

PURCHASE AND SALE AGREEMENT

BETWEEN

SOUTHWEST COMMUNITIES DEVELOPMENT LLC, as the Seller

AND

VEGAS VALLEY LAND HOLDINGS LLC, as the Purchaser

Project Name:

Las Vegas Portfolio

Dated as of June 11, 2009

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PURCHASE AND SALE AGREEMENT

PURCHASE AND SALE AGREEMENT, (this "Agreement") dated as of June 11, 2009 (the "Effective Date"), between SOUTHWEST COMMUNITIES DEVELOPMENT LLC, a Delaware limited liability company ("Seller"), and VEGAS VALLEY LAND HOLDINGS LLC, a Delaware limited liability company ("Purchaser").

WITNESSETH:

WHEREAS, Seller is a debtor and debtor in possession in a case pending under Chapter 11 of the United States Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), and filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code on June 8, 2008, in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") (Case No. (. 08-11111 (KJC)) (the "Bankruptcy Case");

WHEREAS, Seller presently owns the Property (as hereinafter defined);

WHEREAS, Seller desires to sell, transfer and assign to Purchaser, and Purchaser desires to purchase, acquire and assume from Seller, pursuant to Sections 363 and 365 of the Bankruptcy Code, the Property and Assumed Liabilities, all as more specifically provided herein (collectively, the "Transaction"); and

WHEREAS, certain terms used in this Agreement are defined in Section 1.1;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Certain Definitions.

For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1:

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

"Approved Title Exceptions" means all matters reflected in the Title Commitment or any survey of the Property that are not released by the Sale Order.

"Assumed Contracts" means all contracts and leases set forth on Schedule 1.1 attached hereto and incorporated herein by this reference.

"Auction" has the meaning specified in the Bidding Procedures Order.

"Auction Notice" has the meaning specified in the Bidding Procedures Order.

"Auction Notice Parties" has the meaning specified in the Bidding Procedures.

"Bidding Procedures" means the bidding procedures, prepared in accordance with the terms of the Bidding Procedures Order and attached hereto as Exhibit H.

"Bidding Procedures Order" means that certain Order (i) Approving Standard Bidding Procedures for the Sale of Real Property Free and Clear of Liens, Claims and Interests Pursuant to Section 363(f) of the Bankruptcy Code, (ii) Authorizing the Debtors to Enter into Stalking Horse Agreements Containing a Reasonable Break-Up Fee, (iii) Approving the Form of Notice for Each of the Auctions and Sale Hearings, and (iv) Approving Procedures for the Cure, Assumption and Assignment of Contracts, entered by the Bankruptcy Court on December 9, 2008.

"Business Day" means any day of the year on which national banking institutions in New York are open to the public for conducting business and are not required or authorized to close.

"Code" means the Internal Revenue Code of 1986, as amended.

"Contract" means any written contract, indenture, note, bond, lease or other agreement relating to the Property or any portion thereof.

"Documents" means the documents and instruments applicable to the Property or any portion thereof that Seller delivers or makes available to Purchaser prior to Closing, including, but not limited to, the Title Commitment, the Title Documents and the Property Documents.

"Environmental Law" means any foreign, federal, state or local statute, regulation, ordinance, or rule of common law currently in effect relating to hazardous wastes and/or hazardous materials, the protection of human health and safety or the environment or natural resources including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. App. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33

U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.) the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 et seq.), and the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), and the regulations promulgated pursuant thereto.

“Escrow Agreement” means that certain Escrow Agreement dated as of the date hereof by and between Purchaser and Seller.

“Excluded Contracts” means any Contract that is not an Assumed Contract.

“Governmental Body” means any government or governmental or regulatory body thereof, or political subdivision thereof, whether foreign, federal, state, or local, or any agency, instrumentality or authority thereof, or any court or arbitrator (public or private).

“Knowledge of Seller” means the actual knowledge of those representatives of Seller identified on Schedule 1.1(b).

“Law” means any federal, state, local or foreign law, statute, code, ordinance, rule or regulation.

“Legal Proceeding” means any judicial, administrative or arbitral actions, suits, proceedings (public or private) or claims or any proceedings by or before a Governmental Body.

“Liability” means any debt, liability or obligation (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due), and including all costs and expenses relating thereto.

“Lien” means any lien, encumbrance, pledge, mortgage, deed of trust, or security interest.

“Order” means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Body.

“Ordinary Course of Business” means the ordinary and usual course of normal day-to-day operations of the Property through the date hereof consistent with past practice.

“Other Property Rights” means, collectively, Seller’s interest in and to all of the following, if and to the extent the same are assignable by Seller without any expense or other liability to Seller: (a) to the extent that the same are in effect as of the Closing Date, any licenses, permits and other written authorizations necessary for the use, operation or ownership of the Real Property, and (b) those licenses, guaranties and

warranties in effect with respect to any right to any portion of the Property as of the Closing Date.

“Permits” means any approvals, authorizations, consents, licenses, permits or certificates of a Governmental Body.

“Permitted Exceptions” means (i) Approved Title Exceptions; (ii) statutory liens for current Taxes, assessments or other governmental charges not yet delinquent or the amount or validity of which is being contested in good faith by appropriate proceedings provided an appropriate reserve is established therefor; (iii) zoning, entitlement and other land use and environmental regulations by any Governmental Body provided that such regulations have not been violated; and (iv) any exceptions to title caused by Purchaser, its agents, representatives or employees.

“Person” means any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity.

“Personal Property” means, collectively, (a) all tangible personal property owned by Seller (excluding any computer software or programs which either (i) are licensed to Seller or Seller’s property manager, or (ii) located on the Real Property and used in the ownership, operation and maintenance of the Real Property as listed on Exhibit G attached hereto and incorporated herein by this reference), and (b) all books, records and files owned by Seller and posted on the intralinks data site that Purchaser has been given access to (excluding any appraisals, strategic plans for the Real Property, internal analyses, information regarding the marketing of the Property for sale, attorney and accountant work product, and attorney-client privileged documents), in each case relating to the Real Property.

“Project” means an individual project included in the Property that is separately legally described in Exhibit A.

“Property” means, collectively, (a) the Real Property, (b) the Personal Property, (c) if and to the extent assignable by Seller without any expense to Seller, the Assumed Contracts, and (d) the Other Property Rights.

“Property Documents” means, collectively, (a) the Assumed Contracts and (b) any other documents or instruments which constitute or otherwise create any portion of the Property.

“Real Property” means, collectively, those certain parcels of real estate legally described in Exhibit A attached hereto and incorporated herein by this reference, together with all buildings, improvements and fixtures located thereon and owned by Seller as of the Closing Date and all rights, privileges and appurtenances pertaining thereto including all of Seller’s right, title and interest in and to all rights-of-way, open or proposed streets, alleys, easements, and strips or gores of land adjacent thereto.

“Sale Motion” means the motion, motions or notice of sale hearing of Seller, in form and substance reasonably acceptable to Purchaser and Seller, seeking approval and entry of the Sale Order.

