



Name and Address of Title Insurance Company: Commonwealth Land Title Insurance Company, P.O. Box 45023, Jacksonville, FL 32232-5023

SCHEDULE A

File No. PACLT11-2334AC

Policy No. 8122638-84331287

Address Reference: Horseshoe Pike, West Chester, PA 19382

Amount of Insurance: ██████████

Date of Policy: September 21, 2011

1. Name of Insured:

Longview Culbertson LP, a Pennsylvania limited partnership

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

FEE SIMPLE

3. Title is vested in:

Longview Culbertson LP, a Pennsylvania limited partnership by Deed from Culbertson Investment Partners, L.P. , a Pennsylvania limited partnership dated September 9, 2011, and recorded September 21, 2011 in the Office of the Recorder of Deeds for the County of Chester, in Record Book 8251, at Page 331.

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

For informational purposes only:

Horseshoe Pike, West Chester
West Brandywine Township
County of Chester, PA

SEE CONTINUATION OF SCHEDULE A FOR LEGAL DESCRIPTION

Countersigned:

Land Services USA, Inc.

By: Elva C. Johnson
Authorized Officer of Licensed Agent

**OWNER'S POLICY
SCHEDULE A**
(continued)

LEGAL DESCRIPTION

All that certain tract of land situate in the Township of West Brandywine, County of Chester, Commonwealth of Pennsylvania, as shown on plan entitled Preliminary/Final Subdivision Plan for Culbertson Village, prepared for Culbertson Realty Associates, LP., dated 5-11-2011, by D.L. Howell & Associates, Inc., Civil Engineering and Land Planning., West Chester, PA, and recorded 9/21/2011 as Plan # SDDL-06998-7, being more particularly described as follows:

Beginning at a point on the Title line in the bed of Swinehart Road (S.R. 4011, 40 feet wide), at the Southwesterly corner of lands now or late of C & F Buckley, thence, along lands now or late of said Buckley and lands now or late of Jerome & Nancy Jones, North 87°45 minutes 08 seconds East, crossing over a three-fourths inch rebar found at a distance of 14.58 feet from the last mentioned point, the Easterly existing and proposed Right-of-Way lines of said Swinehart Road, crossing over an Iron Pin found at a distance of 508.01 feet from the point of beginning and crossing the Southwesterly proposed and legal Right-of-Way lines of Horseshoe Pike (S.R. 0322, 60 feet wide), a total distance of 914.46 feet to a point on the Title line in the bed of Horseshoe Pike; thence, along said Title line, South 53°30 minutes 04 seconds East, 369.06 feet to a point; thence South 25°10 minutes 26 seconds West, 30.72 feet to a point on the Southwesterly legal Right-of-Way line of said Horseshoe Pike; thence, along said Right-of-Way line, South 52°28 minutes 31 seconds East, 69.29 feet to a point; thence, along Phase B, as shown on said plan the following eighteen (18) courses and distances: 1) South 37°31 minutes 29 seconds West, 5.00 feet to a point; 2) North 52°28 minutes 31 seconds West, 146.78 feet to a point; 3) South 37°31 minutes 29 seconds West, 8.00 feet to a point; 4) North 52°28 minutes 31 seconds West, 24.05 feet to a point of curvature; 5) along the arc of a circle to the Left, having a radius of 25.00 feet, an arc distance of 39.27 feet, through a central angle of 90°00 minutes 00 seconds, a chord distance of 35.36 feet, and a chord bearing South 82°31 minutes 29 seconds West to a point of tangency; 6) South 37°31 minutes 29 seconds West, 134.16 feet to a point of curvature; 7) along the arc of a circle to the Left, having a radius of 12.00 feet, an arc distance of 12.17 feet, through a central angle of 58°05 minutes 28 seconds, a chord distance of 11.65 feet, and a chord bearing South 08°28 minutes 45 seconds West to a point of reverse curvature; 8) along the arc of a circle to the Right, having a radius of 58.00 feet, an arc distance of 31.27 feet, through a central angle of 30°53 minutes 17 seconds, a chord distance of 30.89 feet, and a chord bearing South 05°07 minutes 20 seconds East to a point of reverse curve, 9) thence extending along the arc of a circle curving to the Left, concave to the east, having a radius of 12.00 feet, and a central angle of 62°47 minutes 50 seconds and being subtended by a chord which bears South 21°04 minutes 36 seconds East 12.50 feet; southerly and southeasterly along said curve, a distance of 13.15 feet a point of tangency; 10) South 52°28 minutes 31 seconds East, 109.70 feet to a point of curvature; 11) along the arc of a circle to the Right, having a radius of 120.00 feet, an arc distance of 62.37 feet, through a central angle of 29°46 minutes 42 seconds, a chord distance of 61.67 feet, and a chord bearing South 37°35 minutes 10 seconds East to a point of tangency; 12) South 22°41 minutes 49 seconds East, 289.08 feet to a point of curvature; 13) along the arc of a circle to the Left, having a radius of 12.00 feet, an arc distance of 17.95 feet, through a central angle of 85°41 minutes 54 seconds, a chord distance of 16.32 feet, and a chord bearing South 65°32 minutes 47 seconds East to a point of reverse curvature; 14) along the arc of a circle to the Right, having a radius of 145.00 feet, an arc distance of 221.44 feet, through a central angle of 87°29 minutes 56 seconds, a chord distance of 200.54 feet, and a chord bearing South 64°38 minutes 46 seconds

