In an appeal from a dedication or exaction, the City will bear the burden of proving that the dedication or exaction to be imposed on your property bears an essential nexus between the requirement and a legitimate governmental interest and that the proposed dedication or exaction is roughly proportional to the impact of the use, improvement or development you proposed.
- ❖ In an appeal from the adoption or amendment of a zoning regulation, the City will bear the burden of proving that any dedication or exaction requirement in the zoning regulation is roughly proportional to the impact of the proposed use, improvement, or development, and that the zoning regulation does not create a taking of property in violation of Arizona and federal court cases.
- ❖ The hearing officer must render his decision within five working days after the appeal is heard.
- ❖ The hearing officer can modify or delete a dedication or exaction or, in the case of an appeal from a zoning regulation, transmit a recommendation to the City Council.
- ❖ If you are dissatisfied with the decision of the hearing officer, you may file a complaint for a trial de novo with the Superior Court within 30 days of the hearing officer's decision.

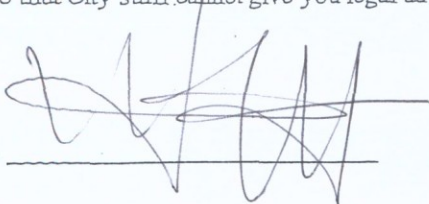
If you have questions about this appeal process, you may contact:

City Manager's Office
3939 Drinkwater Blvd.
Scottsdale, AZ 85251
(480) 312-2422

City Attorney's Office
3939 Drinkwater Blvd.
Scottsdale, AZ 85251
(480) 312-2405

Please be aware that City staff cannot give you legal advice. You may wish, but are not required, to hire an attorney to represent you in an appeal.

SIGNATURE: _____



4-UP-2013
3/14/13

LETTER OF AUTHORIZATION

DFN COMMUNITY, LLC, owner of the parcel located at **6911 East Cactus Road, Scottsdale, AZ 85254**, Parcel No. 175-20-007, hereby authorizes Stephen Earl and Michael Coopman to act on its behalf to obtain a Conditional Use Permit from the City of Scottsdale, Arizona.

Dated this 13 day of March, 2013

DFN Community, LLC

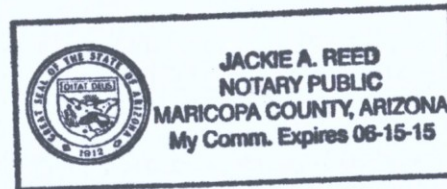
By *Dionne Najafi*
Dionne Najafi, Authorized Member

STATE OF ARIZONA)
)ss.
County of Maricopa)

This Letter of Authorization was subscribed and sworn to before me by Dionne Najafi, Member of DFN Community, LLC this 13 day of March, 2013.

Jackie A. Reed
Notary Public

My Commission Expires:
6-15-15



LETTER OF AUTHORIZATION

FFN INVESTMENTS, LLC, owner of the home located at **6912 East Paradise Drive, Scottsdale, AZ 85254**, Parcel No. 175-20-005, hereby authorizes Stephen Earl and Michael Coopman to act on its behalf to obtain a Conditional Use Permit from the City of Scottsdale, Arizona.

Dated this 13 day of March, 2013

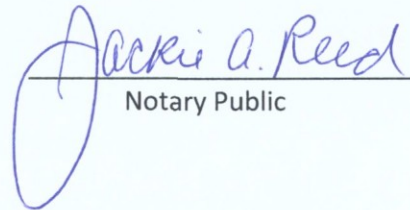
FFN Investments, LLC

By

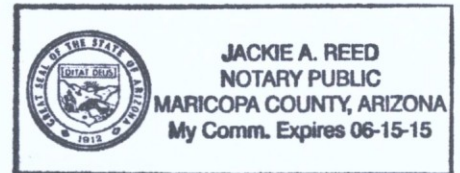

F. Francis Najafi, Authorized Member

STATE OF ARIZONA)
)ss.
County of Maricopa)

This Letter of Authorization was subscribed and sworn to before me by F. Francis Najafi, Member of FFN Investments, LLC this 13 day of March, 2013.


Notary Public

My Commission Expires:
6-15-15



LETTER OF AUTHORIZATION

F. FRANCIS NAJAFI FAMILY TRUST, owner of the home located at **12011 North 68th Place, Scottsdale, AZ 85254**, Parcel No. 175-20-006, hereby authorizes Stephen Earl and Michael Coopman to act on its behalf to obtain a Conditional Use Permit from the City of Scottsdale, Arizona.

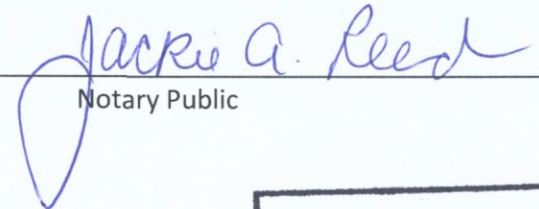
Dated this 13 day of March, 2013

F. Francis Najafi Family Trust

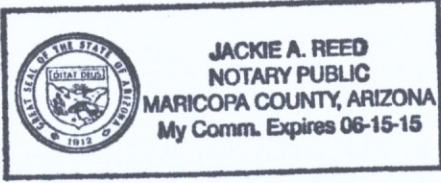
By 
F. Francis Najafi, Trustee

STATE OF ARIZONA)
)ss.
County of Maricopa)

This Letter of Authorization was subscribed and sworn to before me by F. Francis Najafi, Trustee of the F. Francis Najafi Family Trust this 13 day of March, 2013.


Notary Public

My Commission Expires:
6-15-15



LETTER OF AUTHORIZATION

RANCHO PARAISO, LLC, owner of the following properties:

- 1. Home located at **6912 East Paradise Drive, Scottsdale, AZ 85254**, Parcel No. 175-20-005
- 2. Home located at **12011 North 68th Place, Scottsdale, AZ 85254**, Parcel No. 175-20-006
- 3. Parcel located at **6911 East Cactus Road, Scottsdale, AZ 85254**, Parcel No. 175-20-007

hereby appoint Wendy Riddell to act on its behalf to obtain a Conditional Use Permit from the City of Scottsdale, Arizona.

Dated this 12 day of November, 2015

Rancho Paraiso, LLC

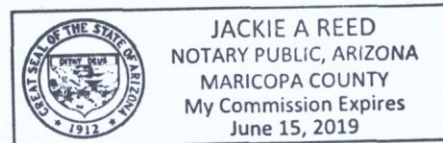
By *Dionne Najafi*
 Dionne Najafi, Member

STATE OF ARIZONA)
)ss.
 County of Maricopa)

This Letter of Authorization was subscribed and sworn to before me by Dionne Najafi, Member of Rancho Paraiso, LLC this 12 day of November, 2015.

Jackie A. Reed
 Notary Public

My Commission Expires:
06-15-2019



4-UP-2013
11/12/15

REVISED

Pre-application No.: 16-PA-2013
Project Name: Najafi Ranch Home

AFFIDAVIT OF AUTHORITY TO ACT FOR PROPERTY OWNER

1. This affidavit concerns the following parcel of land:

- a. Street Address: 6911 E. Cactus Road, Scottsdale, AZ 85254
- b. County Tax Assessor's Parcel Number 175-20-007
- c. General Location 68th Street & Cactus Road
- d. Parcel Size: 2.5 Acres
- e. Legal Description: Lot 11, Desert Estates Unit One, Book 54 of Maps, Page 21
(If the land is a platted lot, then write the lot number, subdivision, name, and the plat's recording number and date. Otherwise, write "see attached legal description" and attach a legal description.)

2. I am the owner of the land or I am the duly and lawfully appointed agent of the owner of the land and have authority from the owner to sign this affidavit on the owner's behalf. If the land has more than one owner, then I am the agent for all of the owners, and the word "owner" in this affidavit refers to all of them.

