

 <b>First American Title</b>	<b>Owner's Policy of Title Insurance</b> (with Florida modifications)
	ISSUED BY <b>First American Title Insurance Company</b>
<b>Owner's Policy</b>	POLICY NUMBER <b>5011412-0126185e</b>

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Section 18 of the Conditions.

**COVERED RISKS**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, **FIRST AMERICAN TITLE INSURANCE COMPANY**, a California corporation (the "Company") insures, as of Date of Policy against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
  - (a) A defect in the Title caused by
    - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
    - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
    - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
    - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
    - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
    - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
    - (vii) a defective judicial or administrative proceeding.
  - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
  - (c) 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. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.

(Covered Risks Continued on Page 2)

In Witness Whereof, First American Title Insurance Company has caused its corporate name to be hereunto affixed by its authorized officers as of Date of Policy shown in Schedule A.

**First American Title Insurance Company**



*Dennis J. Gilmore*

Dennis J. Gilmore  
President

*Timothy Kemp*

Timothy Kemp  
Secretary

For Reference:

**File #:** 2080-2922838

Issued By:

**Rogers Towers, P.A.**  
1301 Riverplace Blvd., Suite 1500  
Jacksonville, FL 32207

(This Policy is valid only when Schedules A and B are attached)

This jacket was created electronically and constitutes an original document

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**First American**

# Schedule A

## Owner's Policy of Title Insurance

ISSUED BY

**First American Title Insurance Company**

POLICY NUMBER

**5011412-0126185e**

Name and Address of Title Insurance Company:

**FIRST AMERICAN TITLE INSURANCE COMPANY, 1 First American Way, Santa Ana, California 92707**

Agent File Number: FA13-22-COLLEGE STATION SALE

FAST File Number: 2080-2922838

Address Reference: 2575 E. Highway 50, Clermont, FL 34711

Amount of Insurance: \$11,500,000.00

Premium: \$Promulgated

Date of Policy: July 23, 2013 at 8:59 A.M.

1. Name of Insured:

Clermont College Station, LLC, a Florida limited liability company

2. The estate or interest in the Land that is insured by this policy is:

Leasehold

3. Title is vested in:

Clermont College Station, LLC, a Florida limited liability company

4. The Land referred to in this policy is described as follows:

**See Exhibit "A" attached hereto and made a part hereof**

Rogers Towers

By: 

Authorized Countersignature

(This Schedule A valid only when Schedule B is attached)



**First American**

**Exhibit A**

ISSUED BY

**First American Title Insurance Company**

POLICY NUMBER

**5011412-0126185e**

Agent File Number: FA13-22-COLLEGE STATION SALE

FAST File Number: 2080-2922838

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

PARCEL 1:

A PARCEL OF LAND LOCATED IN THE NORTHEAST 1/4 OF SECTION 28, TOWNSHIP 22 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 28; THENCE SOUTH 00° 50'10" WEST, ALONG THE EAST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 28, A DISTANCE OF 1373.53 FEET TO A POINT; THENCE LEAVING THE EAST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 28, NORTH 89° 22'20" WEST, A DISTANCE OF 50.00 FEET TO A POINT AT THE INTERSECTION OF THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD 50 (VARIABLE WIDTH RIGHT-OF-WAY) AND THE WESTERLY RIGHT-OF-WAY LINE OF SOUTH HANCOCK ROAD (100-FOOT RIGHT-OF-WAY), SAID POINT BEING THE POINT OF BEGINNING;