“Sale Order” means an order or orders of the Bankruptcy Court in form and substance reasonably acceptable to Purchaser and Seller approving this Agreement and all of the terms and conditions hereof, and approving and authorizing Seller to consummate the transactions contemplated hereby. Without limiting the generality of the foregoing, such order shall find and provide, among other things, that (i) the Property sold to Purchaser pursuant to this Agreement shall be transferred to Purchaser free and clear of all Liens (other than Liens created by Purchaser and Permitted Exceptions) and claims; (ii) Purchaser has acted in “good faith” within the meaning of Section 363(m) of the Bankruptcy Code; (iii) this Agreement was negotiated, proposed and entered into by the parties without collusion, in good faith and from arm’s length bargaining positions; (iv) the Bankruptcy Court shall retain jurisdiction to resolve any controversy or claim arising out of or relating to this Agreement, or the breach hereof as provided in Section 16.3 hereof; and (v) this Agreement and the transactions contemplated hereby may be specifically enforced against and binding upon, and not subject to rejection or avoidance by, Seller or any chapter 7 or chapter 11 trustee of Seller.

“Seller Parties” means Seller and its Affiliates and their respective officers, directors, trustees, members, managers, employees, advisors, agents, consultants and representatives.

“Tax Authority” means any state or local government, or agency, instrumentality or employee thereof, charged with the administration of any law or regulation relating to Taxes.

“Taxes” means (i) all federal, state, local or foreign taxes, charges or other assessments, including, without limitation, all net income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, and (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any taxing authority in connection with any item described in clause (i).

“Title Commitment” means, that certain commitment of the Title Company to issue an ALTA Owner’s Policy of Title Insurance with respect to the Property, dated April 9, 2009, Title Order No. 361731NV43, attached hereto as Exhibit I.

“Title Company” means First American Title Insurance Company Of New York National Commercial Services, as agent for First American Title Insurance Company.

“Title Documents” means all recorded documents referred to on Schedule B of the Title Commitment as exceptions to coverage.

1.2 Terms Defined Elsewhere in this Agreement. For purposes of this Agreement, the following terms have meanings set forth in the sections indicated:

<u>Term</u>	<u>Section</u>
Agreement	Introductory Paragraph
Asset Acquisition Statement	15.2
Assignment of Intangible Property	4.2(c)
Assumed Liabilities	3.1
Bankruptcy Case	Recitals
Bankruptcy Code	Recitals
Bankruptcy Court	Recitals
Bill of Sale	4.2(b)
Break-Up Fee	10.1
Closing	4.1
Closing Date	4.1
Closing Statement	4.2(e)
Competing Bid	10.2
Confidential Information	11.4
Confidentiality Agreement	11.4
Deed	4.2(a)
Effective Date	Introductory Paragraph
Escrow Agent	3.2
Escrowed Funds	3.2
Excluded Assets	2.2
First Additional Deposit	3.2
Indemnification Claim	14.3
Initial Deposit	3.2
Loss	14.2
Owner's Title Policy	5.2
Purchase Price	3.1
Purchaser	Introductory Paragraph
Purchaser Documents	9.2
Revised Statements	15.2
Second Additional Deposit	3.2
Seller	Introductory Paragraph
Seller Documents	8.2
Seller Marks	11.7
Stalking Horse	3.2
Transfer Taxes	15.1

1.3 Other Definitional and Interpretive Matters.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

Dollars. Any reference in this Agreement to \$ shall mean U.S. dollars.

Exhibits/Schedules. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any matter or item disclosed on one schedule shall be deemed to have been disclosed on each other schedule. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

Gender and Number. Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

Headings. The provision of a Table of Contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any "Section" are to the corresponding Section of this Agreement unless otherwise specified.

Herein. The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

Including. The word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(b) The parties hereto have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

ARTICLE II

PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of Assets. On the terms and subject to the conditions set forth in this Agreement and subject to the Permitted Exceptions, at the Closing Purchaser shall purchase, acquire, accept and assume from Seller, and Seller shall sell, transfer, assign, convey and deliver to Purchaser all of Seller's right, title and interest in,

to and under the Property (as reflected on the Title Commitment). The parties acknowledge and agree that the Property includes more than one Project; accordingly, references to the "Property" shall be interpreted as if followed by the words "or the applicable Project, as appropriate" and except as specifically set forth in this Agreement, any termination of this Agreement for any reason whatsoever shall be a termination of this Agreement as to all Projects comprising the Property.

2.2 Excluded Assets. Nothing herein contained shall be deemed to sell, transfer, assign or convey the Excluded Assets to Purchaser, and Seller shall retain all right, title and interest to, in and under the Excluded Assets. "Excluded Assets" shall mean all assets, properties, interests and rights of Seller other than the Property, including, without limitation, each of the following assets:

- (a) all cash, cash equivalents, bank deposits or similar cash items of Seller;
- (b) the Excluded Contracts, including any accounts receivable arising out of or in connection with any Excluded Contract;
- (c) any intellectual property rights of Seller;
- (d) all insurance policies or rights to proceeds thereof relating to the assets, properties, business or operations of Seller; and
- (e) any rights, claims or causes of action of Seller against third parties relating to assets, properties, business or operations of Seller arising out of events occurring prior to the Closing Date.

2.3 Assumption of Liabilities. On the terms and subject to the conditions set forth in this Agreement, at the Closing Purchaser shall assume, effective as of the Closing, all of the following Liabilities and/or obligations (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due) (collectively, the "Assumed Liabilities"):

- (a) all Liabilities under the Permitted Exceptions;
- (b) all Liabilities under any Permits, community facility districts or other similar assessment districts relating to the Property and arising after the Closing;
- (c) 50% of all Transfer Taxes applicable to the transfer of the Property pursuant to this Agreement;
- (d) all other Liabilities with respect to the Property or the Assumed Contracts arising after the Closing; and
- (e) all Liabilities relating to amounts required to be paid by Purchaser hereunder.

2.4 Cure Amounts.

At Closing and pursuant to Section 365 of the Bankruptcy Code, Seller shall assume and assign to Purchaser and Purchaser shall assume from Seller, the Assumed Contracts. The cure amounts, as determined by the Bankruptcy Court, if any, necessary to cure all defaults, if any, and to pay all actual or pecuniary losses that have resulted from such defaults under the Assumed Contracts shall be paid by Seller, on or before Closing, and not by Purchaser, and Purchaser shall have no liability therefor.

2.5 Bulk Sales Laws. Purchaser hereby waives compliance by Seller with the requirements and provisions of any "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the sale and transfer of any or all of the Property to Purchaser.

ARTICLE III

CONSIDERATION

3.1 Consideration. The aggregate consideration for the Property shall be (a) an amount in cash equal to Eight Million Five Hundred Thousand and No/100 Dollars (\$8,500,000.00) (the "Purchase Price"), and (b) the assumption of the Assumed Liabilities.

