

POLICY OF TITLE INSURANCE

Issued by

*First American Title Insurance Company*

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, and costs, attorney's fees and expenses which the company may become obligated to pay hereunder, sustained or incurred by the insured by reason of:

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

IN WITNESS WHEREOF, First American Title Insurance Company has caused this policy to be signed and sealed by its duly authorized officers as of Date of Policy shown in Schedule A.

*First American Title Insurance Company*

BY  PRESIDENT

ATTEST  SECRETARY

## SCHEDULE OF EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy:

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting the occupancy, use, or enjoyment of the land or regulating the character, dimensions or location of any improvement now or hereafter erected on the land or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain *unless notice of the exercise thereof* appears in the public records at Date of Policy.
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 shown 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 hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

**FIRST AMERICAN TITLE INSURANCE COMPANY  
SCHEDULE A**

**Policy No. 336-1375143**

Type of Coverage: **ALTA Extended Owner's (1970)(Amended 10-17-70)**

Amount of Insurance **\$8,950,000.00**

Date of Policy: **December 12, 2002**  
To and include **2002-1333389**

1. Name of Insured:  
**Donahue Schriber Realty Group, L.P. a Delaware limited partnership**
2. The estate or interest in the land which is covered by this Policy is fee.
3. Title to the estate or interest in the land is vested in:  
**Donahue Schriber Realty Group, L.P., a Delaware limited partnership**
4. The land referred to in this policy is situated in the State of Arizona, County of Maricopa and described as follows:

**SEE EXHIBIT "A" ATTACHED HEREIN**

**EXHIBIT "A"**

No. 336-1375143

PARCEL NO. 1: (DSRG SOUTH PARCEL)

That portion of the Northwest quarter of Section 14, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at the West quarter corner of said Section 14, from which the Northwest corner of said Section bears North 00 degrees 01 minutes 33 seconds East, a distance of 2642.13 feet;

thence North 89 degrees 57 minutes 17 seconds East, along the monument line of Ashler Hills Drive, a distance of 816.38 feet;

thence North 00 degrees 02 minutes 43 seconds West, leaving said monument line, a distance of 50.00 feet to a point on the Northern right-of-way of Ashler Hills Drive and also the POINT OF BEGINNING of the parcel herein described;

thence leaving said Northern right-of-way a distance of 81.74 feet along an arc of a curve to the right having a radius distance of 290.72 feet, a central angle of 16 degrees 06 minutes 35 seconds and the long chord of which measures North 11 degrees 16 minutes 41 seconds East, a distance of 81.47 feet;

thence North 19 degrees 19 minutes 58 seconds East, 14.02 feet;

thence 108.38 feet along an arc of a curve to the left having a radius distance of 330.00 feet, a central angle of 18 degrees 49 minutes 02 seconds and the long chord of which measures North 09 degrees 55 minutes 28 seconds East, a distance of 107.89 feet;

thence North 00 degrees 30 minutes 57 seconds East, a distance of 52.41 feet;

thence North 03 degrees 33 minutes 31 seconds East, a distance of 43.20 feet;

thence North 03 degrees 50 minutes 19 seconds East, a distance of 60.75 feet;

thence North 05 degrees 45 minutes 26 seconds West, a distance of 28.13 feet;

thence North 13 degrees 06 minutes 58 seconds West, a distance of 33.00 feet;

thence North 06 degrees 48 minutes 57 seconds West, a distance of 24.08 feet;

thence North 90 degrees 00 minutes 00 seconds East, a distance of 230.86 feet;

thence South 00 degrees 00 minutes 00 seconds East, a distance of 118.47 feet;

thence South 89 degrees 57 minutes 22 seconds East, a distance of 186.76 feet;

thence North 00 degrees 16 minutes 18 seconds East, a distance of 155.47 feet;

thence South 89 degrees 57 minutes 22 seconds East, a distance of 28.06 feet;

thence South 00 degrees 00 minutes 06 seconds East, a distance of 226.03 feet;

thence South 89 degrees 57 minutes 17 seconds West, a distance of 410.01 feet;

thence South 00 degrees 30 minutes 57 seconds West, a distance of 50.92 feet;

thence 118.23 feet along an arc of a curve to the right having a radius distance of 360.00 feet, a central angle of 18 degrees 49 minutes 02 seconds and the long chord of which measures South 09 degrees 55 minutes 28 seconds West, a distance of 117.70 feet;

thence South 19 degrees 19 minutes 58 seconds West, a distance of 14.02 feet;

thence 71.59 feet along an arc of a curve to the left having a radius distance of 260.72 feet, a central angle of 15 degrees 44 minutes 00 seconds and the long chord of which measures South 11 degrees 27 minutes 59 seconds West, a distance of 71.37 feet, to a point on said Northern right-of-way of Ashler Hills Drive;

thence South 89 degrees 57 minutes 17 seconds West, along said Northern right-of-way a distance of 30.05 feet to the POINT OF BEGINNING of the parcel herein described.

#### PARCEL NO. 2: (DSRG NORTH PARCEL)

That portion of the Northwest quarter of Section 14, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at the West quarter corner of said Section 14, from which the Northwest corner of said Section bears North 00 degrees 01 minutes 33 seconds East, a distance of 2642.13 feet;

thence North 00 degrees 01 minutes 33 seconds East, along the West line of said Northwest quarter, a distance of 795.34 feet;

thence South 89 degrees 58 minutes 27 seconds East, leaving said West line, a distance of 75.00 feet to a point on the Eastern right-of-way of Scottsdale Road and also the POINT OF BEGINNING of the parcel herein described;

thence North 00 degrees 01 minutes 33 seconds East, along said Eastern right-of-way a distance of 846.87 feet;

thence North 89 degrees 58 minutes 27 seconds East, leaving said Eastern right-of-way a distance of 1230.00 feet;

thence South 00 degrees 01 minutes 33 seconds West, a distance of 670.13 feet;