3. I have authority from the owner to act for the owner before the City of Scottsdale with regard to any and all reviews, zoning map amendments, general plan amendments, development variances, abandonments, plats, lot splits, lot ties, use permits, building permits and other land use regulatory or related matters of every description involving the land, or involving adjacent or nearby lands in which the owner has (or may acquire) an interest and all applications, dedications, payments, assurances, decisions, agreements, legal documents, commitments, waivers and other matters relating to any of them.

4. The City of Scottsdale is authorized to rely on my authority as described in this affidavit until three work days after the day the owner delivers to the general manager of the Scottsdale Planning and Development Services Department a written statement revoking my authority.

5. I will immediately deliver to the general manager of the City of Scottsdale Planning and Development Services Department written notice of any change in the ownership of the land or in my authority to act for the owner.

6. If more than one person signs this affidavit, each of them, acting alone, shall have the authority described in this affidavit, and each of them warrant to the City of Scottsdale the authority of the others.

7. Under penalty of perjury, I warrant and represent to the City of Scottsdale that this affidavit is true and complete. I understand that any error or incomplete information in this affidavit or any applications may invalidate approvals or other actions taken by the City of Scottsdale, may otherwise delay or prevent development of the land and may expose me or the owner to other liability. I understand that people who have not signed this form may be prohibited from speaking for the owner at public meetings or in other city processes.

Name (printed)	Date	Signature
<u>Francis Najafi</u>	<u> </u> , 20 <u> </u>	<u> </u>
<u>Wendy Riddell</u>	<u>MARCH 28</u> , 20 <u>13</u>	<u> </u>
<u>Mike Coopman</u>	<u> </u> , 20 <u> </u>	<u> </u>
<u> </u>	<u> </u> , 20 <u> </u>	<u> </u>

REVISED

Pre-application No.: 16-PA-2013
Project Name: Najafi Ranch Home

AFFIDAVIT OF AUTHORITY TO ACT FOR PROPERTY OWNER

1. This affidavit concerns the following parcel of land:

- a. Street Address: 12011 N. 68th Place, Scottsdale, AZ 85254
- b. County Tax Assessor's Parcel Number 175-20-006
- c. General Location 68th Street & Cactus Road
- d. Parcel Size: 2.5 Acres
- e. Legal Description: Lot 10, Desert Estates Unit One, Book 54 of Maps, Page 21
(If the land is a platted lot, then write the lot number, subdivision, name, and the plat's recording number and date. Otherwise, write "see attached legal description" and attach a legal description.)

2. I am the owner of the land or I am the duly and lawfully appointed agent of the owner of the land and have authority from the owner to sign this affidavit on the owner's behalf. If the land has more than one owner, then I am the agent for all of the owners, and the word "owner" in this affidavit refers to all of them.

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5. I will immediately deliver to the general manager of the City of Scottsdale Planning and Development Services Department written notice of any change in the ownership of the land or in my authority to act for the owner.

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Name (printed)	Date	Signature
<u>Francis Najafi</u>	_____, 20____	<u> </u>
<u>Wendy Riddell</u>	<u>March 28</u> , 20 <u>13</u>	<u> </u>
<u>Mike Coopman</u>	_____, 20____	<u> </u>
_____	_____, 20____	<u> </u>

REVISED

Pre-application No.: 16-PA-2103
Project Name: Najafi Ranch Home

AFFIDAVIT OF AUTHORITY TO ACT FOR PROPERTY OWNER

1. This affidavit concerns the following parcel of land:
 - a. Street Address: 6912 E. Paradise Drive, Scottsdale, AZ 85254
 - b. County Tax Assessor's Parcel Number 175-20-005
 - c. General Location 68th Street & Cactus Road
 - d. Parcel Size: 2.5 Acres
 - e. Legal Description: Lot 9, Desert Estates Unit One, Book 54 of Maps, Page 21
(If the land is a platted lot, then write the lot number, subdivision, name, and the plat's recording number and date. Otherwise, write "see attached legal description" and attach a legal description.)

2. I am the owner of the land or I am the duly and lawfully appointed agent of the owner of the land and have authority from the owner to sign this affidavit on the owner's behalf. If the land has more than one owner, then I am the agent for all of the owners, and the word "owner" in this affidavit refers to all of them.

3. I have authority from the owner to act for the owner before the City of Scottsdale with regard to any and all reviews, zoning map amendments, general plan amendments, development variances, abandonments, plats, lot splits, lot ties, use permits, building permits and other land use regulatory or related matters of every description involving the land, or involving adjacent or nearby lands in which the owner has (or may acquire) an interest and all applications, dedications, payments, assurances, decisions, agreements, legal documents, commitments, waivers and other matters relating to any of them.

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7. Under penalty of perjury, I warrant and represent to the City of Scottsdale that this affidavit is true and complete. I understand that any error or incomplete information in this affidavit or any applications may invalidate approvals or other actions taken by the City of Scottsdale, may otherwise delay or prevent development of the land and may expose me or the owner to other liability. I understand that people who have not signed this form may be prohibited from speaking for the owner at public meetings or in other city processes.

Name (printed)	Date	Signature
<u>Francis Najafi</u>	<u>March 28</u> , 20 <u>15</u>	<u>[Signature]</u>
<u>Wendy Riddell</u>	_____, 20____	_____
<u>Mike Coopman</u>	_____, 20____	_____
_____	_____, 20____	_____



Fidelity National Title Insurance Company

Commitment No. AX1312

COMMITMENT FOR TITLE INSURANCE

Issued by

Fidelity National Title Insurance Company

Fidelity National Title Insurance Company, a California corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate 6 months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

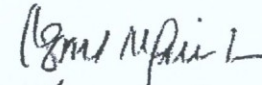
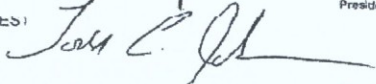
The Company will provide a sample of the policy form upon request.

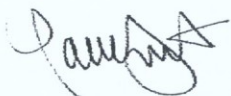
IN WITNESS WHEREOF, Fidelity National Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

New Land Title Agency, L.L.C.
20830 North Tatum Blvd., #250
Phoenix, AZ 85050
Phone: 480-824-4243 Fax: 480-824-4180

FIDELITY NATIONAL TITLE INSURANCE COMPANY



By: 
ATTES: 
President
Secretary

Countersigned: 

Authorized Signatory
Paul Lovato



CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. *The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <<http://www.alta.org/>>.*



**New Land Title Agency, L.L.C.
PRIVACY POLICY**

This privacy policy notice is designed to inform you of the types of information we may maintain and collect during the course of our relationship with you. It also explains the safeguards we have in place to protect that information and the circumstances in which we may share that information with third parties.

Information We Maintain or Collect

We maintain and collect nonpublic personal information from you and about you as necessary to provide you with title insurance for your home and, if applicable, to provide your mortgage lender with title insurance. In addition, we maintain and collect nonpublic personal information about you as necessary to provide you with settlement services for your home purchase, mortgage financing or re-financing. We also may maintain or collect information about you to provide products, services, and other opportunities that we believe may be of benefit to you. The following are examples of the types of nonpublic personal information we maintain or collect:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as but not limited to information concerning your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Information Sharing with Third Parties

We do not disclose nonpublic personal information about you to third parties except as permitted or required by law. There are numerous instances in which we are permitted or required to share such information. Some examples include:

- Sharing information with third parties who provide services to us in connection with the preparation and processing of title insurance commitments or binders for your and/or your lender, such as by way of example and not limitation, mortgage lenders, title insurance underwriters, title searchers or abstractors.
- Sharing information with others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction or to enable us to comply with your lender's closing instructions;
- Sharing information with lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.
- Sharing information to comply with federal, state or local laws; or when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.
- Sharing information to protect you, K. Hovnanian, New Land Title Agency, L.L.C. and any of our title insurance underwriters from actual or potential fraud.

Confidentiality and Security of Information

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to process or administer you or your lender's request for title insurance and/or to provide settlement services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Former Customers

Our privacy policy for sharing nonpublic personal information about former customers is the same as our policy for current customers.