3.2 Purchase Price Deposit. Upon the execution of this Agreement, Purchaser shall immediately deposit with First American Title Insurance Company Of New York National Commercial Services, as agent for First American Title Insurance Company, in its capacity as escrow agent (the "Escrow Agent") the sum of One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) by wire transfer of immediately available funds (the "Initial Deposit") and such Initial Deposit shall be deemed non-refundable as of the Effective Date, except as otherwise specifically set forth in subsection (c) below. In addition, within two (2) Business Day after (a) (i) receipt of written notice from Seller that Purchaser has been selected as the "stalking horse" bidder (the "Stalking Horse") and this Agreement has been deemed approved as the Stalking Horse Agreement in accordance with the Bidding Procedures because no objections were made within the time period set forth in the Bidding Procedures or (ii) if any objections are made within the time period set forth in the Bidding Procedures, receipt of written confirmation that following such objections, Purchaser has been approved as the Stalking Horse and this Agreement has been approved as the Stalking Horse Agreement, Purchaser shall deposit with Escrow Agent the sum of Two Hundred Seventy-Five Thousand and No/100 Dollars (\$275,000) by wire transfer of immediately available funds (the "First Additional Deposit") and (b) the entry of the Sale Order authorizing the sale of the Property to Purchaser, Purchaser shall deposit with Escrow Agent the sum of One Million Two Hundred Seventy-Five Thousand and NO/100 Dollars (\$1,275,000) by wire transfer of immediately available funds (the "Second Additional Deposit"; together with the First Additional Deposit and the Initial Deposit, the "Escrowed Funds"). For clarification purposes, approval of Purchaser as the Stalking Horse or this Agreement as the Stalking

Horse Agreement under the Bidding Procedures, does not require the entry of a separate court order from the Bankruptcy Court specifically approving this Agreement or Purchaser as the Stalking Horse Agreement and the Stalking Horse, respectively. Each of the First Additional Deposit and the Second Additional Deposit shall be deemed non-refundable as of the date when such deposit is made, except as otherwise specifically set forth in subsection (c) below. The Escrowed Funds shall be released by the Escrow Agent and delivered to either Purchaser or Seller, in accordance with the provisions of this Agreement. The Escrowed Funds (together with all accrued investment income thereon) shall be distributed as follows:

(a) if the Closing occurs, the Escrowed Funds shall be applied towards the Purchase Price payable by Purchaser to Seller under Section 3.3 hereof, and all accrued investment income thereon shall be delivered to Purchaser at the Closing;

(b) if this Agreement is terminated by Seller in accordance with the provisions of this Agreement as a result of a default by Purchaser, the Escrowed Funds, together with all accrued investment income thereon, shall be delivered to Seller, as liquidated damages; or

(c) if this Agreement is terminated by Purchaser in accordance with the provisions of this Agreement for any reason other than due to a breach of this Agreement or default by Purchaser, the Escrowed Funds, together with all accrued investment income thereon, shall, subject to the terms of the Escrow Agreement regarding any dispute, be returned to Purchaser within three (3) Business Days after such termination.

3.3 Payment of Purchase Price. On the Closing Date, Purchaser shall pay to Seller an amount equal to the Purchase Price (less the Escrowed Funds) by wire transfer of immediately available funds into an account designated by Seller, subject to the prorations and adjustments set forth in Article VII or as otherwise provided under this Agreement, plus any other closing costs required to be paid by Purchaser at Closing.

ARTICLE IV

CLOSING AND TERMINATION

4.1 Closing Date. Subject to the satisfaction of the conditions set forth in Sections 12.1, 12.2 and 12.3 hereof (or the waiver thereof by the party entitled to waive that condition), the closing of the purchase and sale of the Property and the assumption of the Assumed Liabilities provided for in Article II hereof (the "Closing") shall take place at the offices of Weil, Gotshal & Manges LLP located at 767 Fifth Avenue, New York, New York 10153 (or at such other place as the parties may designate in writing) at noon (New York time) on the date that is ten (10) Business Days following the later to occur of (a) the entry of the Sale Order and (b) receipt of written notice from Seller of satisfaction of the conditions set forth in Article XII (other than conditions that have been waived or that by their nature are to be satisfied at the Closing, but subject to the satisfaction or

waiver of such conditions), time being of the essence. The date on which the Closing shall be held is referred to in this Agreement as the "Closing Date." Unless otherwise agreed by the parties in writing, the Closing shall be deemed effective and all right, title and interest of Seller to be acquired by Purchaser hereunder shall be considered to have passed to Purchaser as of 12:01 a.m. (New York time) on the Closing Date.

4.2 Deliveries by Seller. At the Closing, Seller shall deliver to Purchaser:

(a) a duly executed and acknowledged special warranty deed for each Project in the form of Exhibit B attached hereto (collectively, the "Deed");

(b) a duly executed bill of sale for each Project in the form of Exhibit C hereto (collectively, the "Bill of Sale");

(c) a duly executed assignment and assumption of the Assumed Contracts and the Other Property Rights for each Project (to the extent the same are not transferred by the Deed or Bill of Sale) in the form of Exhibit D hereto (collectively, the "Assignment of Intangible Property");

(d) a duly executed non-foreign status affidavit for each Project in the form of Exhibit E attached hereto, as required by Section 1445 of the Code;

(e) Seller's form of closing statement, setting forth the prorations and adjustments to the Purchase Price respecting the Property to be made pursuant to Article VII (the "Closing Statement"), executed by Seller;

(f) any tax forms required by the Title Company;

(g) the officer's certificate to be delivered pursuant to Sections 12.1(a) and 12.1(b);

(h) keys to all locks on the Real Property in Seller's or Seller's building manager's possession and originals or, if originals are not available, copies, of all of the Property Documents, to the extent not previously delivered to Purchaser; and

(i) all other instruments of conveyance and transfer, in form and substance reasonably acceptable to Purchaser, as may be necessary to convey the Property to Purchaser.

The items to be delivered by Seller in accordance with the terms of subsections (a) through (g), and (i) of this Section 4.2 shall be delivered to Escrow Agent no later than 5:00 p.m. (New York time) on the last Business Day prior to the Closing Date; provided, however, that the parties shall accept either break-out signature pages for the closing statement either in the form of a pdf or faxed copy for closing, and the items to be delivered by Seller in accordance with the terms of subsection (h) of this Section 4.2 shall be delivered outside of escrow and shall be deemed delivered if the same are located at the applicable Project on the Closing Date.

4.3 Deliveries by Purchaser. At the Closing, Purchaser shall deliver to Seller:

- (a) the Purchase Price (less the Escrowed Funds) plus any other amounts required to be paid by Purchaser at Closing, in immediately available funds, as set forth in Section 3.3 hereof;
- (b) a duly executed Assignment of Intangible Property;
- (c) a non-foreign status affidavit for each Project in the form of Exhibit E attached hereto, as required by Section 1445 of Code, executed by Purchaser;
- (d) the officer's certificate required to be delivered pursuant to Sections 12.1(a) and 12.1(b);
- (e) the Closing Statement, executed by Purchaser; and
- (f) such other documents, instruments and certificates as the Title Company or Seller may reasonably request.