thence North 90 degrees 00 minutes 00 seconds West, a distance of 81.01 feet;

thence South 00 degrees 01 minutes 59 seconds West, a distance of 30.97 feet;

thence South 89 degrees 57 minutes 17 seconds West, a distance of 349.57 feet;

thence 74.10 feet along an arc of a curve to the left having a radius distance of 680.47 feet, a central angle of 06 degrees 14 minutes 20 seconds and the long chord of which measures South 06 degrees 43 minutes 16 seconds West, a distance of 74.06 feet;

thence South 00 degrees 00 minutes 00 seconds East, a distance of 106.09 feet;

thence North 90 degrees 00 minutes 00 seconds West, a distance of 360.66 feet;

thence North 03 degrees 29 minutes 09 seconds East, a distance of 61.15 feet;

thence North 90 degrees 00 minutes 00 seconds West, a distance of 56.64 feet;

thence 27.63 feet along an arc of a curve to the right having a radius distance of 287.04 feet, a central angle of 05 degrees 30 minutes 58 seconds and the long chord of which measures South 09 degrees 09 minutes 23 seconds West, a distance of 27.62 feet;

thence 196.99 feet along an arc of a curve to the left having a radius distance of 547.43 feet, a central angle of 20 degrees 37 minutes 01 seconds and the long chord of which measures South 01 degrees 36 minutes 21 seconds West, a distance of 195.92 feet;

thence 81.93 feet along an arc of a curve to the right having a radius distance of 879.92 feet, a central angle of 05 degrees 20 minutes 05 seconds and the long chord of which measures South 06 degrees 02 minutes 07 seconds East, a distance of 81.90 feet;

thence 129.63 feet along an arc of a curve to the right having a radius distance of 2135.94 feet, a central angle of 03 degrees 28 minutes 38 seconds and the long chord of which measures South 01 degrees 37 minutes 45 seconds East, a distance of 129.61 feet;

thence South 00 degrees 06 minutes 34 seconds West, a distance of 23.13 feet;

thence South 00 degrees 56 minutes 04 seconds West, a distance of 65.14 feet;

thence South 89 degrees 57 minutes 17 seconds West, a distance of 228.77 feet;

thence North 00 degrees 01 minutes 33 seconds East, a distance of 15.89 feet;

thence North 00 degrees 02 minutes 43 seconds West, a distance of 479.17 feet;

thence North 89 degrees 58 minutes 27 seconds West, a distance of 149.41 feet to a point on said Eastern right-of-way and the POINT OF BEGINNING of the parcel herein described.

Except that portion lying within the following:

A parcel of land located in the Northwest quarter of Section 14, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more fully described as follows:

COMMENCING at the Northwest corner of said Section 14 from which the West quarter corner bears South 00 degrees 01 minutes 33 seconds West, a distance of 2642.13 feet;

thence South 00 degrees 01 minutes 33 seconds West, along the West line of said Northwest quarter a distance of 1254.75 feet;

thence South 89 degrees 58 minutes 27 seconds East, leaving said West line of the Northwest quarter of Section 14, a distance of 474.51 feet to the POINT OF BEGINNING;

thence North 00 degrees 00 minutes 02 seconds East, a distance of 175.79 feet;

thence 33.77 feet along an arc of a curve to the right having a radius distance of 21.50 feet; having a central angle of 90 degrees 00 minutes 00 seconds and the long chord of which measures North 45 degrees 00 minutes 02 seconds East, a distance of 30.41 feet;

thence South 89 degrees 59 minutes 58 seconds East, a distance of 96.10 feet;

thence 7.85 feet along an arc of a curve to the right having a radius distance of 5.00 feet, having a central angle of 90 degrees 00 minutes 00 seconds, and the long chord of which measures South 44 degrees 59 minutes 58 seconds East, a distance of 7.07 feet;

thence South 00 degrees 00 minutes 02 seconds West, a distance of 205.79 feet;

thence 12.57 feet along an arc of a curve to the right having a radius distance of 8.00 feet, having a central angle of 90 degrees 00 minutes 00 seconds, and the long chord of which measures South 45 degrees 00 minutes 02 seconds West, a distance of 11.31 feet;

thence North 89 degrees 59 minutes 58 seconds West, a distance of 93.10 feet;

thence 33.77 feet along an arc of a curve to the right having a radius distance of 21.50 feet, having a central angle of 90 degrees 00 minutes 00 seconds, and the long chord of which measures North 44 degrees 59 minutes 58 seconds West, a distance of 30.41 feet to the POINT OF BEGINNING.

## SCHEDULE B

**Policy No. 336-1375143**

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

1. Taxes for the full year of 2002.  
(The first half is due October 1, 2002 and is delinquent November 1, 2002. The second half is due March 1, 2003 and is delinquent May 1, 2003 .)
2. Reservations contained in the Patent from the United States of America, reading as follows:  
  
Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local customs, laws and decisions of courts; and there is reserved from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States of America.
3. Water rights, claims or title to water, whether or not shown by the public records.
4. The terms, conditions and provisions contained in the document entitled "Restriction Agreement and Grant of Easement" recorded August 26, 1999 as 99-0807249 of Official Records; and re-recorded November 8, 1999 as 99-1027318 of Official Records .
5. Terms and Conditions set forth in Notices of Reimbursement Agreements for Extension of Water and Sewer Services listed below:  
  
Recorders No.: 89-493928; Original Amount: \$36,855.72; Parcel No.: 216-51-022L  
Recorders No.: 89-493930; Original Amount: \$541.20; Parcel No.: 216-51-003A
6. The terms, conditions and provisions contained in the document entitled "City of Scottsdale Lot Split Approval" recorded August 26, 1999 as 99-0807246 of Official Records .
7. The terms, conditions and provisions contained in the document entitled "Operation and Easement Agreement" recorded August 26, 1999 as 99-0807251 of Official Records; and amended by First Amendment recorded December 12, 2002 as 2002-1333386 of Official Records .