Additional Information

For information about the Financial Services Division Privacy Policy call us at (800) 669-9790, if you have more General Inquiries about the Hovnanian Enterprises, Inc. Privacy Policy contact us at info@khov.com.



New Land Title Agency, L.L.C.
20830 North Tatum Blvd., #250
Phoenix, AZ 85050
Ph: 480-824-4243 Fax: 480-824-4180

SCHEDULE A

Escrow Officer: Paul Lovato
Title Officer: Paul Lovato
Escrow No: **AX1312**
Title No: **AX1312**

1. Commitment Date: **November 30, 2015, 8:00 am**

2. Policy (or Policies) to be issued: Policy Amount
 - a. Owner's Policy **\$1,100,000.00**

Proposed Insured: **The City of Scottsdale**

 - b. Loan Policy

Proposed Insured:

 - c. Proposed Insured:

3. **Fee Simple** interest in the land described in this Commitment is owned, at the Commitment Date, by

Mockingbird Group, LLC, an Arizona limited liability company, which acquired title as BRALU, LLC, an Arizona limited liability company

4. The land referred to in the Commitment is described as follows:

SEE ATTACHED EXHIBIT "A"

EXHIBIT "A"

The land referred to herein below is situated in the County of Maricopa, State of Arizona and is described as follows:

PARCEL NO. 1:

A portion of the Southeast quarter of the Southeast quarter of Section 27, Township 2 North, Range 4 East, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

Commencing at the Northeast corner of said Southeast quarter of the Southeast quarter, a City of Scottsdale brass cap in handhole, from which the Northwest corner thereof a City of Scottsdale brass cap flush, bears South 89 degrees 10 minutes 30 seconds West (basis of bearings) along the monument line of Earll Drive, a distance of 1310.75 feet;

Thence South 89 degrees 10 minutes 30 seconds West along the North line of the Southeast quarter of the Southeast quarter of said Section 27, a distance of 510.07 feet;

Thence leaving said North line, South 00 degrees 02 minutes 06 seconds West, a distance of 20.00 feet, to a point on the Southerly right-of-way line of Earll Drive, also being the point of beginning;

Thence continuing South 00 degrees 02 minutes 06 seconds West, along the West line of the East 121.81 feet of Olene Place as recorded in Book 48 of Maps, Page 5, MCR, a distance of 238.44 feet to the North line of the South 80 feet of said Olene Place;

Thence South 89 degrees 11 minutes 08 seconds West along said North line, a distance of 151.80 feet;

Thence North 00 degrees 02 minutes 06 seconds East leaving said North line, a distance of 228.41 feet to the South right of way line of Earll Drive;

Thence North 89 degrees 10 minutes 30 seconds East along said right of way, a distance 127.63 feet;

Thence North 00 degrees 00 minutes 15 seconds East along said right of way, a distance of 10.00 feet;

Thence North 89 degrees 10 minutes 15 seconds East along said right-of-way line, a distance of 24.18 feet to the point of beginning.

PARCEL NO. 2:

The West 30.00 feet of the South 80.00 feet of OLENE PLACE, according to the plat of record in the County Recorder of Maricopa County, Arizona, recorded as Book 48 of Maps, Page 5.

PARCEL NO. 3:

The South 80.00 feet of OLENE PLACE, according to the plat of record in the County Recorder of

Maricopa County, Arizona, recorded as Book 48 of Maps, Page 5 and that portion of Marshall Avenue abandoned by Resolution recorded in Instrument No. 84-0493240, records of Maricopa County, Arizona;

Except the East 121.81 feet of said OLENE PLACE;

Except the West 30.00 feet of said OLENE PLACE.

TITLE INSURANCE COMMITMENT

BY

Fidelity National Title Insurance Company

SCHEDULE B - SECTION I

REQUIREMENTS

NOTE: All instruments need to conform with the County Recorder's Instrument Conformance Template

ARS Section 11-480 requires that the:

Maximum document width is	8 1/2"
Maximum document length is	14"
Minimum print size is	10 point
Minimum top margin is	2"
Minimum left, right and Bottom margins be	1/2"

1. FURNISH "AFFIDAVIT OF NO REPAIRS AND/OR LEASES" executed by the owner of the property.

The right is reserved to make additional exceptions or requirements upon examination of said affidavit

2. Furnish evidence of the date of completion of the improvements constructed on said land and lapse of the statutory time in which a claimant for unpaid labor or materials may record a lien; or in lieu thereof, furnish such documentation that the Company may require for review to determine if an indemnification by the seller and/or contractor and/or borrowers would be acceptable to the Company. Any indemnity must be on the Company's form and it may be required that individual principals or corporations or other entities and their spouse execute same.
3. PAY ANY OBLIGATIONS imposed upon said land by its inclusion within any district formed pursuant to Title 48, Arizona Revised Statutes, excluding however Municipal or County Improvement Districts.
4. FURNISH satisfactory evidence to the company that all regular and special assessments levied by Salt River Project Agricultural Improvement and Power District which are now due and payable are paid.
5. FURNISH the Company a copy of the Articles of Organization, stamped "filed" by the Arizona Corporation Commission and a fully executed copy of the Operating Agreement and all amendments thereto for Mockingbird Group, LLC, an Arizona limited liability company.

NOTE: The Company reserves the right to make requirements and/or exceptions upon review of the above.

6. FURNISH the Company a copy of the Articles of Organization, stamped "filed" by the Arizona Corporation Commission and a fully executed copy of the Operating Agreement and all amendments thereto for K. Hovnanian Great Western Homes, LLC, an Arizona limited liability company.
7. INTENTIONALLY OMITTED FURNISH a properly engineered legal description for review.

NOTE: The Company reserves the right to make requirements and/or exceptions upon review of the above.

8. FURNISH approval of the legal description used herein by all parties to this transaction.

9. Furnish Plat of Survey of the subject property by a Registered Land Surveyor in according 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, shall also show thereon Items 1, 8, 11(b), 16, 17, 20(a) and 20(b) from Table A thereof.

The Company reserves the right to make additional requirements and/or exceptions after review of said documentation.

10. PROVIDE UNDERWRITER APPROVAL for the transaction to be insured herein required prior to close of escrow.

The Company reserves the right to make additional requirements and/or exceptions after review of said documentation.

11. RECORD Deed from Mockingbird Group, LLC, an Arizona limited liability company, which acquired title as BRALU, LLC, an Arizona limited liability company to K. Hovnanian Great Western Homes, LLC, An Arizona Limited Liability Company.
12. PROVIDE documentation to the Company from the City of Scottsdale that provides that the provisions of the Agreement shown as Exception number 18 in Schedule B - Section II herein are no longer required.

The Company reserves the right to make additional requirements and/or exceptions after review of said documentation.

NOTE: 6 month chain of title: NONE

TITLE INSURANCE COMMITMENT

BY

Fidelity National Title Insurance Company

SCHEDULE B - SECTION II

EXCEPTIONS

Except as provided in Schedule B - Part II, this policy does not insure against loss or damage, and the Company will not pay costs, attorney's fees, or expenses that arise by reason of:

1. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
2. Easements or claims of easements not shown by the public records.
3. Encroachments, overlaps, boundary line disputes and any matters which would be disclosed by an accurate survey or inspection of the premises and not shown by the public records.
4. Any lien or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.
5. (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.
6. (a) Unpatented mining claims; (b) water rights, claims or title to water, whether or not the matters excepted under (a) or (b) are shown by the public records.
7. TAXES and ASSESSMENTS for the Second Half of 2014 plus any penalties and interest which may accrue. A lien not yet due and payable.