THENCE SOUTH 00° 50'10" WEST, ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID SOUTH HANCOCK ROAD, A DISTANCE OF 620.18 FEET TO A POINT; THENCE LEAVING THE WESTERLY RIGHT-OF-WAY LINE OF SAID SOUTH HANCOCK ROAD, SOUTH 89°32'18" WEST, A DISTANCE OF 425.63 FEET TO A POINT; THENCE NORTH 00° 07'55" EAST, A DISTANCE OF 154.64 FEET TO A POINT; THENCE NORTH 08° 42'51" WEST, A DISTANCE OF 44.08 FEET TO A POINT; THENCE NORTH 00° 36'23" EAST, A DISTANCE OF 84.60 FEET TO A POINT; THENCE SOUTHWESTERLY ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT (SAID CURVE HAVING A RADIUS OF 200.00 FEET, A CENTRAL ANGLE OF 5° 23'15" AND A CHORD BEARING AND DISTANCE OF SOUTH 75° 55'25" WEST, 18.80 FEET; FOR AN ARC DISTANCE OF 18.81 FEET TO A POINT OF REVERSE CURVATURE; THENCE SOUTHWESTERLY ALONG THE ARC OF A CURVE TO THE RIGHT (SAID CURVE HAVING A RADIUS OF 230.00 FEET, A CENTRAL ANGLE OF 17° 50'14" AND A CHORD BEARING AND DISTANCE OF SOUTH 82° 08'55" WEST, 71.31 FEET) FOR AN ARC DISTANCE OF 71.60 FEET TO A POINT; THENCE NORTH 89°23'37" WEST, A DISTANCE OF 153.21 FEET TO A POINT; THENCE SOUTHWESTERLY ALONG THE ARC OF A CURVE TO THE LEFT (SAID CURVE HAVING A RADIUS OF 40.00 FEET, A CENTRAL ANGLE OF 29° 34'22" AND A CHORD BEARING AND DISTANCE OF SOUTH 75°49'12" WEST, 20.42 FEET) FOR AN ARC DISTANCE OF 20.65 FEET TO A POINT OF REVERSE CURVATURE; THENCE SOUTHWESTERLY ALONG THE ARC OF A CURVE TO THE RIGHT (SAID CURVE HAVING A RADIUS OF 40.29 FEET, A CENTRAL ANGLE OF 28° 39'43" AND A CHORD BEARING AND DISTANCE OF SOUTH 75° 21' 52" WEST, 19.95 FEET) FOR AN ARC DISTANCE OF 20.16 FEET TO A POINT; THENCE NORTH 89° 23'37" WEST, A DISTANCE OF 129.43 FEET TO A POINT; THENCE SOUTHWESTERLY ALONG THE ARC OF A CURVE TO THE LEFT (SAID CURVE HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 89° 32'21" AND A CHORD BEARING AND DISTANCE OF SOUTH 45° 50'12" WEST, 28.17 FEET) FOR AN ARC DISTANCE OF 31.26 FEET TO A POINT; THENCE SOUTH 01° 04'02" WEST, A DISTANCE OF 4.68 FEET TO A POINT; THENCE NORTH 88° 55'58" WEST, A DISTANCE OF 29.95 FEET TO A POINT; THENCE SOUTH 00° 27'13" WEST, A DISTANCE OF 241.47 FEET TO A POINT; THENCE SOUTH 89° 32'18" WEST, A DISTANCE OF 332.14 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF HOOK STREET CONNECTOR (60-FOOT RIGHT-OF-WAY); THENCE NORTHWESTERLY ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID HOOK STREET CONNECTOR AND ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT (SAID CURVE HAVING A RADIUS OF 330.00 FEET, A CENTRAL ANGLE OF 6° 16'15" AND A CHORD BEARING AND DISTANCE OF NORTH 12°00'53" WEST, 36.10 FEET) FOR AN ARC DISTANCE OF 36.12 FEET TO A POINT; THENCE CONTINUING ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID HOOK STREET CONNECTOR THE FOLLOWING THREE COURSES AND DISTANCES: THENCE NORTH 15°09'01" WEST, A DISTANCE OF 105.25 FEET TO A POINT; THENCE NORTHWESTERLY ALONG THE ARC OF A CURVE TO THE RIGHT (SAID CURVE HAVING A RADIUS OF 220.00 FEET, A CENTRAL ANGLE OF 15° 45'21" AND A CHORD BEARING AND DISTANCE OF NORTH 07°16'20" WEST, 60.31 FEET) FOR AN ARC DISTANCE OF 60.50 FEET TO A POINT ON THE WEST LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 28; THENCE NORTH 00° 36'20" EAST ALONG THE WEST LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 28 AND ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID HOOK STREET CONNECTOR, A DISTANCE OF 447.23 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD 50; THENCE LEAVING THE WEST LINE OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 28

AND THE EASTERLY RIGHT-OF-WAY LINE OF SAID HOOK STREET CONNECTOR, SOUTH 89° 22'20" EAST, ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD 50, A DISTANCE OF 396.48 FEET TO A POINT; THENCE

LEAVING THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD 50, SOUTH 00° 34'20" WEST, A DISTANCE OF 261.02 FEET TO A POINT; THENCE SOUTH 89° 23'37" EAST, A DISTANCE OF 5.03 FEET TO A POINT; THENCE SOUTH 00° 57'13" WEST, A DISTANCE OF 70.88 FEET TO A POINT; THENCE SOUTH 89° 33'24" EAST, A DISTANCE OF 360.71 FEET TO A POINT; THENCE NORTH 78° 47'55" EAST, A DISTANCE OF 85.83 FEET TO A POINT; THENCE NORTH 00° 36'23" EAST, A DISTANCE OF 313.14 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD 50; THENCE SOUTH 89° 22'20" EAST, ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD 50, A DISTANCE OF 427.01 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH COMMON AREA #3, DESCRIBED AS FOLLOWS:

A PARCEL OF LAND LOCATED IN THE NORTHEAST 1/4 OF SECTION 28, TOWNSHIP 22 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 28; THENCE SOUTH 00° 50'10" WEST, ALONG THE EAST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 28, A DISTANCE OF 1373.53 FEET TO A POINT; THENCE LEAVING THE EAST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 28, NORTH 89° 22'20" WEST, A DISTANCE OF 50.00 FEET TO A POINT AT THE INTERSECTION OF THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD 50 (VARIABLE WIDTH RIGHT-OF-WAY) AND THE WESTERLY RIGHT-OF-WAY LINE OF SOUTH HANCOCK ROAD (100-FOOT RIGHT-OF-WAY); THENCE NORTH 89° 22'20" WEST, ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD 50 A DISTANCE OF 427.01 FEET TO THE POINT OF BEGINNING;

THENCE LEAVING THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD 50, SOUTH 00° 36'23" WEST, A DISTANCE OF 62.17 FEET TO A POINT; THENCE SOUTHWESTERLY ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT (SAID CURVE HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 22° 31'54" AND A CHORD BEARING AND DISTANCE OF SOUTH 76° 32'14" WEST, 9.77 FEET) FOR AN ARC DISTANCE OF 9.83 FEET TO A POINT; THENCE NORTHWESTERLY ALONG THE ARC OF A CURVE HAVING A RADIUS OF 50.07 FEET, A CENTRAL ANGLE OF 54° 32'17" AND A CHORD BEARING AND DISTANCE OF NORTH 64° 58'36" WEST, 45.88 FEET) FOR AN ARC DISTANCE OF 47.66 FEET TO A POINT; THENCE NORTH 89° 25' 24" WEST, A DISTANCE OF 347.09 FEET TO A POINT; THENCE SOUTHWESTERLY ALONG THE ARC OF A CURVE TO THE LEFT (SAID CURVE HAVING A RADIUS OF 50.00 FEET, A CENTRAL ANGLE OF 33° 44'02" AND A CHORD BEARING AND DISTANCE OF SOUTH 68° 06'12" WEST, 29.02 FEET) FOR AN ARC DISTANCE OF 29.44 FEET TO A POINT; THENCE SOUTH 56° 50'34" WEST, A DISTANCE OF 29.21 FEET TO A POINT; THENCE NORTH 00° 34'20" EAST, A DISTANCE OF 73.27 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD 50; THENCE SOUTH 89° 22'20" EAST, ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID STATE ROAD 50, A DISTANCE OF 449.48 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

PHASE 2A:

A PARCEL OF LAND LOCATED IN THE NORTHEAST 1/4 OF SECTION 28, TOWNSHIP 22 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 28; THENCE SOUTH 00° 50'10" WEST ALONG THE EAST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 28, A DISTANCE OF 1373.53 FEET TO A POINT; THENCE LEAVING THE EAST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 28, NORTH 89° 22'20" WEST, ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE ROAD 50 (VARIABLE WIDTH RIGHT OF WAY) AND THE EASTERLY EXTENSION THEREOF, A DISTANCE OF 477.01 FEET TO A POINT; THENCE LEAVING THE SOUTHERLY RIGHT OF WAY LINE OF SAID STATE ROAD 50, SOUTH 00° 36'23" WEST, A DISTANCE OF 62.17 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 00° 36'23" WEST, A DISTANCE OF 250.97 FEET TO A POINT; THENCE SOUTH 78° 47'55" WEST, A DISTANCE OF 85.83 FEET TO A POINT; THENCE NORTH 89° 33'24" WEST, A DISTANCE OF 360.71 FEET TO A POINT; THENCE NORTH 00° 57' 13" EAST, A DISTANCE OF 70.88 FEET TO A POINT; THENCE NORTH 89° 23'37" WEST, A DISTANCE OF 5.03 FEET TO A POINT; THENCE NORTH 00° 34'20" EAST, A DISTANCE OF 187.75 FEET TO A POINT; THENCE NORTH 56° 50'34" EAST, A DISTANCE OF 29.21 FEET TO A POINT; THENCE NORTHEASTERLY ALONG THE ARC OF A CURVE TO THE RIGHT (SAID CURVE HAVING A RADIUS OF 50.00 FEET, A CENTRAL ANGLE OF 33° 44'02" AND A CHORD BEARING AND DISTANCE OF NORTH 68° 06'12" EAST, 29.02 FEET) FOR AN ARC DISTANCE OF 29.44 FEET TO A POINT; THENCE SOUTH 89° 25'24" EAST, A DISTANCE OF 347.09 FEET TO A POINT; THENCE SOUTHEASTERLY ALONG THE ARC OF A CURVE TO THE RIGHT (SAID CURVE HAVING A RADIUS OF 50.07 FEET, A CENTRAL ANGLE OF 54° 32'17" THE ARC OF A CURVE TO THE RIGHT)