Continued

8. The terms, conditions and provisions contained in the document entitled "Short Form Memorandum of Site Development Agreement" recorded August 26, 1999 as 99-0807252 of Official Records .
9. The terms, conditions and provisions contained in the document entitled "Short Form Memorandum of Repurchase Agreement" recorded August 26, 1999 as 99-0807253 of Official Records .
10. The terms, conditions and provisions contained in the document entitled "Lot Split Approval" recorded February 2, 2001 as 2001-0082962 of Official Records .
11. The terms, conditions and provisions contained in the document entitled "Road Development Agreement and Grant of Easements" recorded March 14, 2001 as 2001-0197286 of Official Records .
12. The terms, conditions and provisions contained in the document entitled "Development Fee Agreement" recorded May 7, 2001 as 2001-0381238 of Official Records .
13. An easement for electric lines and appurtenant facilities and incidental purposes, recorded as 2001-0539441 of Official Records.
14. An easement for electric lines and appurtenant facilities and incidental purposes, recorded as 2001-0539442 of Official Records.
15. Easements, restrictions, reservations, conditions and set-back lines as set forth on the plat recorded in Book 569 of Maps, Page 5, 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).
16. The terms, conditions and provisions contained in the document entitled "Development Fee Agreement" recorded August 21, 2001 as 2001-0770008 of Official Records .
17. An unrecorded lease dated June 27, 2001, executed by Donahue Schriber Realty Group, L.P., a Delaware limited partnership as lessor and Safeway Inc., a Delaware corporation as lessee, as disclosed by a(n) Memorandum of Ground Lease recorded July 5, 2001 as 2001-0599971 of Official Records .

Thereafter Re-recorded by instrument recorded May 22, 2002 as 2002-0526214 of Official Records, and thereafter Modified by instrument recorded December 12, 2002 as 2002-1333388 of Official Records.

(Cover a portion and Covers More Property)

Continued

18. A Deed of Trust to secure an indebtedness of \$None Shown, and any other amounts or obligations secured thereby, recorded December 13, 1999 as 99-1114364 of Official Records.

Dated: December 8, 1999

Trustor: Donahue Schriber Realty Group, L.P., a Delaware limited partnership

Trustee: Stewart Title Guaranty Company, a Texas corporation

Beneficiary: Bankboston N.A., as agent for banks

Thereafter Modified by instrument recorded August 20, 2002 as 2002-0846171 of Official Records; and Modified by instrument recorded October 8, 2002 as 2002-1043296 of Official Records; and amended by instrument recorded December 12, 2002 as 2002-1333389 of Official Records.

(Covers a portion and Cover More Property)

19. A Collateral Assignment of Leases and Rents recorded December 13, 1999 as 99-1114365 of Official Records, as additional security for the payment of the indebtedness secured by the Deed of Trust recorded December 13, 1999 as 99-1114364 of Official Records.

(Covers a portion and Covers More Property)

20. A financing statement recorded December 13, 1999 as 99-1114366 of Official Records.

Debtor: Donahue Schriber Realty Group, L.P.

Secured Party: Bankboston, N.A., as Agent

Thereafter amended by instrument recorded October 8, 2002 as 2002-1043297 of Official Records.

(Covers a portion and Covers More Property)

21. The terms, conditions and provisions contained in the document entitled "Memorandum of Agreement" recorded December 12, 2002 as 2002-1333387 of Official Records .

**End of Schedule B**

**ENDORSEMENT**

**Attached to Policy No. 336-1375143**

**Issued By**

***First American Title Insurance Company***

The Company hereby insures against loss which the Insured shall sustain by reason of any of the following matters:

1. Any incorrectness in the assurance which the Company hereby gives:
  - (a) That there are no present violations on the land of any enforceable covenants, conditions or restrictions;
  - (b) That, except as shown in Schedule B, there are no encroachments of buildings, structures, or improvements located on the land onto adjoining lands, nor any encroachments onto the land of buildings, structures or improvements located on adjoining lands.
2. Unmarketability of the title to the estate or interest by reason of any violations on the land, occurring prior to acquisition of title to the estate or interest by the Insured, of any covenants, conditions or restrictions.
3. Damage to existing building improvements,
  - (a) which are located or encroach upon the portion of the land subject to any easement shown in Schedule B, which damage results from the exercise of the right to use or maintain the easement for the purposes for which the same was granted or reserved;
  - (b) resulting from the exercise of any right to use the surface of the land for the extraction or development of the minerals excepted from the description of the land or shown as a reservation in Schedule B.
4. Any final court order or judgment requiring removal from any land adjoining the land of any encroachment shown in Schedule B.

Wherever in this endorsement any or all the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or restrictions contained in any lease.

No coverage is provided under this endorsement as to any covenant, condition, restriction or other provision relating to environmental protection.

The total liability of the Company under the policy and any endorsements therein

shall not exceed, in the aggregate, the face amount of the policy and costs which the Company is obligated under the conditions and stipulations thereof to pay.

This endorsement is made a part of the policy and is subject to the schedules, conditions and stipulations therein, except as modified by the provisions hereof.

Date December 12, 2002

*First American Title Insurance Company*

BY  PRESIDENT

ATTEST  SECRETARY

**ENDORSEMENT**

Attached to Policy No. 336-1375143

Issued By

***First American Title Insurance Company***

The Company insures the insured against loss or damage sustained by reason of :

- (a) Any environmental protection lien which, at Date of Policy, is recorded in those records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Date December 12, 2002

***First American Title Insurance Company***

BY  PRESIDENT

ATTEST  SECRETARY

**ENDORSEMENT**

**Attached to Policy No. 336-1375143**

**Issued By**

***First American Title Insurance Company***

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

The Company hereby insures the insured against loss or damage to existing or future improvements by reason of the exercise or attempted exercise of the rights reserved in the Patent to the land described in Schedule A hereof and which reservations are set forth in Exception 2 of Schedule B, except to the extent that said loss or damage relates to reservations as to any vested or accrued water rights for mining, agriculture, manufacturing or other purposes.