The items to be delivered by Purchaser in accordance with the terms of subsections (b) through (f) of this Section 4.3 shall be delivered to Escrow Agent no later than 5:00 p.m. (New York time) on the last Business Day prior to the Closing Date (other than the executed Closing Statement, a pdf or faxed copy of which shall be delivered to Escrow Agent no later than 5:00 p.m. (New York time) with an original to be delivered the immediately succeeding Business Day)).

4.4 Termination of Agreement. This Agreement may be terminated prior to the Closing as follows:

- (a) by Purchaser or Seller, (i) if the Closing shall not have occurred September 30, 2009 ("Termination Date") due solely to the failure of the Bankruptcy Court to enter the Sale Order, or (ii) in the event the Bankruptcy Court issues a Sale Order and such Sale Order is stayed by the Bankruptcy Court for any reason other than due to the actions or inactions of Purchaser and such stay is not lifted on or prior to the Termination Date; in each case, provided, that the terminating party is not in material breach of any of its representations and warranties contained in this Agreement and has not failed in any respect to perform any of its obligations hereunder and the delay in Closing has not been caused by any action or inaction on the part of the terminating party;
- (b) by mutual written consent of Seller and Purchaser;
- (c) by Purchaser, if any of the conditions to the obligations of Purchaser set forth in Sections 12.1 and 12.3 shall not have been satisfied (or ready to be satisfied) as of the Termination Date or shall have become incapable of fulfillment other than as a result of a breach by Purchaser of any covenant or agreement contained in this Agreement, and such condition is not waived by Purchaser;

(d) by Seller, if any condition to the obligations of Seller set forth in Sections 12.2 and 12.3 shall not have been satisfied (or ready to be satisfied) as of the Termination Date or shall have become incapable of fulfillment other than as a result of a breach by Seller of any covenant or agreement contained in this Agreement, and such condition is not waived by Seller;

(e) by Purchaser, if there shall be a material breach by Seller of any representation or warranty, or any covenant or agreement contained in this Agreement that would result in a failure of a condition set forth in Section 12.1 or 12.3 and which breach cannot be cured or has not been cured within ten (10) days after the giving of written notice by Purchaser to Seller of such breach;

(f) by Seller, if Purchaser shall fail to close within ten (10) Business Days after the later to occur of (a) the entry of the Sale Order and (b) the satisfaction of the closing conditions set forth in Article XII (other than conditions that have been waived or that by their nature are to be satisfied at the Closing), time being of the essence; provided, however, that notwithstanding the foregoing, in the event Purchaser fails to close within such time period solely as a result of the entry by the Bankruptcy Court of a stay of the Sale Order, Purchaser's failure to close within such time period shall not constitute a breach of this Agreement by Purchaser except to the extent such stay is entered due to the action or inactions of Purchaser, and the Closing shall, subject to Purchaser's and Seller's rights under Section 4.4(a) above, occur within ten (10) days after such stay being lifted by the Bankruptcy Court;

(g) By Seller, if there shall be any material breach by Purchaser (other than the breach described in subsection (f) above) of any representation or warranty, or any covenant or agreement contained in this Agreement that would result in a failure of a condition set forth in Section 12.2 or 12.3 and which breach cannot be cured or has not been cured within ten (10) days after the giving of written notice by Seller to Purchaser of such breach;

(h) by Seller or Purchaser if there shall be in effect a final nonappealable Order of a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby, it being agreed that the parties hereto shall promptly appeal any adverse determination which is not nonappealable (and pursue such appeal with reasonable diligence), provided that an Order by a Governmental Body with respect to land use entitlements concerning the Property shall not be construed as an Order prohibiting the consummation of the transactions contemplated hereby, even if such Order may adversely impact, in whole or in part, Purchaser's expectation of benefits under this Agreement; or

(i) by Purchaser or Seller, if the Bankruptcy Court shall enter an order approving the sale of the Property to an entity submitting a Competing Bid, subject to the limitations set forth in the Bidding Procedures Order and subject to

Purchaser's right to payment of the Break-Up Fee in accordance with the provisions of Section 10.1.

4.5 Procedure Upon Termination. In the event of termination by Purchaser or Seller, or both, pursuant to Section 4.4 hereof or as otherwise expressly provided in this Agreement, written notice thereof shall forthwith be given to the other party or parties, and this Agreement shall terminate, and the purchase of the Property hereunder shall be abandoned, without further action by Purchaser or Seller, subject to the applicable cure periods set forth in Section 4.4. If this Agreement is terminated as provided herein each party shall redeliver all documents, work papers and other material of any other party relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to the party furnishing the same.

4.6 Effect of Termination.

(a) In the event that this Agreement is validly terminated as provided herein, then each of the parties shall be relieved of its duties and obligations arising under this Agreement after the date of such termination, and such termination shall be without liability to Purchaser or Seller; provided, however, that the obligations of the parties set forth in Section 10.1 and Article XVI hereof, together with any other terms or provisions which by their terms specifically survive the termination of this Agreement, shall survive any such termination and shall be enforceable hereunder; and provided further that Escrowed Funds shall be disbursed by the Escrow Agent in accordance with Section 3.2.

(b) Nothing in this Section 4.6 shall relieve Purchaser or Seller of any liability for a breach of this Agreement prior to the date of termination, provided that Seller's liability hereunder for any and all such breaches shall be capped at an amount equal to Purchaser's reasonable out-of-pocket expenses up to an aggregate amount of \$100,000; provided further, that, Purchaser's sole remedy after the entry of a Sale Order shall be to seek specific performance.. The damages recoverable by the non-breaching party shall include all attorneys' fees reasonably incurred by such party in connection with the transactions contemplated hereby.

(c) The Confidentiality Agreement shall survive any termination of this Agreement, and nothing in this Section 4.6 shall relieve Purchaser or Seller of its obligations under the Confidentiality Agreement.

ARTICLE V

TITLE MATTERS

5.1 Title Commitment and Survey.

(a) Purchaser hereby acknowledges receipt of the Title Commitment issued by the Title Company for the Real Property in the aggregate amount of the Purchase Price and legible copies of the Title Documents with respect thereto.

(b) Purchaser hereby acknowledges that it had the ability to obtain, at its sole cost and expense, a survey of the Property prior to the date hereof.

5.2 Title Insurance. At Closing, Title Company shall issue to Purchaser an ALTA Owner's Form title insurance policy, in the form that is customary in the State where said Project is located (collectively, the "Owner's Title Policy"), in the amount of the Purchase Price allocated to such Project (as set forth on Schedule 15.2), insuring that fee simple title to the Real Property is vested in Purchaser, subject to the Permitted Exceptions. Purchaser shall be entitled to request that the Title Company provide such other endorsements or amendments to the Owner's Title Policy and survey, if any, as Purchaser may reasonably require, provided, that (a) such endorsements or amendments shall be at no cost to, and shall impose no additional liability on, Seller, and (b) Purchaser's obligations under this Agreement shall not be conditioned upon Purchaser's ability to obtain such endorsements or amendments and, if Purchaser is unable to obtain such endorsements or amendments, Purchaser shall nevertheless be obligated to proceed to close the Transaction without reduction of or setoff against the Purchase Price, and (c) the Closing shall not be delayed as a result of Purchaser's request.