AND A CHORD BEARING AND DISTANCE OF SOUTH 64° 58'36" EAST, 45.88 FEET) FOR AN ARC DISTANCE OF 47.66 FEET TO A POINT; THENCE NORTHEASTERLY ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT (SAID CURVE HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 22° 31'54" AND A CHORD BEARING AND DISTANCE OF NORTH 76° 32'14" EAST, 9.77 FEET) FOR AN ARC DISTANCE OF 9.83 FEET TO THE POINT OF BEGINNING.

PHASE 2B:

A PARCEL OF LAND LOCATED IN THE NORTHEAST 1/4 OF SECTION 28, TOWNSHIP 22 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 28; THENCE SOUTH 00° 50'10" WEST, ALONG THE EAST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 28, A DISTANCE OF 1373.53 FEET TO A POINT; THENCE LEAVING THE EAST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 28, NORTH 89° 22'20" WEST, A DISTANCE OF 50.00 FEET TO A POINT AT THE INTERSECTION OF THE SOUTHERLY RIGHT OF WAY LINE OF STATE ROAD 50 (VARIABLE WIDTH RIGHT OF WAY) AND THE WESTERLY RIGHT OF WAY LINE OF SOUTH HANCOCK ROAD (100-FOOT RIGHT OF WAY); THENCE SOUTH 00° 50'10" WEST, ALONG THE WESTERLY RIGHT OF WAY LINE OF SAID SOUTH HANCOCK ROAD, A DISTANCE OF 620.18 FEET TO A POINT; THENCE LEAVING THE WESTERLY RIGHT OF WAY LINE OF SAID LINE OF SAID SOUTH HANCOCK ROAD, SOUTH 89° 32'18" WEST, A DISTANCE OF 425.63 FEET TO THE POINT OF BEGINNING.

THENCE SOUTH 89° 32'18" WEST, A DISTANCE OF 468.19 FEET TO A POINT; THENCE NORTH 00° 27'13" EAST, A DISTANCE OF 241.47 FEET TO A POINT; THENCE SOUTH 88° 55'58" EAST, A DISTANCE OF 29.95 FEET TO A POINT; THENCE NORTH 01° 04'02" EAST, A DISTANCE OF 4.68 FEET TO A POINT; THENCE NORTHEASTERLY ALONG THE ARC OF A CURVE TO THE RIGHT (SAID CURVE HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 89° 32'21" AND A CHORD BEARING AND DISTANCE OF NORTH 45° 50'12" EAST, 28.17 FEET) FOR AN ARC DISTANCE OF 31.26 FEET TO A POINT; THENCE SOUTH 89° 23'37" EAST, A DISTANCE OF 129.43 FEET TO A POINT; THENCE NORTHEASTERLY ALONG THE ARC OF A CURVE TO THE LEFT (SAID CURVE HAVING A RADIUS OF 40.29 FEET, A CENTRAL ANGLE OF 28° 39'43" AND A CHORD BEARING AND DISTANCE OF NORTH 75° 21'52" EAST, 19.95 FEET) FOR AN ARC DISTANCE OF 20.16 FEET TO A POINT OF REVERSE CURVATURE; THENCE NORTHEASTERLY ALONG THE ARC OF A CURVE TO THE RIGHT (SAID CURVE HAVING A RADIUS OF 40.00 FEET, A CENTRAL ANGLE OF 29° 34'22" AND A CHORD BEARING AND DISTANCE OF NORTH 75° 49'12" EAST, 20.42 FEET) FOR AN ARC DISTANCE OF 20.65 FEET TO A POINT; THENCE SOUTH 89° 23'37" EAST, A DISTANCE OF 153.21 FEET TO A POINT; THENCE NORTHEASTERLY ALONG THE ARC OF A CURVE TO THE LEFT (SAID CURVE HAVING A RADIUS OF 230.00 FEET, A CENTRAL ANGLE OF 17° 50'14" AND A CHORD BEARING AND DISTANCE OF NORTH 82° 08'55" EAST, 71.31 FEET) FOR AN ARC DISTANCE OF 71.60 FEET TO A POINT OF REVERSE CURVATURE; THENCE NORTHEASTERLY ALONG THE ARC OF A CURVE TO THE RIGHT (SAID CURVE HAVING A RADIUS OF 200.00 FEET, A CENTRAL ANGLE OF 5° 23'15" AND A CHORD BEARING AND DISTANCE OF NORTH 75° 55'25" EAST, 18.80 FEET) FOR AN ARC DISTANCE OF 18.81 FEET TO A POINT OF NON-TANGENCY; THENCE SOUTH 00° 36'23" WEST, A DISTANCE OF 84.60 FEET TO A POINT; THENCE SOUTH 08° 42'51" EAST, A DISTANCE OF 44.08 FEET TO A POINT; THENCE SOUTH 00° 07'55" WEST, A DISTANCE OF 154.64 FEET TO THE POINT OF BEGINNING.