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


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

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

Date December 12, 2002

***First American Title Insurance Company***

BY  PRESIDENT

ATTEST  SECRETARY

**ENDORSEMENT**

**Attached to Policy No. 336-1375143**

**Issued By**

***First American Title Insurance Company***

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

The Company hereby insures against loss which said Insured shall sustain by reason of damage to existing or future improvements, including lawns, shrubbery or trees, resulting from the exercise of any right to use the surface of said land for the extraction or development of water excepted from the description of said land or shown as a reservation in Schedule B.

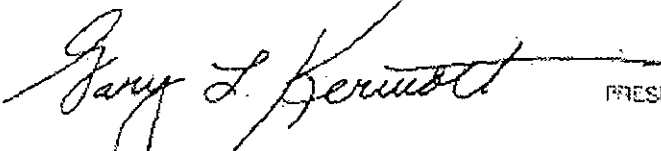
The total liability of the Company under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations hereof to pay.

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

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

Date December 12, 2002

***First American Title Insurance Company***

BY  PRESIDENT

ATTEST  SECRETARY

**ENDORSEMENT**

**Attached to Policy No. 336-1375143**

**Issued By**

***First American Title Insurance Company***

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

The Company assures the Insured that the boundaries of said land are the same as that delineated on the plat of a survey made by DEI Professional Services, LLC on December 6, 2001, designated Job No. 9155.

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

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

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

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

Date December 12, 2002

***First American Title Insurance Company***

BY  PRESIDENT

ATTEST  SECRETARY



**ENDORSEMENT**

**Attached to Policy No. 336-1375143**

**Issued By**

***First American Title Insurance Company***

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

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

Scottsdale Road

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

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

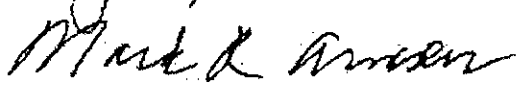
This endorsement is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions thereof.

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

Date December 12, 2002

***First American Title Insurance Company***

BY  PRESIDENT

ATTEST  SECRETARY

**ENDORSEMENT**

**Attached to Policy No. 336-1375143  
Issued By**

***FIRST AMERICAN TITLE INSURANCE COMPANY***

1. The Company hereby insures the Insured against loss or damage sustained or incurred by the Insured by reason of the failure, at Date of Policy:
  - (a) Of the land is classified Zone C-2 ( Central Business District) ESL (Environmentally Sensitive Lands) R1-43 (Single Family Residential District - 43,000 square feet per lot) according to applicable zoning ordinances and amendments thereto; or
  - (b) Of that classification to allow the following use or uses:

**Retail Sales**

There shall be no liability under paragraph 1(b) if the use or uses are not allowed as a result of any lack of compliance with any conditions, restrictions, or requirements contained in the zoning ordinances and amendments thereto mentioned above, including but not limited to the failure to secure of necessary consents or authorizations as a prerequisite to the use or uses.
2. The Company hereby further insures the Insured against loss or damage arising from a final decree of a court of competent jurisdiction
  - (a) prohibiting the use of the land, with any structure presently located thereon, as specified in paragraph 1(b);
3. There shall be no liability under this endorsement based on the invalidity of the ordinances and amendments thereto mentioned above until after a final decree of a court of competent jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Date: December 12, 2002

*First American Title Insurance Company*

BY *Gary L. Kerubert* PRESIDENT

ATTEST *Mark R. Anderson* SECRETARY

## CONDITIONS AND STIPULATIONS

### 1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.
- (b) "insured claimant": an insured claiming loss or damage hereunder.
- (c) "knowledge": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records.
- (d) "land": the land described, specifically or by reference in Schedule C, and improvements affixed thereto which by law constitute real property; provided, however, the term "land" does not include any property beyond the lines of the area described or referred to in Schedule C, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (f) "public records": those records which by law impart constructive notice of matters relating to said land.

### 2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest; provided, however, this policy shall not continue in force in favor of any purchaser from the insured of either said estate or interest in the land, or the indebtedness secured by a purchase money mortgage given to such insured.

### 3. DEFENSE AND PROSECUTION OF ACTIONS - NOTICE OF CLAIM TO BE GIVEN BY AN INSURED CLAIMANT

- a. The Company, at its own cost and without undue delay, shall provide for the defense of an insured in all litigation consisting of actions or proceedings commenced against such insured, or a defense interposed against an insured in an action to enforce a contract for a sale of the estate or interest in said land, to the extent that such litigation is founded upon an alleged defect, lien, encumbrance or other matter insured against this policy.
- b. The insured shall notify the Company promptly in writing (i) in case any action or proceeding is begun or defense is interposed as set forth in (a) above, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If such prompt notice shall not be given to the Company, then as to such insured all liability of the Company shall cease and terminate in regard to the matter or matters for which such prompt notice is required; provided, however, that failure to notify shall in no case prejudice the rights of any such insured under this policy unless the Company shall be prejudiced by such failure and then only to the extent of such prejudice.
- c. The Company shall have the right, at its own cost to institute and without undue delay prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest of the insured, and the Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy.
- d. Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.
- e. In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured hereunder shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for such purpose. Whenever requested by the Company, such insured shall give the Company all reasonable aid in any action or proceeding, and the Company shall reimburse such insured for any expense so incurred.

### 4. NOTICE OF LOSS - LIMITATION OF ACTION

In addition to the notices required under paragraph 3(b) of these Conditions and Stipulations, a statement in writing of any loss or damage for which it is claimed the Company is liable under this policy shall be furnished to the Company within 90 days after such loss or damage shall have been determined and no right of actions shall accrue to an insured claimant until 30 days after such statement shall have been furnished. Failure to furnish such statement of loss or damage shall terminate any liability of the Company under this policy as to such loss or damage.