Assessor's Parcel No.'s: 130-17-001, 130-17-002, 130-17-003B, 130-17-004A, 130-17-004B, 130-17-004C, 130-17-005B (covers more property), 130-17-007C, 130-17-008A, 130-17-009A (covers more property)

8. ~~INTENTIONALLY OMITTED OBLIGATIONS imposed upon said land by reason of its inclusion within any district formed pursuant to Title 48, Arizona Revised Statutes, excluding, however, Municipal or County Improvement Districts.~~
9. ~~INTENTIONALLY OMITTED RESERVATIONS, EXCEPTIONS and PROVISIONS contained in the Patent(s) from the United States of America or the State of Arizona or in the Acts authorizing the issuance thereof.~~
10. THE LIABILITIES and OBLIGATIONS imposed upon said land by reason of: (a) inclusion thereof within the boundaries of the Salt River Project Agricultural Improvement and Power District; (b) membership of the owner thereof in the Salt River Valley Water Users Association, an Arizona corporation; and (c) the terms of any Water Right Application made under the reclamation laws of the United States for the purpose of obtaining water rights for said land. (All assessments due and payable

have been paid)

11. ~~INTENTIONALLY OMITTED EASEMENTS, RESTRICTIONS, CONDITIONS, COVENANTS and MATTERS shown on the plat for SECURITY ACRES, AMENDED, recorded in Book 8 of Maps, Page 59, but omitting 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.~~
12. EASEMENTS, RESTRICTIONS, CONDITIONS, COVENANTS and MATTERS shown on the plat for OLENE PLACE, recorded in Book 48 of Maps, Page 5, but omitting 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.
13. EASEMENT for right of way for road or highway and public utilities purposes and rights incidental thereto, as set forth in the document recorded in Instrument No. 84-0488654.
14. ANY easements or rights of way for existing utilities or other rights of way over those portions of said land lying within the public right of way abandoned by resolution or ordinance recorded in Instrument No. 84-0493240.
15. All matters as set forth in Covenant and Agreement to Hold Property as One Parcel recorded in Instrument No. 96-0397809.

Reference is hereby made to said document for full particulars.

16. All matters contained in that certain document entitled "City of Scottsdale Request for Lot Split" recorded in Instrument No. 96-0397810.

Reference is hereby made to said document for full particulars.

17. All matters contained in that certain document entitled "Development Agreement" recorded in Instrument No. 2007-0230672.

Reference is hereby made to said document for full particulars.

Affects Parcels 1 and 2

18. All matters contained in that certain document entitled "Assurance to City of Remote Parking" recorded in Instrument No. 2007-0511486.

Reference is hereby made to said document for full particulars.

Affects Parcels 1 and 2

Note: This exception will be removed upon compliance with Requirement number 12, Schedule B - Section I herein.

19. All matters as set forth in Record of Survey recorded April 1, 2014 in Book 1211 of Maps, Page 14.
20. All matters as set forth in Memorandum of Purchase Agreement dated May 20, 2015 between Mockingbird Group, LLC, an Arizona limited liability company and K. Hovnanian Great Western Homes, LLC, an Arizona limited liability company recorded May 21, 2015 in Instrument No. 2015-0358452.



Fidelity National Title Insurance Company

Commitment No. AX1312

COMMITMENT FOR TITLE INSURANCE

Issued by

Fidelity National Title Insurance Company

Fidelity National Title Insurance Company, a California corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate 6 months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF, Fidelity National Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

New Land Title Agency, L.L.C.
20830 North Tatum Blvd., #250
Phoenix, AZ 85050
Phone: 480-824-4243 Fax: 480-824-4180

FIDELITY NATIONAL TITLE INSURANCE COMPANY



By: *[Signature]*

President

Attest: *[Signature]*

Secretary

[Signature]

Countersigned:

Authorized Signatory
Paul Lovato



CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. *The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <<http://www.alta.org/>>.*



**New Land Title Agency, L.L.C.
PRIVACY POLICY**

This privacy policy notice is designed to inform you of the types of information we may maintain and collect during the course of our relationship with you. It also explains the safeguards we have in place to protect that information and the circumstances in which we may share that information with third parties.

Information We Maintain or Collect

We maintain and collect nonpublic personal information from you and about you as necessary to provide you with title insurance for your home and, if applicable, to provide your mortgage lender with title insurance. In addition, we maintain and collect nonpublic personal information about you as necessary to provide you with settlement services for your home purchase, mortgage financing or re-financing. We also may maintain or collect information about you to provide products, services, and other opportunities that we believe may be of benefit to you. The following are examples of the types of nonpublic personal information we maintain or collect:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as but not limited to information concerning your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Information Sharing with Third Parties

We do not disclose nonpublic personal information about you to third parties except as permitted or required by law. There are numerous instances in which we are permitted or required to share such information. Some examples include:

- Sharing information with third parties who provide services to us in connection with the preparation and processing of title insurance commitments or binders for your and/or your lender, such as by way of example and not limitation, mortgage lenders, title insurance underwriters, title searchers or abstractors.
- Sharing information with others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction or to enable us to comply with your lender's closing instructions;
- Sharing information with lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.
- Sharing information to comply with federal, state or local laws; or when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.
- Sharing information to protect you, K. Hovnanian, New Land Title Agency, L.L.C. and any of our title insurance underwriters from actual or potential fraud.

Confidentiality and Security of Information

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to process or administer you or your lender's request for title insurance and/or to provide settlement services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Former Customers

Our privacy policy for sharing nonpublic personal information about former customers is the same as our policy for current customers.

Additional Information

For information about the Financial Services Division Privacy Policy call us at (800) 669-9790, if you have more General Inquiries about the Hovnanian Enterprises, Inc. Privacy Policy contact us at info@khov.com.



New Land Title Agency, L.L.C.
20830 North Tatum Blvd., #250
Phoenix, AZ 85050
Ph: 480-824-4243 Fax: 480-824-4180

SCHEDULE A

Escrow Officer: Paul Lovato
Title Officer: Paul Lovato
Escrow No: **AX1312**
Title No: **AX1312**

1. Commitment Date: **November 30, 2015, 8:00 am**
2. Policy (or Policies) to be issued: Policy Amount
 - a. Owner's Policy **\$1,100,000.00**

Proposed Insured: **The City of Scottsdale**
 - b. Loan Policy

Proposed Insured:
 - c. Proposed Insured:
3. **Fee Simple** interest in the land described in this Commitment is owned, at the Commitment Date, by
Mockingbird Group, LLC, an Arizona limited liability company, which acquired title as BRALU, LLC, an Arizona limited liability company
4. The land referred to in the Commitment is described as follows:
SEE ATTACHED EXHIBIT "A"

EXHIBIT "A"

The land referred to herein below is situated in the County of Maricopa, State of Arizona and is described as follows:

PARCEL NO. 1:

A portion of the Southeast quarter of the Southeast quarter of Section 27, Township 2 North, Range 4 East, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

Commencing at the Northeast corner of said Southeast quarter of the Southeast quarter, a City of Scottsdale brass cap in handhole, from which the Northwest corner thereof a City of Scottsdale brass cap flush, bears South 89 degrees 10 minutes 30 seconds West (basis of bearings) along the monument line of Earll Drive, a distance of 1310.75 feet;

Thence South 89 degrees 10 minutes 30 seconds West along the North line of the Southeast quarter of the Southeast quarter of said Section 27, a distance of 510.07 feet;

Thence leaving said North line, South 00 degrees 02 minutes 06 seconds West, a distance of 20.00 feet, to a point on the Southerly right-of-way line of Earll Drive, also being the point of beginning;

Thence continuing South 00 degrees 02 minutes 06 seconds West, along the West line of the East 121.81 feet of Olene Place as recorded in Book 48 of Maps, Page 5, MCR, a distance of 238.44 feet to the North line of the South 80 feet of said Olene Place;

Thence South 89 degrees 11 minutes 08 seconds West along said North line, a distance of 151.80 feet;

Thence North 00 degrees 02 minutes 06 seconds East leaving said North line, a distance of 228.41 feet to the South right of way line of Earll Drive;

Thence North 89 degrees 10 minutes 30 seconds East along said right of way, a distance 127.63 feet;

Thence North 00 degrees 00 minutes 15 seconds East along said right of way, a distance of 10.00 feet;

Thence North 89 degrees 10 minutes 15 seconds East along said right-of-way line, a distance of 24.18 feet to the point of beginning.