ARTICLE VI

INTENTIONALLY OMITTED

ARTICLE VII

ADJUSTMENTS AND PRORATIONS

7.1 The following adjustments and prorations shall be made at Closing:

(a) Revenues. Revenues from Property operations (other than pre-paid installments or other payments under Contracts (which shall be the sole property of Seller)) that are actually collected shall be prorated between Purchaser and Seller as of 12:01 a.m. (New York time) on the Closing Date. Seller shall be entitled to all such revenues attributable to any period to but not including the Closing Date, and Purchaser shall be entitled to all such revenues attributable to any period on and after the Closing Date.

(b) Intentionally Omitted.

(c) Proration of Ad Valorem Taxes. *Ad valorem* real estate and personal property taxes for the Property shall be prorated based on the 2008 tax bill taking into account the maximum discount for early payment as of 12:01 A.M. (New York time) on the Closing Date, so that credits and charges for all days preceding the Closing Date shall be allocated to Seller and credits and charges for all days from and after the Closing Date shall be allocated to Purchaser.

(d) Special Assessments. Seller shall pay all installments of assessments and special assessments, including without limitation any assessments or

special assessments imposed by the homeowner's association, if any, due and payable prior to the Closing Date, and Purchaser shall pay all installments of such assessments and special assessments due and payable on and after the Closing Date; provided, however, that (a) if the owner of the Property has the election to pay any special assessment either immediately or under a payment plan with interest, Seller may elect to pay under a payment plan, which election shall be binding on Purchaser; (b) Seller shall not be required by the foregoing to pay any installments of special assessments that have not been confirmed or which relate to projects that have not been completed on the date hereof; and (c) to the extent that any special assessment is otherwise not due and payable prior to the Closing Date, but is payable upon the conveyance of the Property, Purchaser shall be solely responsible for the payment thereof on the Closing Date.

(e) Other Property Operating Expenses. Operating expenses for the Property shall be prorated as of 12:01 a.m. on the Closing Date. Seller shall pay all utility charges and other operating expenses, if any, attributable to the Property to, but not including the Closing Date and Purchaser shall pay all utility charges and other operating expenses attributable to the Property on or after the Closing Date. To the extent that the amount of actual consumption of any utility services is not determined prior to the Closing Date, a proration shall be made at Closing based on the last available reading, and post-closing adjustments between Purchaser and Seller shall be made within twenty (20) days of the date that actual consumption for such pre-closing period is determined, which obligation shall survive the Closing and not be merged therein. Seller shall assign to Purchaser any deposits that Seller has with any of the utility services or companies servicing the Property. Purchaser shall arrange with such services and companies to have accounts opened in Purchaser's name beginning at 12:01 a.m. on the Closing Date.

(f) Closing Costs. Seller shall pay for the following costs and expenses associated with the transactions contemplated hereby: (a) fifty percent (50%) of all premiums and charges of the Title Company for the Title Commitment and the Owner's Title Policy (but excluding the costs of any extended coverage or any endorsement thereto), (b) recording costs on the deeds conveying the Property to Purchaser, (c) fifty percent (50%) of any Transfer Taxes and (d) fifty percent (50%) of the Escrow Agent's Fees. Purchaser shall pay for the following costs and expenses associated with the transactions contemplated hereby: (a) fifty percent (50%) of all premiums and charges of the Title Company for the Title Commitment and the Owner's Title Policy, (b) all charges of the Title Company for any extended coverage or endorsements to the Owner's Title Policy, (c) fifty percent (50%) of any Transfer Taxes, (d) fifty percent (50%) of the Escrow Agent's fees and (e) the cost of any survey, geotechnical report, environmental report or any other report or study contracted for and obtained by Purchaser. Purchaser and Seller shall each pay the legal fees of their respective attorneys. Purchaser shall be responsible for any broker's fees or commissions payable in connection with the transactions contemplated hereby as to any broker contracted through Purchaser. Seller shall be responsible for any broker's fees or commissions payable in connection with the transactions contemplated hereby as to any broker contracted through Seller. The obligations of the parties under this Section 7.1(f)

shall survive the Closing (and not be merged therein) or any earlier termination of this Agreement.

(g) Apportionment Credit. In the event the apportionments to be made at the Closing result in a credit balance (a) to Purchaser, such sum shall be paid at the Closing by giving Purchaser a credit against the Purchase Price in the amount of such credit balance, or (b) to Seller, Purchaser shall pay the amount thereof to Seller at the Closing by wire transfer of immediately available funds to the account or accounts to be designated by Seller for the payment of the Purchase Price.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Purchaser that:

8.1 Organization and Good Standing. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now conducted. Seller is duly qualified or authorized to do business as a foreign corporation and is in good standing under the laws of each jurisdiction in which it owns real property.

8.2 Authorization of Agreement. Except for such authorization as is required by the Bankruptcy Court (as hereinafter provided for), Seller has all requisite power, authority and legal capacity to execute and deliver this Agreement, and Seller has all requisite power, authority and legal capacity to execute and deliver each other agreement, document, or instrument or certificate contemplated by this Agreement or to be executed by Seller in connection with the consummation of the transactions contemplated by this Agreement (the "Seller Documents"), to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. Subject to the entry of the Sale Order, the execution and delivery of this Agreement and Seller Documents and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all requisite limited liability company action on the part of Seller. This Agreement has been, and each of the Seller Documents will be at or prior to the Closing, duly and validly executed and delivered by Seller and (assuming the due authorization, execution and delivery by the other parties hereto and thereto, the entry of the Sale Order, and, with respect to Seller's obligations under Section 10.1, the entry of the Bidding Procedures Order) this Agreement constitutes, and each of the Seller Documents when so executed and delivered will constitute, legal, valid and binding obligations of Seller enforceable against Seller in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

8.3 Conflicts; Consents of Third Parties.

(a) Except as set forth on Schedule 8.3(a), none of the execution and delivery by Seller of this Agreement or the Seller Documents, the consummation of the transactions contemplated hereby or thereby, or compliance by Seller with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of (i) the certificate of formation and operating agreement or comparable organizational documents of Seller; (ii) subject to entry of the Sale Order, any Assumed Contract to which Seller is a party or by which any of the Projects are bound; (iii) subject to entry of the Sale Order, any Order of any Governmental Body applicable to Seller or any of the Projects as of the date hereof; or (iv) subject to entry of the Sale Order, any applicable Law, other than, in the case of clauses (ii), (iii) and (iv), such conflicts, violations, defaults, terminations or cancellations that would not have a material adverse effect.

