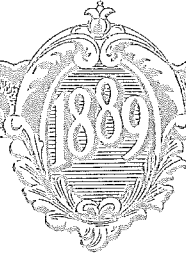


FATIC 523
ALTA Owner's Policy (10/17/92)



Policy No. **FA-33- 598237**

POLICY OF TITLE INSURANCE



ISSUED BY

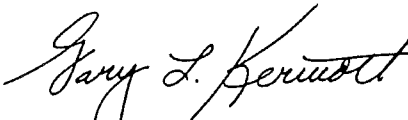

First American Title Insurance Company

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, sustained or incurred by the insured by reason of:

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

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

First American Title Insurance Company

BY  PRESIDENT
ATTEST  SECRETARY

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 which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
 - (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
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 which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
- (a) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (b) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (i) to timely record the instrument of transfer; or
 - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

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,

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.

(i) 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.

(ii) 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,

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

FIRST AMERICAN TITLE INSURANCE COMPANY

Agent's File No. 180008

Policy No. FA-33-598237

FATIC-523
(10/17/92)

SCHEDULE A

Date of Policy:- 8th June, 2008

Amount of Insurance:- \$1,200,000.00

1. Name of Insured:

MATTHEW S. COLEMAN

2. The estate or interest in the Land described herein and which is covered by this Policy is an estate or interest designated as follows:

FEE SIMPLE

3. (a) Title to the estate or interest referred to herein as at the Effective Date of this Policy vested in:-

MATTHEW S. COLEMAN

(b) Title to the Equity of Redemption in the Land described or referred to in this Policy and covered herein is, at the Date of this Policy, vested in:-

N/A

4. The Land herein described is encumbered by the following Mortgage(s)/Debenture(s), Grants and Assignments if any:-

N/A

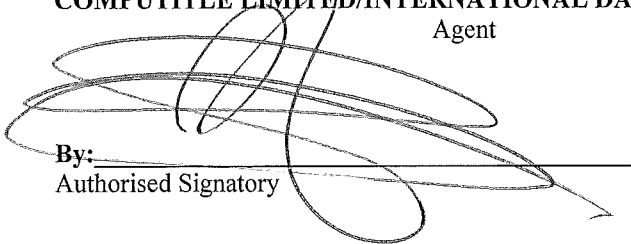
5. The land referred to in this Policy is in the Commonwealth of The Bahamas and described as follows:

Lot Number Fifteen (15), situate in the Marina Beach Estates subdivision in the Emerald Bay Resort on the Island of Great Exuma one of the islands of the Commonwealth of The Bahamas as depicted on Plan No. 382 EX dated December, 2001, and recorded in the Department of Lands and Surveys.

COMPUTITLE LIMITED/INTERNATIONAL DATA MANAGEMENT, INC.

Agent

By:
Authorised Signatory



FIRST AMERICAN TITLE INSURANCE COMPANY

Agent's File No. 180008

Policy No. FA-33-598237

SCHEDULE B (Exceptions)

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

1. Any and all taxes, service charges or special assessments assessed or assessable on the tax rolls for the year 2008 and subsequent years.
2. Any inaccuracy in the area, square footage or acreage of the Land. The Company does not insure the area, square footage or acreage of the Land.
3. Discrepancies, conflicts in boundary lines, encroachments, overlaps, easements or claims of easements or any other facts that an accurate survey or inspection of the Land would disclose.
4. The rights, if any, of the public or the Commonwealth of The Bahamas to any use of the Land seaward of the natural line of vegetation, mean high tide or water line acquired by a) previous adverse use or by virtue of local custom with respect to the special nature of the seaside beaches, as a public beach or recreation area, or b) by virtue of any Law or statute.
5. Lack of Title to any of the Land that is seaward of the mean high tide or water line.
6. 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.
7. Easements as shown on Marina Beach Estates Subdivision Plan by Donald E. Thompson and Associates, recorded in the Department of Lands and Surveys as Plan No. 362 EX on 9th February, 2001 and any amendments thereto.
8. Reservations and exceptions as to precious metals, coal and mineral oil as set forth in the following:-
 - a. Crown Grant dated 11th September, 1968 and recorded in Volume 1317 at Pages 491 to 493, in the records of the Registrar General of the Commonwealth of The Bahamas; and
 - b. Crown Grant dated 11th September, 1968 and recorded in Volume 1317, Pages 494 to 496, in the records of the Registrar General of the Commonwealth of The Bahamas.
9. Terms, provisions, covenants, conditions, restrictions, easements, rights of way, charges, assessments and liens set forth or referred to in the following:-
 - a. Declaration of Covenants for Emerald Bay dated 2nd May, 2001 recorded in Volume 8376 at pages 235 to 316 in the records of the Registrar General of the Commonwealth of The Bahamas;
 - b. Supplemental Declaration for Marina Beach Neighbourhood of Emerald Bay Resort dated 2nd May, 2001 recorded in Volume 8376 at pages 317 to 328 in the records of the Registrar General of the Commonwealth of The Bahamas;
 - c. Conveyance Restrictions for The Marina Beach and Ocean Ridge Neighbourhoods of Emerald Bay Resort dated 2nd May, 2001 recorded in Volume 8376 at pages 350-372 in the records of the Registrar General of the Commonwealth of The Bahamas;
 - d. First Amendment to Conveyance Restrictions for The Marina Beach and Ocean Ridge Neighbourhoods of Emerald Bay Resort dated 15th September 2005 recorded in Volume 9505 at pages 363 to 373 in the records of the Registrar General of the Commonwealth of The Bahamas;