PARCEL NO. 2:

The West 30.00 feet of the South 80.00 feet of OLENE PLACE, according to the plat of record in the County Recorder of Maricopa County, Arizona, recorded as Book 48 of Maps, Page 5.

PARCEL NO. 3:

The South 80.00 feet of OLENE PLACE, according to the plat of record in the County Recorder of

Maricopa County, Arizona, recorded as Book 48 of Maps, Page 5 and that portion of Marshall Avenue abandoned by Resolution recorded in Instrument No. 84-0493240, records of Maricopa County, Arizona;

Except the East 121.81 feet of said OLENE PLACE;

Except the West 30.00 feet of said OLENE PLACE.

TITLE INSURANCE COMMITMENT

BY

Fidelity National Title Insurance Company

SCHEDULE B - SECTION I

REQUIREMENTS

NOTE: All instruments need to conform with the County Recorder's Instrument Conformance Template

ARS Section 11-480 requires that the:

Maximum document width is	8 1/2"
Maximum document length is	14"
Minimum print size is	10 point
Minimum top margin is	2"
Minimum left, right and Bottom margins be	1/2"

1. FURNISH "AFFIDAVIT OF NO REPAIRS AND/OR LEASES" executed by the owner of the property.

The right is reserved to make additional exceptions or requirements upon examination of said affidavit

2. Furnish evidence of the date of completion of the improvements constructed on said land and lapse of the statutory time in which a claimant for unpaid labor or materials may record a lien; or in lieu thereof, furnish such documentation that the Company may require for review to determine if an indemnification by the seller and/or contractor and/or borrowers would be acceptable to the Company. Any indemnity must be on the Company's form and it may be required that individual principals or corporations or other entities and their spouse execute same.
3. PAY ANY OBLIGATIONS imposed upon said land by its inclusion within any district formed pursuant to Title 48, Arizona Revised Statutes, excluding however Municipal or County Improvement Districts.
4. FURNISH satisfactory evidence to the company that all regular and special assessments levied by Salt River Project Agricultural Improvement and Power District which are now due and payable are paid.
5. FURNISH the Company a copy of the Articles of Organization, stamped "filed" by the Arizona Corporation Commission and a fully executed copy of the Operating Agreement and all amendments thereto for Mockingbird Group, LLC, an Arizona limited liability company.

NOTE: The Company reserves the right to make requirements and/or exceptions upon review of the above.

6. FURNISH the Company a copy of the Articles of Organization, stamped "filed" by the Arizona Corporation Commission and a fully executed copy of the Operating Agreement and all amendments thereto for K. Hovnanian Great Western Homes, LLC, an Arizona limited liability company.
7. INTENTIONALLY OMITTED FURNISH a properly engineered legal description for review.

NOTE: The Company reserves the right to make requirements and/or exceptions upon review of the above.

8. FURNISH approval of the legal description used herein by all parties to this transaction.

9. Furnish Plat of Survey of the subject property by a Registered Land Surveyor in according 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, shall also show thereon Items 1, 8, 11(b), 16, 17, 20(a) and 20(b) from Table A thereof.

The Company reserves the right to make additional requirements and/or exceptions after review of said documentation.

10. PROVIDE UNDERWRITER APPROVAL for the transaction to be insured herein required prior to close of escrow.

The Company reserves the right to make additional requirements and/or exceptions after review of said documentation.

11. RECORD Deed from Mockingbird Group, LLC, an Arizona limited liability company, which acquired title as BRALU, LLC, an Arizona limited liability company to K. Hovnanian Great Western Homes, LLC, An Arizona Limited Liability Company.

12. PROVIDE documentation to the Company from the City of Scottsdale that provides that the provisions of the Agreement shown as Exception number 18 in Schedule B - Section II herein are no longer required.

The Company reserves the right to make additional requirements and/or exceptions after review of said documentation.

NOTE: 6 month chain of title: NONE

TITLE INSURANCE COMMITMENT

BY

Fidelity National Title Insurance Company

SCHEDULE B - SECTION II

EXCEPTIONS

Except as provided in Schedule B - Part II, this policy does not insure against loss or damage, and the Company will not pay costs, attorney's fees, or expenses that arise by reason of:

1. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
2. Easements or claims of easements not shown by the public records.
3. Encroachments, overlaps, boundary line disputes and any matters which would be disclosed by an accurate survey or inspection of the premises and not shown by the public records.
4. Any lien or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.
5. (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.
6. (a) Unpatented mining claims; (b) water rights, claims or title to water, whether or not the matters excepted under (a) or (b) are shown by the public records.
7. TAXES and ASSESSMENTS for the Second Half of 2014 plus any penalties and interest which may accrue. A lien not yet due and payable.

Assessor's Parcel No.'s: 130-17-001, 130-17-002, 130-17-003B, 130-17-004A, 130-17-004B, 130-17-004C, 130-17-005B (covers more property), 130-17-007C, 130-17-008A, 130-17-009A (covers more property)

8. ~~INTENTIONALLY OMITTED OBLIGATIONS imposed upon said land by reason of its inclusion within any district formed pursuant to Title 48, Arizona Revised Statutes, excluding, however, Municipal or County Improvement Districts.~~
9. ~~INTENTIONALLY OMITTED RESERVATIONS, EXCEPTIONS and PROVISIONS contained in the Patent(s) from the United States of America or the State of Arizona or in the Acts authorizing the issuance thereof.~~
10. THE LIABILITIES and OBLIGATIONS imposed upon said land by reason of: (a) inclusion thereof within the boundaries of the Salt River Project Agricultural Improvement and Power District; (b) membership of the owner thereof in the Salt River Valley Water Users Association, an Arizona corporation; and (c) the terms of any Water Right Application made under the reclamation laws of the United States for the purpose of obtaining water rights for said land. (All assessments due and payable

have been paid)

11. ~~INTENTIONALLY OMITTED EASEMENTS, RESTRICTIONS, CONDITIONS, COVENANTS and MATTERS shown on the plat for SECURITY ACRES, AMENDED, recorded in Book 8 of Maps, Page 59, but omitting 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.~~
12. EASEMENTS, RESTRICTIONS, CONDITIONS, COVENANTS and MATTERS shown on the plat for OLENE PLACE, recorded in Book 48 of Maps, Page 5, but omitting 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.
13. EASEMENT for right of way for road or highway and public utilities purposes and rights incidental thereto, as set forth in the document recorded in Instrument No. 84-0488654.
14. ANY easements or rights of way for existing utilities or other rights of way over those portions of said land lying within the public right of way abandoned by resolution or ordinance recorded in Instrument No. 84-0493240.
15. All matters as set forth in Covenant and Agreement to Hold Property as One Parcel recorded in Instrument No. 96-0397809.

Reference is hereby made to said document for full particulars.

16. All matters contained in that certain document entitled "City of Scottsdale Request for Lot Split" recorded in Instrument No. 96-0397810.

Reference is hereby made to said document for full particulars.

17. All matters contained in that certain document entitled "Development Agreement" recorded in Instrument No. 2007-0230672.

Reference is hereby made to said document for full particulars.

Affects Parcels 1 and 2

18. All matters contained in that certain document entitled "Assurance to City of Remote Parking" recorded in Instrument No. 2007-0511486.

Reference is hereby made to said document for full particulars.

Affects Parcels 1 and 2

Note: This exception will be removed upon compliance with Requirement number 12, Schedule B - Section I herein.

19. All matters as set forth in Record of Survey recorded April 1, 2014 in Book 1211 of Maps, Page 14.
20. All matters as set forth in Memorandum of Purchase Agreement dated May 20, 2015 between Mockingbird Group, LLC, an Arizona limited liability company and K. Hovnanian Great Western Homes, LLC, an Arizona limited liability company recorded May 21, 2015 in Instrument No. 2015-0358452.