### 5. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS

The Company shall have the option to pay or otherwise settle for or in the name of an insured claimant any claim insured against or to terminate all liability and obligations of the Company hereunder by paying or tendering payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred up to the time of such payment or tender of payment, by the insured claimant and authorized by the Company.

### 6. DETERMINATION AND PAYMENT OF LOSS

- a. The liability of the Company under this policy shall not exceed the least of:
  - (i) The actual loss of the insured claimant; or
  - (ii) the Amount of Insurance stated in Schedule A.

- b. The Company will pay, in addition to any loss insured against by this policy, all costs imposed upon an insured in litigation carried on by the Company for such insured, and all costs, attorneys' fees and expenses in litigation carried on by such insured with the written authorization of the Company.
- c. When liability has been definitely fixed in accordance with the conditions of this policy, the loss or damage shall be payable within 30 days thereafter.

## 7. LIMITATION OF LIABILITY

No claim shall arise or be maintainable under this policy (a) if the Company, after having received notice of an alleged defect, lien or encumbrance insured against hereunder, by litigation or otherwise, removes such defect, lien or encumbrance or establishes the title, as insured, within a reasonable time after receipt of such notice; (b) in the event of any litigation until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as insured, as provided in paragraph 3 hereof; or (c) for liability voluntarily assumed by an insured in settling any claim or suit without prior written consent of the Company.

## 8. REDUCTION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto. No payment shall be made without producing this policy for endorsement of such payment unless the policy be lost or destroyed, in which case proof of such loss or destruction shall be furnished to the satisfaction of the Company.

## 9. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring either (a) the mortgage shown or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy. The Company shall have the option to apply to the payment of any such mortgages any amount that otherwise would be payable hereunder to the insured owner of the estate or interest covered by this policy and the amount so paid shall be deemed a payment under this policy to said insured owner.

## 10. APPORTIONMENT

If the land described in Schedule C consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached hereto.

## 11. SUBROGATION UPON PAYMENT OR SETTLEMENT

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant. The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation to use the name of such insured claimant in any transaction or litigation involving such rights or remedies. If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss. If loss should result from any act of such insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against hereunder which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

## 12. LIABILITY LIMITED TO THIS POLICY

This instrument together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company.

Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to the provisions and conditions and stipulations of this policy.

No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

## 13. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at its main office at 421 North Main Street, Santa Ana, California, or to the office which issued this policy.

## CONDITIONS AND STIPULATIONS

### 1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- (d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.
- (g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

### 2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

### 3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT .

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

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

- (a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.
- (b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- (c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to *final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.*
- (d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

**5. PROOF OF LOSS OR DAMAGE.**

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

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

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

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

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

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

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

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

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



7. **DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE.**

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

- (a) The liability of the Company under this policy shall not exceed the least of:
- (i) the Amount of Insurance stated in Schedule A; or,
  - (ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

- (b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

- (i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy.
- (ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

- (c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. **APPORTIONMENT.**

If the land described in Schedule (A)(C) consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. **LIMITATION OF LIABILITY.**

- (a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

- (c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

**10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.**

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

**11. LIABILITY NONCUMULATIVE.**

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

**12. PAYMENT OF LOSS.**

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

**13. SUBROGATION UPON PAYMENT OR SETTLEMENT.**

**(a) The Company's Right of Subrogation.**

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

**(b) The Company's Rights Against Non-insured Obligors.**

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. **ARBITRATION**

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

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

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

15. **LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.**

- (a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.
- (c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. **SEVERABILITY.**

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. **NOTICES, WHERE SENT.**

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at 1First American Way, Santa Ana, California 92707, or to the office which issued this policy.

## ***SPECIAL REPORT***

### **SCHEDULE A**

First Amended

1. This report is for informational purposes only and is not to be considered as a commitment to issue any form of Title Insurance Policy. This report is for the sole use and benefit of the parties set forth in Number 2 below and liability is hereby limited to the amount of the fee paid.

This report was prepared from only those items of public record shown in the title plant indices of the issuing company to show the condition of title as reflected by same. Those items to which the hereinafter described land is subject are set forth in Schedule B, Part Two. No attempt has been made to reflect the condition of title relating to the items set forth in Schedule B, Part One.

2. For the use and benefit of:

Donahue Schriber

3. The Title to the fee estate in the land described herein is at this date hereof vested in:

Donahue Schriber Realty Group, L.P., a Delaware limited Partnership

4. The land referred to in this report is situated in Maricopa County, Arizona, and is described as:

**SEE EXHIBIT "A" ATTACHED HEREIN**

Search made to June 6, 2007 at 7:30 A.M.

***FIRST AMERICAN TITLE INSURANCE COMPANY***

***By: Lois J. Brunstein/blr (480)734-2890***

34-DR-2007  
1ST: 06/12/07

**EXHIBIT "A"**

PARCEL NO. 1: (DSRG SOUTH PARCEL)

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 14, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION BEARS NORTH 00 DEGREES 01 MINUTES 33 SECONDS EAST, A DISTANCE OF 2642.13 FEET;

THENCE NORTH 89 DEGREES 57 MINUTES 17 SECONDS EAST, ALONG THE MONUMENT LINE OF ASHLER HILLS DRIVE, A DISTANCE OF 816.38 FEET;

THENCE NORTH 00 DEGREES 02 MINUTES 43 SECONDS WEST, LEAVING SAID MONUMENT LINE, A DISTANCE OF 50.00 FEET TO A POINT ON THE NORTHERN RIGHT-OF-WAY OF ASHLER HILLS DRIVE AND ALSO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED;