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FIRST AMERICAN TITLE INSURANCE COMPANY

Agent's File No. 180008

Policy No. FA-33-598237

SCHEDULE B

(Exceptions - Continued)

- e. Assignment of Declarant's rights to EBR Holding Limited dated 7th January, 2002 and recorded in Volume 8376 at pages 398 to 406 in the records of the Registrar General of the Commonwealth of The Bahamas;
- f. First Amendment to Declaration of Covenants for Emerald Bay dated 16th June, 2004 recorded in Volume 9073 at pages 105 to 169 in the records of the Registrar General of the Commonwealth of The Bahamas;
- g. Reciprocal Easement and Cost Sharing Agreement dated 16th June, 2004 recorded Volume 9073 at pages 170 to 398 in the records of the Registrar General of the Commonwealth of The Bahamas;
- h. First Amendment to Conveyance Restrictions for The Marina Beach and Ocean Ridge Neighbourhoods of Emerald Bay Resort dated 15th September 2005 recorded in Volume 9505 at pages 363 to 373 in the records of the Registrar General of the Commonwealth of The Bahamas; and
- i. First Amendment to and Restatement of Reciprocal Easement and Cost Sharing Agreement dated 27th February, 2006, recorded in Volume 9933 at pages 274 to 298 in the records of the Registrar General of the Commonwealth of The Bahamas.

END

FIRST AMERICAN TITLE INSURANCE COMPANY

Agent's File No. 180008

Policy No. FA-33-598237

IDM ENDORSEMENT FOR THE BAHAMAS FOR USE WITH ALTA OWNER'S POLICY FORM 1992

EXCLUSIONS FROM COVERAGE

Item 1(b) of the Exclusions from coverage is amended to read as follows:-
Any governmental police power, not excluded by (a) above.

Item 2 of the Exclusions from Coverage is amended to read as follows:-

Rights of eminent domain, or equivalent rights, conferred under the Laws of the Bahamas, unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy.

Item 4 of the Exclusions from Coverage is hereby deleted.

CONDITIONS AND STIPULATIONS

Item 1(f) DEFINITION OF TERMS "Public Records" is amended to read as follows:-

(f) "Public Records":- The records established under the Registration of Records Act of The Bahamas; the Land Surveyors Act; and the records of the Supreme Court of The Bahamas.

Item 1(g) DEFINITION OF TERMS "Unmarketability" is amended to read as follows:-

(g) (1) "Unmarketability":- An alleged or apparent matter, recorded in the Public Records, 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.

(g) (2) The Company shall not be liable for any loss or damage by reason of the alleged unmarketability of Title arising from any claim challenging the validity of Title so long as the Company or any other Title insurance Company shall be ready, willing and able to issue its Policy of Title insurance to a purchaser or lender, for the rates then in effect, and including coverage substantially the same as the Policy issued herein insuring the estate or interest.

The following is added as Item 1(h) to DEFINITION OF TERMS:-

(h) "Closing/Completion":- the time of the execution and delivery to the Insured of the documents creating the interest or estate of the Insured in the Land, as well as the payment of the consideration to obtain the estate or interest in the Land and the Mortgagor being provided the Mortgage money without restrictions other than as specified in the Mortgage.