ALTA COMMITMENT
COMMITMENT FOR TITLE INSURANCE
Issued by Old Republic National Title Insurance Company

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, a Minnesota corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six (6) months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

Issued through the offices of:

Grand Canyon Title Agency, Inc.
2730 E. Camelback Rd. Ste. 110
Phoenix, AZ 85016

Old Republic National Title Insurance Company
400 Second Avenue South
Minneapolis, Minnesota 55401

By: 
Authorized Signatory

By  President
Attest  Secretary

COMMITMENT FOR TITLE INSURANCE

Issued by

Old Republic National Title Insurance Company

SCHEDULE A

File No.: **45003031-045-SSH**

1. Effective Date: **February 27, 2013** at 8:00 A.M.

2.	Policy or Policies to be issued:	Amount
a.	ALTA 2006 Standard Owners Policy	\$970,000.00

Proposed Insured:

The City of Scottsdale

b.	None	\$0.00
----	-------------	---------------

Proposed Insured:

c.	None	\$0.00
----	-------------	---------------

Proposed Insured:

3. The estate or interest in the land described or referred to in the Commitment and covered herein is

A FEE

4. Title to the said estate or interest in the land is at the Effective Date vested in:

F. Francis Najafi, as Trustee of the F. Francis Najafi Family Trust dated May 16, 1990, as to Parcel No. 1; DFN Community, LLC, an Arizona limited liability company, as to Parcel No. 2 and FFN Investments, LLC, an Arizona limited liability company, as to Parcel No. 3

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

See Exhibit A attached hereto and made a part hereof.

Note: Please direct all inquires and correspondence to:
Sally Hevier
2730 E. Camelback Rd. Ste. 110
Phoenix, AZ 85016
Phone: (602) 343-3420

Grand Canyon Title Agency, Inc., issuing agent for
Old Republic National Title Insurance Company
Leslie Robertson
Title Officer
ljr
Typist

EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

Parcel No. 1:

Lot 10, DESERT ESTATES UNIT ONE, according to Book 54 of Maps, page 21, records of Maricopa County, Arizona.

Parcel No. 2:

Lot 11, DESERT ESTATES UNIT ONE, according to Book 54 of Maps, page 21, records of Maricopa County, Arizona.

EXCEPT the following described property:

BEGINNING at the Northeast corner of said Lot 11;

Thence North 89 degrees 40 minutes 10 seconds West 283.65 feet along the North line of said Lot 11 to a tangent curve;

Thence Southwesterly 16.09 feet along the arc of said curve and said North line, being concave Southeasterly having a radius of 25.00 feet through a central angle of 36 degrees 52 minutes 12 seconds to the South line of the North 5.00 feet of said Lot 11;

Thence South 89 degrees 40 minutes 10 seconds East 298.66 feet along said south line to the East line of said Lot 11;

Thence North 00 degrees 12 minutes 50 seconds East 5.00 feet along said East line to the POINT OF BEGINNING.

Parcel No. 3:

Lot 9, DESERT ESTATES UNIT ONE, according to Book 54 of Maps, page 21, records of Maricopa County, Arizona.

SCHEDULE B – SECTION I REQUIREMENTS

The following are the requirements to be complied with prior to the issuance of said policy or policies. Any other instrument recorded subsequent to the date hereof may appear as an exception under Schedule B of the policy to be issued. Unless otherwise noted, all documents must be recorded in the office of the Recorder of the County in which said property is located.

NOTE: Taxes are assessed in the total amount of \$4,631.26 for the year 2012 under Assessor's Parcel No. 175-20-006 9. (Parcel No. 1)

NOTE: Taxes are assessed in the total amount of \$489.58 for the year 2012 under Assessor's Parcel No. 175-20-007 6. (Parcel No. 2)

NOTE: Taxes are assessed in the total amount of \$2,9041.12 for the year 2012 under Assessor's Parcel No. 175-20-005 1. (Parcel No. 3)

1. Pay second half of 2012 taxes. (Parcel No. 2)
2. All of 2012 taxes are paid in full. (Parcels No. 1 and 3)
3. 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 DFN Community, LLC, an Arizona limited liability company.
4. 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 FFN Investments, LLC, an Arizona limited liability company.
5. Submit for review and recordation an original Certification of Trust in the form prescribed by this Company dated and executed within thirty days prior to closing by an acting trustee of the F. Francis Najafi Family Trust dated May 16, 1990 Trust.
6. RECORD Deed from F. Francis Najafi, as Trustee of the F. Francis Najafi Family Trust dated May 16, 1990; DFN Community, LLC, an Arizona limited liability company and FFN Investments, LLC, an Arizona limited liability company to City of Scottsdale, a municipal corporation.

NOTE: 24 MONTH CHAIN OF TITLE:

Warranty Deed by and between David Grant Williams, as Trustee of the David Grant Williams Trust dated March 22, 2001, Grantor and David Grant Williams, as Trustee of the David Grant Williams Amended and Restated Declaration of Trust dated September 18, 2008, Grantee, dated September 10, 2008, recorded September 22, 2008 as Document No. 2008-0819291, of Official Records. (Parcels No. 1 and 2)

Trustee's Deed and Bill of Sale by and between Kevin J. Morris, a member of the State Bar of Arizona, as Trustee, Grantor and BMO Harris Bank N.A., as successor to M&I Marshall & Ilsley Bank, Grantee, dated August 8, 2012, recorded August 8, 2012 in Document No. 2012-0706194 of Official Records. (Parcels No. 1 and 2)

SCHEDULE B – Section I
(Continued)

Special Warranty Deed by and between BMO Harris Bank, N.A., as Successor in interest to M&I Marshall & Ilsley Bank, Grantor and F. Francis Najafi, as Trustee of the F. Francis Najafi Family Trust dated May 16, 1990, Grantee, dated December 6, 2012, recorded December 7, 2012 in Document No. 2012-11188991 and re-recorded in Document No. 20123-0097893 of Official Records. (Parcel No. 1)

Special Warranty Deed by and between BMO Harris Bank, N.A., as Successor in interest to M&I Marshall & Ilsley Bank, Grantor and DFN Community, LLC, an Arizona limited liability company, Grantee, dated December 6, 2012, recorded December 7, 2012 in Document No. 2012-1118892 of Official Records. (Parcel No. 2)

Warranty Deed by and between David Grant Williams, as Trustee of the David Grant Williams Trust dated March 22, 2001, Grantor and David Grant Williams, as Trustee of the David Grant Williams Amended and Restated Declaration of Trust dated September 18, 2008, Grantee, dated September 18, 2008, recorded September 22, 2008 in Document No. 2008-0819289 of Official Records. (Parcel No. 3)

Warranty Deed by and between David Grant Williams, as Trustee of the David Grant Williams Amended and Restated Declaration of Trust dated September 18, 2008, Grantor and TPLO Group, L.L.C., an Arizona limited liability company, Grantee, dated July 23, 2012, recorded July 25, 2012 in Document No. 2012-0655604 of Official Records. (Parcel No. 3)

Warranty Deed by and between TPLO Group L.L.C., an Arizona limited liability company, Grantor and FFN Investments, LLC, an Arizona limited liability company, Grantee, dated December 10, 2012, recorded December 14, 2012 in Document No. 2012-1140767 of Official Records. (Parcel No. 3)

Lender's Note: The purported address as disclosed by the Maricopa County Assessors office is as follows:

12011 N. 68th Place, Scottsdale, AZ 85254 (Parcel No. 1)

6911 E. Cactus Road, Scottsdale, AZ 85254 (Parcel No. 2)

6912 E. Paradise Drive, Scottsdale, AZ 85254 (Parcel No. 3)

Type of Improvement: Single Family Residences

END OF SCHEDULE B – SECTION I

**SCHEDULE B – SECTION II
EXCEPTIONS**

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:

- A. 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 this Commitment.
1. Taxes for the year 2013, a lien not yet due and payable.
 2. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded in Book 54 of Maps, Page 21, 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).
 3. Covenants, conditions and restrictions in the document recorded as Docket 1024, page 427, Notice of Amendment to Deed Restrictions recorded in Document No. 91-0472076, and Notice of Amendment to Declaration of Restrictions recorded in Document No. 2008-0111098, of Official Records, 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 Title 42, Section 3604(c), of the United States Codes.