**First American**

## Schedule B

### Owner's Policy of Title Insurance

ISSUED BY

**First American Title Insurance Company**

POLICY NUMBER

**5011412-0126185e**

Agent File Number: FA13-22-COLLEGE STATION SALE  
FAST File Number: 2080-2922838

#### **EXCEPTIONS FROM COVERAGE**

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. Any rights, interests, or claims of tenants in possession of the land not shown by the public records.
2. 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.
3. Any lien, for services, labor, or materials in connection with improvements, repairs or renovations provided before, on, or after Date of Policy, not shown by the public records.
4. Any dispute as to the boundaries caused by a change in the location of any water body within or adjacent to the land prior to Date of Policy, and any adverse claim to all or part of the land that is, at Date of Policy, or was previously under water.
5. Taxes or special assessments not shown as liens in the public records or in the records of the local tax collecting authority, at Date of Policy.
6. Any minerals or mineral rights leased, granted or retained by current or prior owners.
7. Taxes and assessments for the year 2013 and subsequent years, which are not yet due and payable and taxes and assessments levied and/or assessed subsequent to the date hereof.
8. Easement granted to Florida Power Corporation by instrument recorded June 16, 1950 in DB 299, Page 428.
9. Easement granted to Maynard Knapp, as Trustee by instrument recorded July 18, 1991 in Book 1117, Page 805.
10. Easement granted to Lake County by instrument recorded July 18, 1991 in Book 1117, Page 817.
11. Declaration of Covenants, Conditions, Restrictions and Easements, which contains provisions for a private charge or assessments, recorded October 7, 2003 in Book 2424, Page 2249; 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).

12. All of the terms and provisions set forth and contained in that certain Lease between John P. Adams and Ann D. Adams Family Limited Partnership, a Florida limited partnership, Lessor, and College Station Retail Center, L.L.C., a Florida limited liability company, Lessee, a memorandum of which is dated February 4, 2004, recorded March 8, 2004 in Book 2520, Page 782 and Amendment to Memorandum of Lease recorded March 23, 2006 in Book 3117, Page 911; and further amended in Book 4062, page 526, Book 4120, page 246 and as assigned in Book 4218, page 1674 and as assigned by Assignment and Assumption of Ground Lease recorded in Book 4355, page 979.
13. All of the terms and provisions set forth and contained in that certain Lease between John P. Adams and Ann D. Adams Family Limited Partnership, a Florida limited partnership, Lessor, and College Station Retail Center, L.L.C., a Florida limited liability company, Lessee, a memorandum of which is dated February 4, 2004 and recorded March 24, 2004 in Book 2532, Page 608, amended in Book 4120, page 252, assigned in Book 4218, page 1674 and as assigned by Assignment and Assumption of Lease recorded in Book 4355, page 979.
14. Shared Entrance and Cross Access Easement Agreement recorded March 17, 2004 in Book 2526, Page 2057.
15. All of the terms and provisions set forth and contained in that certain Lease between College Station Retail Center, L.L.C., a Florida limited liability company, Lessor, and Brinker Florida, Inc., a Delaware Corporation, Lessee, a memorandum of which is recorded March 22, 2004 in Book 2530, Page 227 as affected by Non-Disturbance Agreement recorded March 22, 2004 in Book 2530, Page 248 and Subordination, Attornment and Non-Disturbance Agreement recorded July 30, 2004 in Book 2627, Page 662.
16. All of the terms and provisions set forth and contained in that certain Lease between College Station Retail Center, L.L.C., a Florida limited liability company, Lessor, and Eckerd Corporation, a Delaware Corporation, Lessee, recorded March 22, 2004 in Book 2530, Page 670.
17. All of the terms and provisions set forth and contained in that certain Lease between College Station Retail Center, L.L.C., a Florida limited liability company, Lessor, and Chick-Fil-A Inc., a Georgia corporation, Lessee, dated April 13, 2004 and recorded April 16, 2004 in Book 2548, Page 2026 as affected by Non-Disturbance and Attornment Agreement recorded April 16, 2004 in Book 2548, Page 2041 and Subordination, Non-Disturbance and Attornment Agreement recorded June 30, 2004 in Book 2603, Page 2428.
18. Sidewalk Easement Agreement recorded November 18, 2004 in Book 2700, Page 380.
19. Easement granted to Florida Power Corporation doing business as Progress Energy Florida, Inc., a Florida corporation by instrument recorded July 8, 2005 in Book 2883, Page 395.
20. All of the terms and provisions set forth and contained in that certain Lease between College Station Retail Center, L.L.C., Lessor, and Subway Real Estate Corp., Lessee, a memorandum of which is recorded July 25, 2005 in Book 2897, Page 2251; and as affected by any unrecorded extensions and/or memorandums thereto, if any.
21. All of the terms and provisions set forth and contained in that certain Lease between College Station Retail Center, L.L.C., a Florida limited liability company, Lessor, and G-Unit, Inc., Lessee, a memorandum of which is recorded July 26, 2005 in Book 2899, Page 1244.
22. All of the terms and provisions set forth and contained in that certain Lease between College Station Retail Center, L.L.C., a Florida limited liability company, Lessor, and Discount Mattress Barn Inc., a Florida corporation, Lessee, a memorandum of which is recorded July 26, 2005 in Book 2899, Page 1250.