(b) Except as set forth on Schedule 8.3(b), no consent, waiver, approval, Order, or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of Seller in connection with the execution and delivery of this Agreement or the Seller Documents, the compliance by Seller with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby or the taking by Seller of any other action contemplated hereby or thereby, except for (i) the entry of the Sale Order, (ii) the entry of the Bidding Procedures Order with respect to Seller's obligations under Section 10.1, and (iii) such other consents, waivers, approvals, Orders, authorizations, declarations, filings and notifications, the failure of which to obtain or make would not have a material adverse effect.

8.4 Compliance with Laws. Seller has not received any written notice of or been charged with the violation of any Laws, except where such violation would not have a material adverse effect on the Property.

8.5 No Litigation. To Seller's knowledge, other than Seller's bankruptcy and all Legal Proceedings being adjudicated by the Bankruptcy Court, and except as set forth on Schedule 8.5, there are no Legal Proceedings pending against Seller with respect to the Projects before any Governmental Body.

8.6 No Condemnation. To Seller's knowledge, there are no existing or pending condemnation proceedings or deeds in lieu of condemnation affecting any Project.

8.7 Environmental Matters. Except as set forth on Schedule 8.7 hereto or in each case as would not have a material adverse effect, to Seller's knowledge, (i) Seller has not introduced or knowingly permitted any other party to introduce any hazardous materials, hazardous substances or hazardous waste on or under the Property in violation of applicable Environmental Laws, and (ii) Seller has not received, from any

governmental authority or regulatory agency, any written notice alleging a material violation of any law, rule, regulation or order that has not been cured prior to the date hereof, relating to environmental conditions by reason of the presence of hazardous substances or materials (as such terms are presently used under applicable Environmental Laws, rules and regulations) at any of the Projects. The representations and warranties contained in this Section 8.7 are the sole and exclusive representations and warranties of Seller pertaining or relating to any environmental, health or safety matters, including any arising under any Environmental Laws. Seller shall not be deemed to have made, and Purchaser acknowledges it has not relied upon, any other representations, warranties, or statements of fact relating to environmental, health or safety matters, regardless of whether such information might be within Seller's knowledge.

8.8 Financial Advisors. Except as set forth on Schedule 8.8, no Person has acted, directly or indirectly, as a broker, finder or financial advisor for Seller in connection with the transactions contemplated by this Agreement, and no Person is entitled to any fee or commission or like payment from Purchaser in respect thereof.

8.9 No Other Representations or Warranties; Schedules. Except for the representations and warranties contained in this Article VIII (as modified by the Schedules hereto), neither Seller nor any other Person makes any other express or implied representation or warranty with respect to Seller, the Property, the Assumed Liabilities or the transactions contemplated by this Agreement, and Seller disclaims any other representations or warranties, whether made by Seller, any Affiliate of Seller or any of their respective officers, directors, employees, agents or representatives. Except for the representations and warranties contained in Article VIII hereof (as modified by the Schedules hereto), Seller (i) expressly disclaims and negates any representation or warranty, expressed or implied, at common law, by statute, or otherwise, relating to the condition of the Property (including any implied or expressed warranty of merchantability or fitness for a particular purpose, or of conformity to models or samples of materials) and (ii) disclaims all liability and responsibility for any representation, warranty, projection, forecast, statement, or information made, communicated, or furnished (orally or in writing) to Purchaser or its Affiliates or representatives (including any opinion, information, projection, or advice that may have been or may be provided to Purchaser by any director, officer, employee, agent, consultant, or representative of Seller or any of its Affiliates). The disclosure of any matter or item in any schedule hereto shall not be deemed to constitute an acknowledgment that any such matter is required to be disclosed or is material.

ARTICLE IX

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Seller that:

9.1 Organization and Good Standing. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of

Delaware and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now conducted.

9.2 Authorization of Agreement. Purchaser has full corporate power and authority to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by Purchaser in connection with the consummation of the transactions contemplated hereby and thereby (the "Purchaser Documents"), and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Purchaser of this Agreement and each Purchaser Document have been duly authorized by all necessary corporate action on behalf of Purchaser. This Agreement has been, and each Purchaser Document will be at or prior to the Closing, duly executed and delivered by Purchaser and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and each Purchaser Document when so executed and delivered will constitute, the legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

9.3 Conflicts; Consents of Third Parties.

(a) None of the execution and delivery by Purchaser of this Agreement or the Purchaser Documents, the consummation of the transactions contemplated hereby or thereby, or the compliance by Purchaser with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of (i) the certificate of formation and operating agreement of Purchaser, (ii) any Contract to which Purchaser is a party or by which Purchaser or its properties or assets are bound or (iii) any Order of any Governmental Body applicable to Purchaser or by which any of the properties or assets of Purchaser are bound or (iv) any applicable Law.

(b) No consent, waiver, approval, Order or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of Purchaser in connection with the execution and delivery of this Agreement or the Purchaser Documents, the compliance by Purchaser with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby or the taking by Purchaser of any other action contemplated hereby or thereby, or for Purchaser to maintain and operate the Property.

9.4 Litigation. There are no Legal Proceedings pending or, to the knowledge of Purchaser, threatened against Purchaser, or to which Purchaser is otherwise a party before any Governmental Body, which, if adversely determined, would reasonably be

expected to have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement or to consummate the transactions hereby. Purchaser is not subject to any Order of any Governmental Body except to the extent the same would not reasonably be expected to have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement or to consummate the transactions contemplated hereby.

9.5 Financial Advisors. No Person has acted, directly or indirectly, as a broker, finder or financial advisor for Purchaser in connection with the transactions contemplated by this Agreement and no Person is entitled to any fee or commission or like payment in respect thereof.

9.6 Intentionally Omitted.

9.7 Non-Collusion. This Agreement was negotiated, proposed and entered into by the parties, without collusion with any other party, in good faith, and on an arm's length basis.

9.8 Condition of the Property.

(a) Notwithstanding anything contained in this Agreement to the contrary, Purchaser acknowledges and agrees that neither Seller nor any agents, representatives or employees of Seller, are making any, direct or indirect, oral or written, representations or warranties whatsoever, express or implied, beyond those expressly given by Seller in Article VIII hereof (as modified by the Schedules hereto as supplemented or amended), and Purchaser acknowledges and agrees that, the Property is being transferred on a "WHERE IS" and, as to condition, "AS IS" basis, WITH ALL FAULTS, IF ANY, AND WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED. Any claims Purchaser may have for breach of representation or warranty shall be based solely on the representations and warranties of Seller set forth in Article VIII hereof (as modified by the Schedules hereto as supplemented or amended). Purchaser further represents that neither Seller nor any of its Affiliates nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding Seller, the Property or the transactions contemplated by this Agreement not expressly set forth in this Agreement, and none of Seller, any of its Affiliates or any other Person will have or be subject to any liability to Purchaser or any other Person resulting from the distribution to Purchaser or its representatives or Purchaser's use of, any such information, including any confidential memoranda distributed on behalf of Seller relating to the Property or other publications or data room information provided to Purchaser or its representatives, or any other document or information in any form provided to Purchaser or its representatives in connection with the sale of the Property and the transactions contemplated hereby. Purchaser acknowledges that it has conducted to its satisfaction, its own independent investigation of the Property and, in making the determination to proceed with the transactions contemplated by this Agreement, Purchaser has relied on the results of its own independent investigation.