END OF SCHEDULE B – SECTION II

DISCLOSURE NOTICES

Good Funds Law

Arizona Revised Statutes Section 6-843 regulates the disbursement of escrow funds by an escrow agent. The law requires that funds be deposited in the escrow agent's escrow account and available for withdrawal prior to disbursement. Funds deposited with the Company by wire transfer may be disbursed upon receipts. Funds deposited with the Company in the form of cashier's checks, certified checks or teller's checks, or checks which are made by an affiliate of a state or federally regulated depository institution when the check is drawn on that institution, may be disbursed the same day as deposited. If funds are deposited with the Company by other methods, recording and/or disbursement may be delayed.

PURCHASER DWELLING ACTIONS NOTICE

Pursuant to Arizona Revised Statutes 12-1363.N, notice is hereby provided to the purchaser of a dwelling of the provisions of Arizona Revised Statutes sections 12-1361, 1362 and 1363. These statutory sections set for the requirements to be met by a purchaser prior to bringing an action against the seller of a dwelling arising out of or related to the design, construction, condition or sale of the dwelling. "Dwelling" means a single or multifamily unit designed for residential use and common areas and improvements owned or maintain by an association or its members. "Seller" means any person, firm, partnership, corporation, association or other organization engaged in the business of designing, constructing or selling dwellings. The complete statutory sections can be viewed on the Arizona State Legislature's web site: www.azleg.state.az.us/ars/ars.htm.

NOTICE:

Pursuant to Arizona Revised Statutes 11-480, effective 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 (pica) or larger.
- b. Margins of at least one-half inch along the left and right sides one-half inch across the bottom and at least two inches on top for recording and return address information.
- c. Each instruction shall be no larger than 8 ½ inches in width and 14 inches in length.

**NOTICE
OF
IMPORTANT CHANGE TO ARIZONA NOTARY LAWS**

If your client is a foreign citizen, you will want to be aware of this change.

Arizona law currently provides that “satisfactory evidence of identity” for purposes of a notary’s acknowledging signatures or performing jurats includes a “current form of identification issued by a federal, state or tribal government...” (A.R.S. 41-311.11.) Effective August 25, 2004, however, this provision has been amended to provide that the current form of identification must be issued by “the United States government or a state or tribal government...” This change means that a current form of identification issued by a foreign government, such as a foreign driver’s license, will **NOT** meet the statutory identification requirements.

To avoid delays in closing transactions involving foreign citizens who may not have appropriate identification, you should determine as soon as possible what form(s) of identification your clients have. If they do not have appropriate identification, then you may wish to suggest depending on their circumstances, that they apply for and obtain an appropriate form of U.S. or state identification.

CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <http://www.alta.org>. If a policy other than the 2006 ALTA Owner's Policy of Title Insurance, 2006 ALTA Loan Policy of Title Insurance or 2006 ALTA Short Form Residential Loan Policy is ultimately issued, the arbitration provisions of the issued policy shall control.

Grand Canyon Title Agency, Inc.

Privacy Policy Notice

PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of **Grand Canyon Title Agency, Inc.**

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you such as on applications or other forms.
- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

EXHIBIT B

AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY OF TITLE INSURANCE - 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 that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
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 (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is:
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in Public Records that vests Title as shown in Schedule A.

EXCEPTIONS FROM COVERAGE – SCHEDULE B, PART ONE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

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 that 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.

AMERICAN LAND TITLE ASSOCIATION LOAN POLICY OF TITLE INSURANCE - 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 that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
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 (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that 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 an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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 claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

EXCEPTIONS FROM COVERAGE – SCHEDULE B, PART 1, SECTION ONE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

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 that 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.



ALTA COMMITMENT

COMMITMENT FOR TITLE INSURANCE

Issued by Old Republic National Title Insurance Company

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, a Minnesota corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate six (6) months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

Issued through the offices of:

Grand Canyon Title Agency, Inc.
2730 E. Camelback Rd. Ste. 110
Phoenix, AZ 85016

Old Republic National Title Insurance Company
400 Second Avenue South
Minneapolis, Minnesota 55401

By: *Russell R. Lauer*
Authorized Signatory

By: *[Signature]* President
Attest: *[Signature]* Secretary

4-UP-2013
11/12/15

COMMITMENT FOR TITLE INSURANCE
Issued by
Old Republic National Title Insurance Company
SCHEDULE A

File No.: **45003031-045-SSH**

1. Effective Date: **February 27, 2013** at 8:00 A.M.

2. Policy or Policies to be issued: Amount
 - a. **ALTA 2006 Standard Owners Policy** **\$970,000.00**
Proposed Insured:
The City of Scottsdale

 - b. **None** **\$0.00**
Proposed Insured:

 - c. **None** **\$0.00**
Proposed Insured:

3. The estate or interest in the land described or referred to in the Commitment and covered herein is
A FEE

4. Title to the said estate or interest in the land is at the Effective Date vested in:
F. Francis Najafi, as Trustee of the F. Francis Najafi Family Trust dated May 16, 1990, as to Parcel No. 1; DFN Community, LLC, an Arizona limited liability company, as to Parcel No. 2 and FFN Investments, LLC, an Arizona limited liability company, as to Parcel No. 3

5. The land referred to in this Commitment is situated in the County of Maricopa, State of Arizona, and is described as follows:
See Exhibit A attached hereto and made a part hereof.

Note: Please direct all inquires and correspondence to:
Sally Hevier
2730 E. Camelback Rd. Ste. 110
Phoenix, AZ 85016
Phone: (602) 343-3420

Grand Canyon Title Agency, Inc., issuing agent for
Old Republic National Title Insurance Company
Leslie Robertson
Title Officer
ljr
Typist

EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

Parcel No. 1:

Lot 10, DESERT ESTATES UNIT ONE, according to Book 54 of Maps, page 21, records of Maricopa County, Arizona.

Parcel No. 2:

Lot 11, DESERT ESTATES UNIT ONE, according to Book 54 of Maps, page 21, records of Maricopa County, Arizona.

EXCEPT the following described property:

BEGINNING at the Northeast corner of said Lot 11;

Thence North 89 degrees 40 minutes 10 seconds West 283.65 feet along the North line of said Lot 11 to a tangent curve;

Thence Southwesterly 16.09 feet along the arc of said curve and said North line, being concave Southeasterly having a radius of 25.00 feet through a central angle of 36 degrees 52 minutes 12 seconds to the South line of the North 5.00 feet of said Lot 11;

Thence South 89 degrees 40 minutes 10 seconds East 298.66 feet along said south line to the East line of said Lot 11;

Thence North 00 degrees 12 minutes 50 seconds East 5.00 feet along said East line to the POINT OF BEGINNING.

Parcel No. 3:

Lot 9, DESERT ESTATES UNIT ONE, according to Book 54 of Maps, page 21, records of Maricopa County, Arizona.

**SCHEDULE B – SECTION I
REQUIREMENTS**

The following are the requirements to be complied with prior to the issuance of said policy or policies. Any other instrument recorded subsequent to the date hereof may appear as an exception under Schedule B of the policy to be issued. Unless otherwise noted, all documents must be recorded in the office of the Recorder of the County in which said property is located.