The following is added as Item 18 of the Conditions and Stipulations:-

18. APPLICABLE LAW

- (1) The Laws of the Commonwealth of The Bahamas, shall apply to determine the validity of claims against the Title of the Insured.
- (2) The Laws of the State of Florida, United States of America, shall apply in the interpretation and enforcement of the terms of this Policy.
- (3) Any litigation or other proceeding brought by the Insured against the Company shall be filed in the state of Florida, United States of America, if claimant resides in the United States of America, or if said claimant is not domiciled in the United States of America, in the state of California, United States of America, which state and country are the domicile of the Company.

Dated:- 8th June, 2008

COMPUTITLE LIMITED/INTERNATIONAL DATA MANAGEMENT, INC.

Agent

By:

Authorised Signatory

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FIRST AMERICAN TITLE INSURANCE COMPANY

Agent's File No. 180008

Policy No. FA-33-598237

READ THIS

IMPORTANT INFORMATION

About Your Protection Under This Document

This Policy affords protection only up to the *Insured Amount* stated on Schedule A.

If you have (are) purchased (purchasing) unimproved or vacant Land, it will increase in value when you build a house or other structure on it. If you have (are) purchased (purchasing) new construction, it may also increase in value.

To be fully protected for the increased value of your property, you must purchase additional insurance that will increase the *Insured Amount*.

You may purchase additional insurance at an attractive rate by contacting:

IDM, Inc.
11369 Okeechobee Blvd., Bldg. B, Suite 100
Royal Palm Beach, FL 33411
Toll Free: (866) 798-6645; Telephone (561) 798-6645
Fax: (561) 798-3183
www.idm-inc.com or hrivera@idm-inc.com

FIRST AMERICAN TITLE INSURANCE COMPANY

Agent's File No. 180008

Policy No. FA-33-598237

IDM

International Title & Developer Services

11369 Okeechobee Blvd., Bldg. B, Suite 100, Royal Palm Beach, FL 33411

Telephone: 561-798-6645 ♦ Fax : 561-798-3183

www.idm-inc.com

Privacy Practices

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. Although we use our best effort to ensure that no unauthorized parties have access to any of your 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, 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 that 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 a public record or from another person or entity. IDM, Inc., has also adopted broader guidelines that govern our use of personal information regardless of its source. We call these guidelines our Information Fairness Values.

Types of Information: Depending upon which of our services you utilize, 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 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, to provide the best possible service to you 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 or required 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 service providers, such as Title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as law firms, lending companies, Title search companies, appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the 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 which 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 to you.

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 that need to know the information to provide products or 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 IDM's Information Fairness Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

FIRST AMERICAN TITLE INSURANCE COMPANY

Agent's File No. 180008

Policy No. FA-33-598237



FIRST AMERICAN TITLE
INSURANCE COMPANY

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 that 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 a public record 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 website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing the types of non-public 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. We will not release your information to non-affiliated 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 non-public personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service 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 the information we collect to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with which 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 to you.

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 non-public personal information about you to those individuals and entities who need to know that information to provide products or 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 U.S. federal regulations to guard your non-public personal information.

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.

(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; or

(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 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.

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.

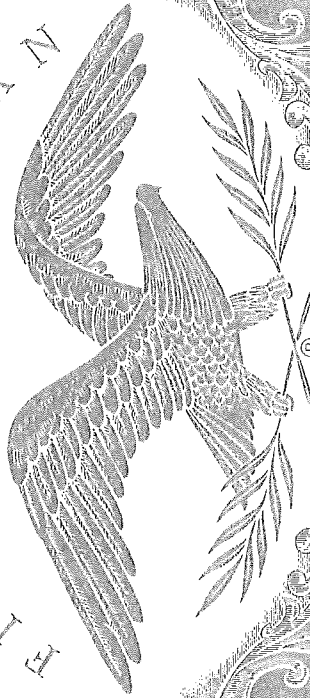
16. SEVERABILITY.

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, Attention: Claims Department, 1 First American Way, Santa Ana, California 92707, or to the office which issued this policy.

FIRST AMERICAN



First American Title Insurance Company

POLICY
OF
TITLE
INSURANCE