23. All of the terms and provisions set forth and contained in that certain Lease between College Station Retail Center, L.L.C., a Florida limited liability company, Lessor, and Direct Sell, Inc. d/b/a Prudential Florida Real Estate Center, a Florida corporation, Lessee, a memorandum of which is recorded August 1, 2005 in Book 2903, Page 2067.
24. All of the terms and provisions set forth and contained in that certain Lease between College Station Retail Center, L.L.C., a Florida limited liability company, Lessor, and CCS Financial Services, LLC, a Florida limited liability company, Lessee, a memorandum of which is recorded September 27, 2006 in Book 3269, Page 1139.
25. Soil and Sanitary Sewer Agreement shown as Exhibit "F" in Declaration of Easements, Covenants and Restrictions of Hancock Town Centre recorded January 26, 2007 in Book 3356, Page 1350.
26. All of the terms and provisions set forth and contained in that certain Lease between College Station Retail Center, L.L.C., a Florida limited liability company, Lessor, and Starbucks Corporation, Lessee, a memorandum of which is recorded February 15, 2008 in Book 3583, Page 1342 as affected by Subordination, Non-Disturbance and Attornment Agreement recorded February 15, 2008 in Book 3583, Page 1349 and Non-Disturbance and Attornment Agreement recorded February 15, 2008 in Book 3583, Page 1362.
27. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Map of Section 28, Township 22S, Range 26E, Lake County Florida, as recorded in Plat Book 2, Page(s) 28, 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).
28. All of the terms and provisions set forth and contained in that certain Lease between College Station Retail Center, L.L.C., a Florida limited liability company, Lessor, and Steak N Shake Operations, Inc., an Indiana corporation, Lessee, a memorandum of which is recorded May 24, 2005 in Book 2841, Page 1753.
29. Matters appearing on the survey prepared by Leading Edge Land Services Inc., Jeffrey D. Nofius PSM #6610, dated July 3, 2013, under Job No. 704-13001.
30. That certain Leasehold Mortgage, Security Agreement and Collateral Assignment of Rents from Clermont College Station, LLC, a Florida limited liability company to C1 Bank, a Florida chartered state bank, recorded July 23, 2013 in Book 4355, page 988, in the original principal amount of \$9,200,000.00, and the terms and conditions thereof.

**NOTE: Exception(s) numbered 2, 3, 4 and 5 above is/are hereby deleted.**



Agent File Number: FA13-22-COLLEGE STATION SALE  
Issuing Office File Number: 2080-2922838

Note: All of the recording information contained herein refers to the Public Records of LAKE County, Florida, unless otherwise indicated. Any reference herein to a Book and Page is a reference to the Official Record Books of said county, unless indicated to the contrary.

**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, Attention: Claims Department, 1 First American Way, Santa Ana, CA 92707.