NOTE: Taxes are assessed in the total amount of \$4,631.26 for the year 2012 under Assessor's Parcel No. 175-20-006 9. (Parcel No. 1)

NOTE: Taxes are assessed in the total amount of \$489.58 for the year 2012 under Assessor's Parcel No. 175-20-007 6. (Parcel No. 2)

NOTE: Taxes are assessed in the total amount of \$2,9041.12 for the year 2012 under Assessor's Parcel No. 175-20-005 1. (Parcel No. 3)

1. Pay second half of 2012 taxes. (Parcel No. 2)
2. All of 2012 taxes are paid in full. (Parcels No. 1 and 3)
3. 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 DFN Community, LLC, an Arizona limited liability company.
4. 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 FFN Investments, LLC, an Arizona limited liability company.
5. Submit for review and recordation an original Certification of Trust in the form prescribed by this Company dated and executed within thirty days prior to closing by an acting trustee of the F. Francis Najafi Family Trust dated May 16, 1990 Trust.
6. RECORD Deed from F. Francis Najafi, as Trustee of the F. Francis Najafi Family Trust dated May 16, 1990; DFN Community, LLC, an Arizona limited liability company and FFN Investments, LLC, an Arizona limited liability company to City of Scottsdale, a municipal corporation.

NOTE: 24 MONTH CHAIN OF TITLE:

Warranty Deed by and between David Grant Williams, as Trustee of the David Grant Williams Trust dated March 22, 2001, Grantor and David Grant Williams, as Trustee of the David Grant Williams Amended and Restated Declaration of Trust dated September 18, 2008, Grantee, dated September 10, 2008, recorded September 22, 2008 as Document No. 2008-0819291, of Official Records. (Parcels No. 1 and 2)

Trustee's Deed and Bill of Sale by and between Kevin J. Morris, a member of the State Bar of Arizona, as Trustee, Grantor and BMO Harris Bank N.A., as successor to M&I Marshall & Ilsley Bank, Grantee, dated August 8, 2012, recorded August 8, 2012 in Document No. 2012-0706194 of Official Records. (Parcels No. 1 and 2)

SCHEDULE B – Section I
(Continued)

Special Warranty Deed by and between BMO Harris Bank, N.A., as Successor in interest to M&I Marshall & Ilsley Bank, Grantor and F. Francis Najafi, as Trustee of the F. Francis Najafi Family Trust dated May 16, 1990, Grantee, dated December 6, 2012, recorded December 7, 2012 in Document No. 2012-11188991 and re-recorded in Document No. 20123-0097893 of Official Records. (Parcel No. 1)

Special Warranty Deed by and between BMO Harris Bank, N.A., as Successor in interest to M&I Marshall & Ilsley Bank, Grantor and DFN Community, LLC, an Arizona limited liability company, Grantee, dated December 6, 2012, recorded December 7, 2012 in Document No. 2012-1118892 of Official Records. (Parcel No. 2)

Warranty Deed by and between David Grant Williams, as Trustee of the David Grant Williams Trust dated March 22, 2001, Grantor and David Grant Williams, as Trustee of the David Grant Williams Amended and Restated Declaration of Trust dated September 18, 2008, Grantee, dated September 18, 2008, recorded September 22, 2008 in Document No. 2008-0819289 of Official Records. (Parcel No. 3)

Warranty Deed by and between David Grant Williams, as Trustee of the David Grant Williams Amended and Restated Declaration of Trust dated September 18, 2008, Grantor and TPLO Group, L.L.C., an Arizona limited liability company, Grantee, dated July 23, 2012, recorded July 25, 2012 in Document No. 2012-0655604 of Official Records. (Parcel No. 3)

Warranty Deed by and between TPLO Group L.L.C., an Arizona limited liability company, Grantor and FFN Investments, LLC, an Arizona limited liability company, Grantee, dated December 10, 2012, recorded December 14, 2012 in Document No. 2012-1140767 of Official Records. (Parcel No. 3)

Lender's Note: The purported address as disclosed by the Maricopa County Assessors office is as follows:

12011 N. 68th Place, Scottsdale, AZ 85254 (Parcel No. 1)

6911 E. Cactus Road, Scottsdale, AZ 85254 (Parcel No. 2)

6912 E. Paradise Drive, Scottsdale, AZ 85254 (Parcel No. 3)

Type of Improvement: Single Family Residences

END OF SCHEDULE B – SECTION I

SCHEDULE B – SECTION II
EXCEPTIONS

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:

- A. 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 this Commitment.
1. Taxes for the year 2013, a lien not yet due and payable.
 2. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded in Book 54 of Maps, Page 21, 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).
 3. Covenants, conditions and restrictions in the document recorded as Docket 1024, page 427, Notice of Amendment to Deed Restrictions recorded in Document No. 91-0472076, and Notice of Amendment to Declaration of Restrictions recorded in Document No. 2008-0111098, of Official Records, 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 Title 42, Section 3604(c), of the United States Codes.

END OF SCHEDULE B – SECTION II

DISCLOSURE NOTICES

Good Funds Law

Arizona Revised Statutes Section 6-843 regulates the disbursement of escrow funds by an escrow agent. The law requires that funds be deposited in the escrow agent's escrow account and available for withdrawal prior to disbursement. Funds deposited with the Company by wire transfer may be disbursed upon receipts. Funds deposited with the Company in the form of cashier's checks, certified checks or teller's checks, or checks which are made by an affiliate of a state or federally regulated depository institution when the check is drawn on that institution, may be disbursed the same day as deposited. If funds are deposited with the Company by other methods, recording and/or disbursement may be delayed.

PURCHASER DWELLING ACTIONS NOTICE

Pursuant to Arizona Revised Statutes 12-1363.N, notice is hereby provided to the purchaser of a dwelling of the provisions of Arizona Revised Statutes sections 12-1361, 1362 and 1363. These statutory sections set for the requirements to be met by a purchaser prior to bringing an action against the seller of a dwelling arising out of or related to the design, construction, condition or sale of the dwelling. "Dwelling" means a single or multifamily unit designed for residential use and common areas and improvements owned or maintain by an association or its members. "Seller" means any person, firm, partnership, corporation, association or other organization engaged in the business of designing, constructing or selling dwellings. The complete statutory sections can be viewed on the Arizona State Legislature's web site: www.azleg.state.az.us/ars/ars.htm.

NOTICE:

Pursuant to Arizona Revised Statutes 11-480, effective 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 (pica) or larger.
- b. Margins of at least one-half inch along the left and right sides one-half inch across the bottom and at least two inches on top for recording and return address information.
- c. Each instruction shall be no larger than 8 ½ inches in width and 14 inches in length.

**NOTICE
OF
IMPORTANT CHANGE TO ARIZONA NOTARY LAWS**

If your client is a foreign citizen, you will want to be aware of this change.

Arizona law currently provides that “satisfactory evidence of identity” for purposes of a notary’s acknowledging signatures or performing jurats includes a “current form of identification issued by a federal, state or tribal government...” (A.R.S. 41-311.11.) Effective August 25, 2004, however, this provision has been amended to provide that the current form of identification must be issued by “the United States government or a state or tribal government...” This change means that a current form of identification issued by a foreign government, such as a foreign driver’s license, will **NOT** meet the statutory identification requirements.

To avoid delays in closing transactions involving foreign citizens who may not have appropriate identification, you should determine as soon as possible what form(s) of identification your clients have. If they do not have appropriate identification, then you may wish to suggest depending on their circumstances, that they apply for and obtain an appropriate form of U.S. or state identification.

CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <http://www.alta.org>. If a policy other than the 2006 ALTA Owner's Policy of Title Insurance, 2006 ALTA Loan Policy of Title Insurance or 2006 ALTA Short Form Residential Loan Policy is ultimately issued, the arbitration provisions of the issued policy shall control.

Grand Canyon Title Agency, Inc.

Privacy Policy Notice

PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of **Grand Canyon Title Agency, Inc.**

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you such as on applications or other forms.
- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

EXHIBIT B

AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY OF TITLE INSURANCE - 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 that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
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 (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is:
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in Public Records that vests Title as shown in Schedule A.

EXCEPTIONS FROM COVERAGE – SCHEDULE B, PART ONE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

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 that 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.

AMERICAN LAND TITLE ASSOCIATION LOAN POLICY OF TITLE INSURANCE - 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 that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
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 (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that 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 an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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 claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

EXCEPTIONS FROM COVERAGE – SCHEDULE B, PART 1, SECTION ONE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

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 that 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.