THENCE LEAVING SAID NORTHERN RIGHT-OF-WAY A DISTANCE OF 81.74 FEET ALONG AN ARC OF A CURVE TO THE RIGHT HAVING A RADIUS DISTANCE OF 290.72 FEET, A CENTRAL ANGLE OF 16 DEGREES 06 MINUTES 35 SECONDS AND THE LONG CHORD OF WHICH MEASURES NORTH 11 DEGREES 16 MINUTES 41 SECONDS EAST, A DISTANCE OF 81.47 FEET;

THENCE NORTH 19 DEGREES 19 MINUTES 58 SECONDS EAST, 14.02 FEET;

THENCE 108.38 FEET ALONG AN ARC OF A CURVE TO THE LEFT HAVING A RADIUS DISTANCE OF 330.00 FEET, A CENTRAL ANGLE OF 18 DEGREES 49 MINUTES 02 SECONDS AND THE LONG CHORD OF WHICH MEASURES NORTH 09 DEGREES 55 MINUTES 28 SECONDS EAST, A DISTANCE OF 107.89 FEET;

THENCE NORTH 00 DEGREES 30 MINUTES 57 SECONDS EAST, A DISTANCE OF 52.41 FEET;

THENCE NORTH 03 DEGREES 33 MINUTES 31 SECONDS EAST, A DISTANCE OF 43.20 FEET;

THENCE NORTH 03 DEGREES 50 MINUTES 19 SECONDS EAST, A DISTANCE OF 60.75 FEET;

THENCE NORTH 05 DEGREES 45 MINUTES 26 SECONDS WEST, A DISTANCE OF 28.13 FEET;

THENCE NORTH 13 DEGREES 06 MINUTES 58 SECONDS WEST, A DISTANCE OF 33.00 FEET;

THENCE NORTH 06 DEGREES 48 MINUTES 57 SECONDS WEST, A DISTANCE OF 24.08 FEET;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 230.86 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 118.47 FEET;

THENCE SOUTH 89 DEGREES 57 MINUTES 22 SECONDS EAST, A DISTANCE OF 186.76 FEET;

THENCE NORTH 00 DEGREES 16 MINUTES 18 SECONDS EAST, A DISTANCE OF 155.47 FEET;

THENCE SOUTH 89 DEGREES 57 MINUTES 22 SECONDS EAST, A DISTANCE OF 28.06 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 06 SECONDS EAST, A DISTANCE OF 226.03 FEET;

THENCE SOUTH 89 DEGREES 57 MINUTES 17 SECONDS WEST, A DISTANCE OF 410.01 FEET;

THENCE SOUTH 00 DEGREES 30 MINUTES 57 SECONDS WEST, A DISTANCE OF 50.92 FEET;

THENCE 118.23 FEET ALONG AN ARC OF A CURVE TO THE RIGHT HAVING A RADIUS DISTANCE OF 360.00 FEET, A CENTRAL ANGLE OF 18 DEGREES 49 MINUTES 02 SECONDS AND THE LONG CHORD OF WHICH MEASURES SOUTH 09 DEGREES 55 MINUTES 28 SECONDS WEST, A DISTANCE OF 117.70 FEET;

THENCE SOUTH 19 DEGREES 19 MINUTES 58 SECONDS WEST, A DISTANCE OF 14.02 FEET;

THENCE 71.59 FEET ALONG AN ARC OF A CURVE TO THE LEFT HAVING A RADIUS DISTANCE OF 260.72 FEET, A CENTRAL ANGLE OF 15 DEGREES 44 MINUTES 00 SECONDS AND THE LONG CHORD OF WHICH MEASURES SOUTH 11 DEGREES 27 MINUTES 59 SECONDS WEST, A DISTANCE OF 71.37 FEET, TO A POINT ON SAID NORTHERN RIGHT-OF-WAY OF ASHLER HILLS DRIVE;

THENCE SOUTH 89 DEGREES 57 MINUTES 17 SECONDS WEST, ALONG SAID NORTHERN RIGHT-OF-WAY A DISTANCE OF 30.05 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED.

PARCEL NO. 2: (DSRG NORTH PARCEL)

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 14, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION BEARS NORTH 00 DEGREES 01 MINUTES 33 SECONDS EAST, A DISTANCE OF 2642.13 FEET;

THENCE NORTH 00 DEGREES 01 MINUTES 33 SECONDS EAST, ALONG THE WEST LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 795.34 FEET;

THENCE SOUTH 89 DEGREES 58 MINUTES 27 SECONDS EAST, LEAVING SAID WEST LINE, A DISTANCE OF 75.00 FEET TO A POINT ON THE EASTERN RIGHT-OF-WAY OF SCOTTSDALE ROAD AND ALSO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED;

THENCE NORTH 00 DEGREES 01 MINUTES 33 SECONDS EAST, ALONG SAID EASTERN RIGHT-OF-WAY A DISTANCE OF 846.87 FEET;

THENCE NORTH 89 DEGREES 58 MINUTES 27 SECONDS EAST, LEAVING SAID EASTERN RIGHT-OF-WAY A DISTANCE OF 1230.00 FEET;

THENCE SOUTH 00 DEGREES 01 MINUTES 33 SECONDS WEST, A DISTANCE OF 670.13 FEET;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 81.01 FEET;

THENCE SOUTH 00 DEGREES 01 MINUTES 59 SECONDS WEST, A DISTANCE OF 30.97 FEET;

THENCE SOUTH 89 DEGREES 57 MINUTES 17 SECONDS WEST, A DISTANCE OF 349.57 FEET;

THENCE 74.10 FEET ALONG AN ARC OF A CURVE TO THE LEFT HAVING A RADIUS DISTANCE OF 680.47 FEET, A CENTRAL ANGLE OF 06 DEGREES 14 MINUTES 20 SECONDS AND THE LONG CHORD OF WHICH MEASURES SOUTH 06 DEGREES 43 MINUTES 16 SECONDS WEST, A DISTANCE OF 74.06 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 106.09 FEET;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 360.66 FEET;

THENCE NORTH 03 DEGREES 29 MINUTES 09 SECONDS EAST, A DISTANCE OF 61.15 FEET;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 56.64 FEET;