**Service, Quality and Availability**

First American Title Insurance Company cares about its customers and their ability to obtain information and service on a convenient, timely and accurate basis. A qualified staff of service representatives is dedicated to serving you. A toll-free number is available for your convenience in obtaining information about coverage and to provide assistance in resolving complaints at 1-800-929-7186. Office hours are from 8:30 a.m. through 5:30 p.m. Monday through Friday.



**First American**

**ENDORSEMENT  
LEASEHOLD - OWNERS  
(with Florida Modification)**

**Issued by**

***First American Title Insurance Company***

Attached to Policy No.: 5011412-0126185e

Agent File Number.: FA13-22-COLLEGE  
STATION SALE  
FAST File Number.: 2080-2922838

1. As used in this endorsement, the following terms shall mean:

- a. "Evicted" or "Eviction": (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.
- b. "Lease": the lease agreement described in Schedule A.
- c. "Leasehold Estate": the right of possession for the Lease Term.
- d. "Lease Term": the duration of the Leasehold Estate, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- e. "Personal Property": chattels located on the Land and property that, because of their character and manner of affixation to the Land, can be severed from the Land without causing appreciable damage to themselves or to the Land to which they are affixed.
- f. "Remaining Lease Term": the portion of the Lease Term remaining after the Insured has been Evicted as a result of a matter covered by this policy.
- g. "Tenant Leasehold Improvements": Those improvements, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Insured's expense or in which the Insured has an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Insured:

If in computing loss or damage it becomes necessary to value the Title as the result of a covered matter that results in an Eviction of the Tenant, then that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Insured Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable, shall be included in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title.

- a. The reasonable cost of removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, the cost of transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, and the reasonable cost of repairing the Personal Property damaged by reason of the removal and relocation.
- b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.
- c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.
- d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease made by Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
- e. Damages that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease made by the Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements caused by the Eviction.
- f. Reasonable costs incurred by the Insured to secure a replacement leasehold equivalent to the Leasehold Estate.
- g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering fees, construction management fees, costs of environmental testing and reviews, and landscaping costs.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Issue Date: July 23, 2013

First American Title Insurance Company



*Dennis J. Gilmore*

Dennis J. Gilmore  
President

*Timothy Kemp*

Timothy Kemp  
Secretary

Rogers Towers

By: *[Signature]*  
Authorized Countersignature Rogers Towers



**First American**

**ENDORSEMENT  
RESTRICTIONS, ENCROACHMENTS, MINERALS OWNER'S POLICY:IMPROVED LAND  
(with Florida Modification)**

**Issued by**

***First American Title Insurance Company***

Attached to Policy No.: 5011412-0126185e

Agent File Number.: FA13-22-COLLEGE  
STATION SALE  
FAST File Number.: 2080-2922838

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

1. The existence, at Date of Policy, of any of the following unless expressly excepted in Schedule B:
  - (a) Present violations on the Land of any enforceable covenants, conditions, or restrictions, or any existing improvements on the Land which violate any building setback lines shown on a plat of subdivision recorded or filed in the Public Records.
  - (b) Any instrument referred to in Schedule B as containing covenants, conditions, or restrictions on the Land which, in addition, (i) establishes an easement on the Land; (ii) provides for an option to purchase, a right of first refusal, or the prior approval of a future purchaser or occupant; or (iii) provides a right of re-entry, possibility of reverter, or right of forfeiture because of violations on the Land of any enforceable covenants, conditions, or restrictions.
  - (c) Any encroachment of existing improvements located on the Land onto adjoining land, or any encroachment onto the Land of existing improvements located on adjoining land.
  - (d) Any encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B.
  - (e) Any notices of violation of covenants, conditions, or restrictions relating to environmental protection recorded or filed in the Public Records.
2. Damage to buildings existing at Date of Policy:
  - (a) Which are located on or encroach upon that portion of the Land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved;
  - (b) Resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of minerals excepted from the description of the Land or excepted in Schedule B.
3. Any final court order or judgment requiring the removal from any land adjoining the Land of any encroachment, other than fences, landscaping, or driveways, excepted in Schedule B.
4. Any final court order or judgment denying the right to maintain any existing building on the Land because of any violation of covenants, conditions, or restrictions, or building setback lines shown on a plat of subdivision recorded or filed in the Public Records at Date of Policy.

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

As used in paragraphs 1(a) and 4, the words "covenants, conditions, or restrictions" shall not be deemed to refer to or include any covenants, conditions or limitations relating to environmental protection.

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

Issue Date: July 23, 2013



First American Title Insurance Company

Handwritten signature of Dennis J. Gilmore in black ink.