(b) Except as expressly provided hereinbelow in this Section (b), Purchaser, for Purchaser and Purchaser's successors and assigns, hereby releases Seller and each of the other Seller Parties from, and waives all claims and liability against Seller and each of the other Seller Parties for or attributable to, the following:

(i) any and all statements or opinions heretofore or hereafter made, or information furnished, by the Seller Parties to Purchaser or any of Purchaser's Affiliates or any of their respective affiliates, directors, trustees, members, managers, employees, advisers, agents, consultants and representatives; and

(ii) any and all losses, costs, claims, liabilities, expenses, demands or obligations of any kind or nature whatsoever attributable to the Property, arising or accruing, on or after the Closing Date and whether attributable to events or circumstances which have heretofore or may hereafter occur, including, without limitation, all losses, costs, claims, liabilities, expenses, demands and obligations with respect to the structural, physical, or environmental condition of the Property;

provided, however, that the release and waiver set forth in this subsection (b) is not intended and shall not be construed to affect or impair any rights or remedies that Purchaser may have against Seller as a result of a breach of any of Seller's representations, warranties or covenants expressly set forth in this Agreement.

(c) Purchaser acknowledges and agrees that the provisions of this Section 9.8 were a material factor in Seller's acceptance of the Purchase Price and that while Seller has provided the Documents and cooperated with Purchaser, Seller is unwilling to sell the Property unless Seller and the other Seller Parties are expressly released as set forth in Section 9.8(b).

ARTICLE X

BANKRUPTCY COURT MATTERS

10.1 Approval of Break-Up Fee. In consideration for Purchaser having expended considerable time and expense in connection with this Agreement and the negotiation thereof and the identification and quantification of assets of Seller, Seller shall pay Purchaser a break-up fee in an amount equal to (i) \$212,700.00 plus (ii) any actual out-of-pocket costs and expenses incurred by Purchaser in connection with the negotiations of this Agreement and its evaluation of the Property in an amount not to exceed \$100,000.00 (collectively, the "Break-Up Fee") on the first Business Day following the date of consummation of a Competing Bid (as hereinafter defined) if no material breach by Purchaser of this Agreement has occurred. Seller shall file with and seek the approval of the Bankruptcy Court of the Sale Motion, including the Break-Up Fee, and the entry by the Bankruptcy Court of the Bidding Procedures Order approving the payment of the Break-Up Fee.

10.2 Competing Transaction. This Agreement is subject to approval by the Bankruptcy Court and the consideration by Seller of higher or better competing bids (each a "Competing Bid"). From the date hereof (and any prior time) and until the transaction contemplated by this Agreement is consummated, Seller is permitted to cause its representatives and Affiliates to initiate contact with, solicit or encourage submission of any inquiries, proposals or offers by, any Person (in addition to Purchaser and its Affiliates, agents and representatives) in connection with any sale or other disposition of the Property. In addition, Seller shall have the responsibility and obligation to respond to any inquiries or offers to purchase all or any part of the Property and perform any and all other acts related thereto which are required under the Bankruptcy Code or other applicable law, including, without limitation, supplying information relating to the Property and the assets of Seller to prospective purchasers. The parties hereby agree that, subject to the terms of the Bidding Procedures Seller shall have the right, in its sole and absolute discretion, to accept a competing Bid for all of the Projects as a whole or each individual Project as a stand alone; provided, however, that in the event Seller elects to do so, Purchaser shall not be required to purchase less than all of the Projects unless it elects to do so.

10.3 Bankruptcy Court Filings. As promptly as practicable following the execution of this Agreement, Seller shall file with the Bankruptcy Court the Sale Motion seeking entry of the Sale Order and the Bidding Procedures Order. Purchaser agrees that it will promptly take such actions as are reasonably requested by Seller to assist in obtaining entry of the Sale Order and the Bidding Procedures Order and a finding of adequate assurance of future performance by Purchaser, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for the purposes, among others, of providing necessary assurances of performance by Purchaser under this Agreement and demonstrating that Purchaser is a "good faith" purchaser under Section 363(m) of the Bankruptcy Code. Purchaser shall not, without the prior written consent of Seller, file, join in, or otherwise support in any manner whatsoever any motion or other pleading relating to the sale of the Property hereunder. In the event the entry of the Sale Order or the Bidding Procedures Order shall be appealed, Seller and Purchaser shall use their respective reasonable efforts to defend such appeal; provided, however that Purchaser shall only be required to defend such appeal if Purchaser determines it is commercially feasible and desirable, in its reasonable discretion, and provided, further that the Closing shall occur notwithstanding such appeal unless the Bankruptcy Court has issued a stay of the Sale Order.

ARTICLE XI

COVENANTS

11.1 Maintenance of the Property Pending the Closing.

(a) Prior to the Closing, except (1) as set forth on Schedule 11.1(a), (2) as required by applicable Law, (3) as otherwise expressly contemplated by this

Agreement or (4) with the prior written consent of Purchaser (which consent shall not be unreasonably withheld or delayed), Seller shall:

(i) operate the Projects in the Ordinary Course of Business;
and

(ii) use its commercially reasonable efforts to maintain and keep the Property in a manner consistent with Seller's past practices with respect to the Property; provided, however, Purchaser hereby agrees that, subject to the terms of Section 12.1(a), it shall accept the Property subject to, and Seller shall have no obligation to cure, (a) any violations of Laws, and (b) any physical conditions that would give rise to such violations, that exist as of the Effective Date; and

(iii) Seller shall terminate and satisfy all obligations of owner under Seller's property management agreement by no later than the Closing Date; provided that Seller and Seller's property manager shall have the right to remove all of their proprietary software and licensed software from computers at the Property.

(b) Except (1) as set forth on Schedule 11.1(b), (2) as required by applicable Law, (3) as otherwise contemplated by this Agreement or (4) with the prior written consent of Purchaser (which consent shall not be unreasonably withheld, delayed or conditioned), Seller shall not, solely as it relates to the Property:

(i) extend, renew, replace or modify any Contract that would be binding on Purchaser after the Closing unless such contract (as so extended, renewed, replaced or modified) can be terminated by the owner of the Property without penalty on not more than thirty (30) days' advance notice.

(ii) subject any of the Property to any Lien, except for Permitted Exceptions;

(iii) sell, assign, license, transfer, convey, lease or otherwise dispose of any of the Property (except pursuant to an existing Contract for fair consideration in the Ordinary Course of Business or for the purpose of disposing of obsolete or worthless assets); or

(iv) agree to do anything prohibited by this Section 11.1.