THENCE 27.63 FEET ALONG AN ARC OF A CURVE TO THE RIGHT HAVING A RADIUS DISTANCE OF 287.04 FEET, A CENTRAL ANGLE OF 05 DEGREES 30 MINUTES 58 SECONDS AND THE LONG CHORD OF WHICH MEASURES SOUTH 09 DEGREES 09 MINUTES 23 SECONDS WEST, A DISTANCE OF 27.62 FEET;

THENCE 196.99 FEET ALONG AN ARC OF A CURVE TO THE LEFT HAVING A RADIUS DISTANCE OF 547.43 FEET, A CENTRAL ANGLE OF 20 DEGREES 37 MINUTES 01 SECONDS AND THE LONG CHORD OF WHICH MEASURES SOUTH 01 DEGREES 36 MINUTES 21 SECONDS WEST, A DISTANCE OF 195.92 FEET;

THENCE 81.93 FEET ALONG AN ARC OF A CURVE TO THE RIGHT HAVING A RADIUS DISTANCE OF 879.92 FEET, A CENTRAL ANGLE OF 05 DEGREES 20 MINUTES 05 SECONDS AND THE LONG CHORD OF WHICH MEASURES SOUTH 06 DEGREES 02 MINUTES 07 SECONDS EAST, A DISTANCE OF 81.90 FEET;

THENCE 129.63 FEET ALONG AN ARC OF A CURVE TO THE RIGHT HAVING A RADIUS DISTANCE OF 2135.94 FEET, A CENTRAL ANGLE OF 03 DEGREES 28 MINUTES 38 SECONDS AND THE LONG CHORD OF WHICH MEASURES SOUTH 01 DEGREES 37 MINUTES 45 SECONDS EAST, A DISTANCE OF 129.61 FEET;

THENCE SOUTH 00 DEGREES 06 MINUTES 34 SECONDS WEST, A DISTANCE OF 23.13 FEET;

THENCE SOUTH 00 DEGREES 56 MINUTES 04 SECONDS WEST, A DISTANCE OF 65.14 FEET;

THENCE SOUTH 89 DEGREES 57 MINUTES 17 SECONDS WEST, A DISTANCE OF 228.77 FEET;

THENCE NORTH 00 DEGREES 01 MINUTES 33 SECONDS EAST, A DISTANCE OF 15.89 FEET;

THENCE NORTH 00 DEGREES 02 MINUTES 43 SECONDS WEST, A DISTANCE OF 479.17 FEET;

THENCE NORTH 89 DEGREES 58 MINUTES 27 SECONDS WEST, A DISTANCE OF 149.41 FEET TO A POINT ON SAID EASTERN RIGHT-OF-WAY AND THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED.

EXCEPT THAT PORTION LYING WITHIN THE FOLLOWING:

A PARCEL OF LAND LOCATED IN THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 14 FROM WHICH THE WEST QUARTER CORNER BEARS SOUTH 00 DEGREES 01 MINUTES 33 SECONDS WEST, A DISTANCE OF 2642.13 FEET;

THENCE SOUTH 00 DEGREES 01 MINUTES 33 SECONDS WEST, ALONG THE WEST LINE OF SAID NORTHWEST QUARTER A DISTANCE OF 1254.75 FEET;

THENCE SOUTH 89 DEGREES 58 MINUTES 27 SECONDS EAST, LEAVING SAID WEST LINE OF THE NORTHWEST QUARTER OF SECTION 14, A DISTANCE OF 474.51 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 00 DEGREES 00 MINUTES 02 SECONDS EAST, A DISTANCE OF 175.79 FEET;

THENCE 33.77 FEET ALONG AN ARC OF A CURVE TO THE RIGHT HAVING A RADIUS DISTANCE OF 21.50 FEET;

HAVING A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS AND THE LONG CHORD OF WHICH MEASURES NORTH 45 DEGREES 00 MINUTES 02 SECONDS EAST, A DISTANCE OF 30.41 FEET;

THENCE SOUTH 89 DEGREES 59 MINUTES 58 SECONDS EAST, A DISTANCE OF 96.10 FEET;

THENCE 7.85 FEET ALONG AN ARC OF A CURVE TO THE RIGHT HAVING A RADIUS DISTANCE OF 5.00

FEET, HAVING A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, AND THE LONG CHORD OF WHICH MEASURES SOUTH 44 DEGREES 59 MINUTES 58 SECONDS EAST, A DISTANCE OF 7.07 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 02 SECONDS WEST, A DISTANCE OF 205.79 FEET;

THENCE 12.57 FEET ALONG AN ARC OF A CURVE TO THE RIGHT HAVING A RADIUS DISTANCE OF 8.00 FEET, HAVING A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, AND THE LONG CHORD OF WHICH MEASURES SOUTH 45 DEGREES 00 MINUTES 02 SECONDS WEST, A DISTANCE OF 11.31 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 58 SECONDS WEST, A DISTANCE OF 93.10 FEET;

THENCE 33.77 FEET ALONG AN ARC OF A CURVE TO THE RIGHT HAVING A RADIUS DISTANCE OF 21.50 FEET, HAVING A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, AND THE LONG CHORD OF WHICH MEASURES NORTH 44 DEGREES 59 MINUTES 58 SECONDS WEST, A DISTANCE OF 30.41 FEET TO THE POINT OF BEGINNING.



## SCHEDULE B

### PART ONE:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens, or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water; whether or not the aforementioned matters excepted are shown by the public records.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
7. Lack of a right of access to and from the land.

**SCHEDULE B  
First Amended**

(All recording data refers to records in the office of the County Recorder in the County in which the land is situated.)