Dennis J. Gilmore  
President

Handwritten signature of Timothy Kemp in black ink.

Timothy Kemp  
Secretary

Rogers Towers

By:   
Authorized Countersignature Rogers Towers

# FLORIDA SURVEY ENDORSEMENT

ISSUED BY  
**First American Title Insurance Company**

Agent File No: **FA13-22-COLLEGE STATION SALE  
5011412-0126185e**

Attached to Policy No:**FL-FA-**

The Company hereby acknowledges the lands described in Schedule A are the same lands described in the survey prepared by Leading Edge Land Services, Inc., Jeffrey D. Nofius PSM dated July 10, 2013, under Job No. 704-13001 ; however, the Company does not insure the accuracy or completeness of said survey.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of 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.

This endorsement shall not be valid or binding unless signed by either a duly authorized officer or agent of the Company.

Issue Date: 07/23/2013

**Rogers Towers**

By:   
Authorized Signatory

(TP 5/99)



# FLORIDA CONTIGUITY ENDORSEMENT

ISSUED BY

***First American Title Insurance Company***

Agent File No.: **FA13-22-COLLEGE STATION SALE**  
FA- **5011412-0126185e**

Attached to Policy No.: FL-

The Company insures the Insured herein against loss or damage by virtue of any inaccuracy in the following statement, to wit:

Parcel 1 is contiguous to Common Area #3 and to Parcel 2, Phase 2A and Parcel 2, Phase 2B, along their common boundaries as depicted on survey dated July 10, 2013, prepared by Leading Edge Land Services, and, taken as Tract, said parcels constitute one parcel of land.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of 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.

This endorsement shall not be valid or binding unless signed by either a duly authorized officer or agent of the Company.

Issue Date: 07/23/2013

**Rogers Towers**

By:  \_\_\_\_\_  
Authorized Signatory

(TP 5/99)

5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (a) the occupancy, use, or enjoyment of the Land;
  - (b) the character, dimensions, or location of any improvement erected on the Land;
  - (c) the subdivision of land; or
  - (d) environmental protection
 if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
  - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
  - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
    - (i) to be timely, or
    - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

#### 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; 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 the Public Records that vests Title as shown in Schedule A.



**CONDITIONS**

**1. DEFINITION OF TERMS**

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Insured": The Insured named in Schedule A.
  - (i) The term "Insured" also includes
    - (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
    - (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
    - (C) successors to an Insured by its conversion to another kind of Entity;
    - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
      - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
      - (2) if the grantee wholly owns the named Insured,
      - (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
      - (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
  - (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
- (e) "Insured Claimant": An Insured claiming loss or damage.
- (f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- (h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (i) "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 Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed

in the records of the clerk of the United States District Court for the district where the Land is located.

- (j) "Title": The estate or interest described in Schedule A.
- (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

**2. CONTINUATION OF INSURANCE**

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation 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 warranties in any transfer or conveyance of the Title. 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 obligation 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 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

**4. PROOF OF LOSS**

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that 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.

**5. DEFENSE AND PROSECUTION OF ACTIONS**

- (a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, 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 covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters 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. It 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 that allege matters not insured against by this policy.
- (b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost,

to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, 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 to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

- (c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

#### 6. DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right 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 securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter 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.
- (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that 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 of these records in the custody or control of a third party that 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 any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

#### 7. 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 that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
- (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. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that 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 that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (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.

#### 8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of
- (i) the Amount of Insurance; or
- (ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.
- (b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,
- (i) the Amount of Insurance shall be increased by 10%, and
- (ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.
- (c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

**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 Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
- (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, adverse to the Title, as insured.
- (c) The Company shall not be liable for loss or damage to the 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 Insurance by the amount of the payment.

**11. LIABILITY NONCUMULATIVE**

The Amount of Insurance shall be reduced by any amount the Company pays 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 executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

**12. PAYMENT OF LOSS**

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

**13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT**

- (a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. 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 and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

- (b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

**14. ARBITRATION**

Unless prohibited by applicable law, arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association may be demanded if agreed to by both the Company and the Insured at the time of a controversy or claim. 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. 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 to it 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 that arises out of the status of the Title or by any action asserting such claim whether or not based on negligence shall be restricted to this policy.
- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
- (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

**16. SEVERABILITY**

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

**17. CHOICE OF LAW; FORUM**

- (a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
- (b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

**18. NOTICES, WHERE SENT**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at First American Title Insurance Company, Attn: Claims National Intake Center, 1 First American Way, Santa Ana, California 92707. Phone: 888-632-1642.