OWNER'S POLICY
SCHEDULE A
(continued)

East to a point to of reverse curvature; 15) along the arc of a circle to the Left, having a radius of 12.00 feet, an arc distance of 16.39 feet, through a central angle of 78°14 minutes 22 seconds , a chord distance of 15.14 feet, and a chord bearing South 60°00 minutes 59 seconds East to a point of tangency; 16) North 80°51 minutes 50 seconds East, 36.83 feet to a point; 17) North 71°43 minutes 44 seconds East, 54.69 feet to a point; and 18) North 37°31 minutes 29 seconds East, 251.02 feet to a point on the aforesaid Southwesterly Right-of-Way line of Horseshoe Pike; thence, along said Right-of-Way line, South 52°28 minutes 31 seconds East, 312.28 feet to a point; thence, leaving said Right-of-Way line, North 31°25 minutes 26 seconds East, 28.57 feet to a point on the aforesaid Title line in the bed of Horseshoe Pike; thence, along said Title line, South 52°29 minutes 11 seconds East, 119.13 feet to a point; thence South 37°30 minutes 32 seconds West, 28.79 feet to a point of cusp of a curve on the aforesaid Right-of-Way line of Horseshoe Pike, a corner of lands now or late of Dennis & Renee Whitley, thence extending along the arc of a circle curving to the Left, said curve being concave to the south having a radius of 50.00 feet and a central angle of 96°03 minutes 39 seconds and being subtended by a chord which bears South 79°28 minutes 32 seconds West 74.35 feet; thence along said lands the following five (5) courses and distances: 1) northwesterly, westerly and southwesterly along the curve, a distance of 83.83 feet to a Monument found; 2) South 31°26 minutes 32 seconds West, 290.28 feet to an Iron Pin found; 3) South 17°53 minutes 28 seconds East, crossing an AQUA America Water Line Easement, 582.42 feet to a Monument found; 4) South 41°29 minutes 28 seconds East, 17.47 feet to an Iron Pin; and 5) North 37°30 minutes 32 seconds East, along the Northwesterly side of the aforesaid AQUA America Water Line Easement, crossing the Southwesterly Right-of-Way line of Horseshoe Pike and passing over a Concrete Monument found at a distance of 28.03 feet from the next mentioned point, a total distance of 706.07 feet to a point on the aforesaid Title line of Horseshoe Pike; thence, along said Title line the following two (2) courses and distances; 1) South 52°24 minutes 18 seconds East, 167.97 feet to a point; 2) South 49°59 minutes 35 seconds East, 247.47 feet to a point; thence, along lands now or late of Kenneth & Barbara Darnell the following two (2) courses and distances; 1) South 23°07 minutes 44 seconds West, re-crossing the Southwesterly Right-of-Way line of Horseshoe Pike, 247.53 feet to an Iron Pin found; and 2) South 50°37 minutes 16 seconds East, 132.00 feet to an Iron Pin found in line of lands now or late of Sean & Laura Redfern; thence, along said lands and lands now or late of Paul & Mindy Italiano, lands now or late of HJ Saleh, lands now or late of Francis & Catherine Keegan (respectively) South 23°02 minutes 31 seconds West, passing over an Iron Pin found at a distance of 144.75 feet and a Monument found at a distance of 69.72 feet from the next mentioned point, a total distance of 670.45 feet to a point; thence, along lands now or late of Jay Arnold and Eileen S. Downey, North 79°24 minutes 14 seconds West, 292.12 feet to a point, in the line of lands n/l of Michael and Elena Carli, thence extending along the line of same North 01°19 minutes 56 seconds East, 294.19 feet to a point in the line of lands n/l of William and Dana Miller, thence extending along same North 50°57 minutes 51 seconds West, 42.10 feet to a Monument found, thence, continuing along lands now or late of said Miller, lands now or late of Donald & Teresa Hill, lands now or late of Gregory, Mary & Carla Wolf, lands now or late of John & Stephanie Waite, lands now or late of Paul & Pamela Voorhees, lands now or late of Thomas & Dorsey Cataldo, lands now or late of James & Jacquelyn Horrex, lands now or late of Dave & Dominique Ralph, lands now or late of Michael & Sandra Brocius, lands now or late of Peter & Donna Knebel, and lands now or late of Joseph & Cheryl Vasillo, North 52°28 minutes 31 seconds West, crossing the aforesaid AQUA America Water Line Easement, partly along the Northeasterly Terminus of a 20 feet wide Storm Sewer Easement, and partly along the Northeasterly side of another 20 feet wide Storm Sewer Easement, 2601.57