**EXCEPTIONS:**

1. This item has been intentionally deleted.
2. Taxes for the full year of 2007.  
(The first half is due October 1, 2007 and is delinquent November 1, 2007. The second half is due March 1, 2008 and is delinquent May 1, 2008 .)
3. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Summit at ScottsDale, as recorded in Plat Book 569 of Maps, Page(s) 5, 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).
4. The terms and provisions contained in the document entitled "Restriction Agreement and Grant of Easement" recorded August 26, 1999 as 99-807249 of Official Records; and re-recorded November 08, 1999 as 99-1027318 of Official Records.
5. The terms and provisions contained in the document entitled "City of Scottsdale Lot Split Approval" recorded August 26, 1999 as 99-807246 of Official Records.
6. The terms and provisions contained in the document entitled "Operation and Easement Agreement" recorded August 26, 1999 as 99-807251 of Official Records; and amended by First Amendment recorded December 12, 2002 as 2002-1333386 of Official Records.
7. The terms and provisions contained in the document entitled "Short Form Memorandum of Site Development Agreement" recorded August 26, 1999 as 99-807252 of Official Records.
8. The terms and provisions contained in the document entitled "Short Form Memorandum of Repurchase Agreement" recorded August 26, 1999 as 99-807253 of Official Records.
9. The terms and provisions contained in the document entitled "Lot Split Approval" recorded February 02, 2001 as 2001-082962 of Official Records.
10. The terms and provisions contained in the document entitled "Road Development Agreement and Grant of Easements" recorded March 14, 2001 as 2001-197286 of Official Records.
11. The terms and provisions contained in the document entitled "Memorandum of Agreement" recorded December 12, 2002 as 2002-1333387 of Official Records.
12. The terms and provisions contained in the document entitled "Development Fee Agreement" recorded July 23, 2003 as 2003-972348 of Official Records.

13. The terms and provisions contained in the document entitled "Development Fee Agreement" recorded October 16, 2003 as 2003-1446663 of Official Records.
14. The terms and provisions contained in the document entitled "Development Fee Agreement" recorded February 24, 2004 as 2004-183317 of Official Records.
15. All matters as set forth in Lot Split of Summit at Scottsdale, recorded September 11, 2003 as Book 651 of Maps, Page 44.
16. An easement for electric lines and appurtenant facilities and incidental purposes in the document recorded as 2001-539441 of Official Records.
17. An easement for electric lines and appurtenant facilities and incidental purposes in the document recorded as 2001-539442 of Official Records.
18. An unrecorded lease dated June 27, 2001, executed by Donahue Schriber Realty Group, L.P., a Delaware limited partnership as lessor and Safeway Inc., a Delaware corporation as lessee, as disclosed by a Memorandum of Ground Lease recorded July 05, 2001 as 2001-599971 of Official Records.

Thereafter Re-recorded by instrument recorded May 22, 2002 as 2002-526214 of Official Records, and thereafter Modified by instrument recorded December 12, 2002 as 2002-1333388 of Official Records.

(Cover a portion and Covers More Property)

19. An unrecorded lease dated April 03, 2003, executed by Donahue Schriber Realty Group, L.P., a Delaware limited partnership as lessor and Eckerd Corporation, a Delaware corporation as lessee, as disclosed by a Short Form Lease recorded April 29, 2003 as 2003-535263 of Official Records.
20. An unrecorded lease dated May 05, 2006, executed by Donahue Schriber Realty Group, L.P., a Delaware limited partnership as lessor and Officemax North America, Inc., an Ohio corporation as lessee, as disclosed by a Memorandum of Lease recorded May 24, 2006 as 2006-705001 of Official Records.
21. A deed of trust to secure an original indebtedness of \$None Shown, and any other amounts or obligations secured thereby, recorded December 13, 1999 as instrument no. 99-1114364 of Official Records.

Dated: December 08, 1999

Trustor: Donahue Schriber Realty Group, L.P., a Delaware limited partnership

Trustee: Stewart Title Guaranty Company, a Texas corporation

Beneficiary: Bankboston, N.A., as agent for the banks

Partial reconveyance recorded September 05, 2002 as 2002-909576 of Official Records.

A document recorded August 20, 2002 as 2002-846171 of Official Records; and Modified by instrument recorded October 08, 2002 as 2002-1043296 of Official Records; and amended by instrument recorded December 12, 2002 as 2002-1333389 of Official Records provides that the deed of trust or the obligation secured thereby has been modified.

A document recorded February 18, 2004 as 2004-157742 of Official Records and re-recorded February 19, 2004 as 2004-160819 of Official Records and re-recorded March 08, 2004 as 2004-236222 of Official Records provides that the deed of trust or the obligation secured thereby has been modified.

A document recorded July 08, 2004 as 2004-782807 of Official Records provides that the deed of trust or the obligation secured thereby has been modified.

A document recorded November 16, 2004 as 2004-1339224 of Official Records provides that the deed of trust or the obligation secured thereby has been modified.

A document recorded July 11, 2005 as 2005-953817 of Official Records provides that the deed of trust or the obligation secured thereby has been modified.

A document recorded November 17, 2005 as 2005-1743934 of Official Records provides that the deed of trust or the obligation secured thereby has been modified.

A document recorded August 29, 2006 as 2006-1149471 of Official Records provides that the deed of trust or the obligation secured thereby has been modified.

A document recorded August 31, 2006 as 2006-1160826 of Official Records provides that the deed of trust or the obligation secured thereby has been modified.

22. A Collateral Assignment of Leases and Rents recorded December 13, 1999 as 99-1114365 of Official Records, as additional security for the payment of the indebtedness secured by the Deed of Trust recorded December 13, 1999 as 99-1114364 of Official Records.

(Covers More Property)

23. Water rights, claims or title to water, whether or not shown by the public records.

**End of Schedule B**

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



**The First American  
Corporation**

## **PRIVACY POLICY**

### **We Are Committed to Safeguarding Customer Information**

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

### **Applicability**

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

### **Types of Information**

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

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

### **Use of Information**

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

### **Former Customers**

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

### **Confidentiality and Security**

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