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**OWNER'S POLICY
SCHEDULE A**
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feet to a point; thence, continuing along said Vasilio, South 87°45 minutes 08 seconds West, re-crossing the Easterly Right-of-Way line of Swinehart Road, 84.15 feet to a point on the aforesaid Title line in the bed of Swinehart Road; thence, along said Title line, North 03°58 minutes 56 seconds West, 350.16 feet to the Point and Place of Beginning.

Being Lot 1, as shown on said plan.
Containing 43.26 ACRES of land, be the same more or less.

Tax ID / Parcel No. 29-4-171, and 29-4-171.1

**SCHEDULE B
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. Unrecorded easements, discrepancies or conflicts in boundary lines, shortage in area, encroachments or other matters which an accurate and complete survey would disclose.
2. Real estate taxes for the current and prior tax years which are hereafter assessed and are not yet due and payable.
3. Highway Occupancy Permit recorded 7-23-2009 in Record Book 7731 page 220.
4. Rights granted to Philadelphia Electric Company and Bell Telephone Company in Misc. Deed Book 71 page 76.
5. Rights of the public and others entitled thereto in and to the use of that portion of the premises within the bounds of Horseshoe Pike Route 322.
6. Act 319 agreements as in Record Book 4288 page 1690 and Record Book 4288 page 1693.
7. Conditions disclosed by survey made by Herbert E. MacCombie, Jr., P.E., C.E. dated 4/16/1990 recorded Plan #10638:-building set back lines, various conditions, notes.
8. Rights granted to Philadelphia Electric Company in Misc. Deed Books 58 page 507 and 78 page 329.
9. Rights granted to Bell Telephone Company Misc. Deed Book 82 page 405 and Record Book 3272 page 224.
10. Reservations in Deed Book E59 page 586.
11. Stream of water flows through premises hereon, subject to rights of other riparian owners abutting stream.
12. Right of Way and Easement Agreement in Record Book 2474 page 126
13. Storm Water management and drainage agreement in Record Book 3500 page 175.
14. Conditions disclosed by survey made by DL Howell dated 4-24-2007, last revised 5-24-2007 and recorded as plan #18226:-riparian buffer, drainage easement, 15 foot wetland buffer, 100 year flood plain, wetlands, notes.
15. Conditions disclosed by Preliminary/Final Subdivision Plan for Culbertson Village, prepared for Culbertson Realty Associates, LP dated 5/11/2011, by D.L. Howell & Associates, Inc. and recorded 9/21/2011 in Plan Book 19108 page 1.
16. Possible rollback taxes.
17. Sewer rent.
18. Sanitary Sewer Easement Deed of Dedication by and between Culbertson Investment Partners, L.P. and Magothy Investment Partners L.P., and West Brandywine Township Municipal Authority dated 9/15/2011 and recorded 9/21/2011 in Record Book 8251 and 314.
19. Declaration of Easements by Culbertson Investment Partners, L.P. and Magothy Investment Partners L.P., dated 9/15/2011 and recorded 9/21/2011 in Record Book 8251 and 282.



Policy No.: PA0037-81-PACLT11-2334-2011.8122638-84331287

OWNER'S POLICY OF TITLE INSURANCE

Issued by
Commonwealth Land Title Insurance Company

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, COMMONWEALTH LAND TITLE INSURANCE COMPANY, a Nebraska corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after 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.
3. Unmarketable Title.
4. No right of access to and from the Land.
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.

IN WITNESS WHEREOF, the Company has caused this Policy to be signed with the facsimile signatures of its President and Secretary and sealed as required by its By-Laws.

By: [Signature]
Authorized Signatory



COMMONWEALTH LAND TITLE INSURANCE COMPANY
By: [Signature]
ATTEST: [Signature]
President
Secretary

PA0037 PACLT11-2334
Land Services USA, Inc.
602 E Baltimore Pike Ste 100
Media, PA 19063-1735
Tel: (610) 566-1335
Fax: (610) 566-5775

Form 8122638
Reorder 1190-171

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Owner's Policy - 6/17/06 (as modified by TIRBOP 10/01/08)



EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in 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.

Form 8122638

Reorder 1190-171

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Owner's Policy - 6/17/06 (as modified by TIRBOP 10/01/08)



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

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. 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 in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

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 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 P.O. Box 45023, Jacksonville, FL 32232-5023.