11.2 Consents. Seller shall use its commercially reasonable efforts, and Purchaser shall cooperate with Seller, to obtain at the earliest practicable date all consents and approvals required to consummate the transactions contemplated by this Agreement, including, without limitation, the consents and approvals referred to in Section 8.3(b) hereof; provided, however, that Seller shall not be obligated to pay any consideration therefor to any third party from whom consent or approval is requested or to initiate any litigation or legal proceedings to obtain any such consent or approval.

11.3 Further Assurances. Each of Seller and Purchaser shall use its commercially reasonable efforts to (i) take all actions necessary or appropriate to consummate the transactions contemplated by this Agreement and (ii) cause the fulfillment at the earliest practicable date of all of the conditions to their respective obligations to consummate the transactions contemplated by this Agreement.

11.4 Confidentiality. Purchaser acknowledges that the Confidential Information provided to it in connection with this Agreement and the consummation of the transactions contemplated hereby, is subject to the terms of the confidentiality agreement between Seller and Purchaser dated as of June 8, 2009 (the "Confidentiality Agreement"), the terms of which are incorporated herein by reference. Effective upon, and only upon, the Closing Date, the Confidentiality Agreement shall terminate with respect to information relating solely to the Property; provided, however, that Purchaser acknowledges that any and all other Confidential Information provided to it by Seller or its representatives concerning Seller and any of its respective assets or property other than the Property shall remain subject to the terms and conditions of the Confidentiality Agreement after the Closing Date. For purposes of this Section 11.4, "Confidential Information" shall mean any confidential information with respect to, including, methods of operation, customers, customer lists, products, prices, fees, costs, technology, inventions, trade secrets, know-how, software, marketing methods, plans, personnel, suppliers, competitors, markets or other specialized information or proprietary matters.

11.5 Preservation of Records. Seller and Purchaser agree that each of them shall preserve and keep the records held by it or their Affiliates relating to the Property for a period of seven (7) years from the Closing Date and shall make such records and personnel available to the other as may be reasonably required by such party in connection with, among other things, any insurance claims by, Legal Proceedings or tax audits against or governmental investigations of Seller or Purchaser or any of their Affiliates or in order to enable Seller or Purchaser to comply with their respective obligations under this Agreement and each other agreement, document or instrument contemplated hereby or thereby. In the event Seller or Purchaser wishes to destroy such records before or after that time, such party shall first give ninety (90) days' prior written notice to the other and such other party shall have the right at its option and expense, upon prior written notice given to such party within such ninety (90) day period, to take possession of the records within one hundred and eighty (180) days after the date of such notice.

11.6 Publicity. Neither Seller nor Purchaser shall issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without obtaining the prior written approval of the other party hereto, which approval will not be unreasonably withheld or delayed, unless, in the sole judgment of Purchaser or Seller, disclosure is otherwise required by applicable Law or by the Bankruptcy Court with respect to filings to be made with the Bankruptcy Court in connection with this Agreement or by the applicable rules of any stock exchange on which Purchaser lists securities, provided that the party intending to make such release shall use its best efforts

consistent with such applicable Law or Bankruptcy Court requirement to consult with the other party with respect to the text thereof.

11.7 Use of Name. Purchaser agrees that it shall (i) as soon as practicable after the Closing Date and in any event within ninety (90) days following the Closing Date, cease to make any use of the name "LandSource" or any service marks, trademarks, trade names, identifying symbols, logos, emblems, signs or insignia related thereto or containing or comprising the foregoing, including any name or mark confusingly similar thereto (collectively, the "Seller Marks"), and (ii) immediately after the Closing, cease to hold itself out as having any affiliation with Seller or any of its Affiliates. In furtherance thereof, as promptly as practicable but in no event later than ninety (90) days following the Closing Date, Purchaser shall remove, strike over or otherwise obliterate all Seller Marks from all materials including, without limitation, any vehicles, business cards, schedules, stationery, packaging materials, displays, signs, promotional materials, manuals, forms, computer software and other materials.

11.8 Supplementation and Amendment of Schedules. Seller may, at its option, include in the Schedules items that are not material in order to avoid any misunderstanding, and such inclusion, or any references to dollar amounts, shall not be deemed to be an acknowledgement or representation that such items are material, to establish any standard of materiality or to define further the meaning of such terms for purposes of this Agreement. Information disclosed in the Schedules shall constitute a disclosure for all purposes under this Agreement notwithstanding any reference to a specific section, and all such information shall be deemed to qualify the entire Agreement and not just such section. From time to time prior to the Closing, Seller shall have the right to supplement or amend the Schedules with respect to any matter hereafter arising or discovered after the delivery of the Schedules pursuant to this Agreement. No such supplement or amendment shall have any effect on the satisfaction of the condition to closing set forth in Section 12.1(a) unless such supplement or amendment is material and adverse to the value of the Property, in the aggregate, in which case Purchaser shall have the right to terminate this Agreement pursuant to Section 4.4(d) above; provided, however, if the Closing shall occur, then Purchaser shall be deemed to have waived any right or claim pursuant to the terms of this Agreement or otherwise, including pursuant to Article XIV hereof, with respect to any and all matters disclosed pursuant to any such supplement or amendment at or prior to the Closing.

ARTICLE XII

CONDITIONS TO CLOSING

12.1 Conditions Precedent to Obligations of Purchaser. The obligation of Purchaser to consummate the transactions contemplated by this Agreement is subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Purchaser in whole or in part to the extent permitted by applicable Law):

(a) the representations and warranties of Seller set forth in this Agreement shall be true and correct at and as of the Closing, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct on and as of such earlier date); provided, however, that in the event of a breach of a representation or warranty, the condition set forth in this Section 12.1(a) shall be deemed satisfied unless the effect of all such breaches of representations and warranties taken together result in a material adverse effect to the Property, and Purchaser shall have received a certificate signed by an authorized officer of Seller, dated the Closing Date, to the foregoing effect;

(b) Seller shall have performed and complied in all respects with all obligations and agreements required in this Agreement to be performed or complied with by it prior to the Closing Date, and Purchaser shall have received a certificate signed by an authorized officer of Seller, dated the Closing Date, to the foregoing effect;

(c) the Title Company shall be prepared to issue, upon payment of the title premium therefor, a standard form Owner's Title Policy for each Project in the amount of the Purchase Price allocated to such Project in accordance with the Title Commitment subject only to the Permitted Exceptions;

(d) with respect to any mortgages, security interests or other monetary liens encumbering any Project at Closing, the Sale Order shall provide that the Project is being conveyed to Purchaser free and clear of such mortgages, security interests and other monetary liens pursuant to Section 363(f) of the Bankruptcy Code, and Seller shall have no other obligation to deliver to the Title Company any Satisfaction of Mortgage, Financing Statement Termination or other document terminating any such mortgages, security interests or other monetary liens; and

(e) Seller shall have delivered, or caused to be delivered, to Purchaser all of the items set forth in Section 4.2.

12.2 Conditions Precedent to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Seller in whole or in part to the extent permitted by applicable Law):

(a) the representations and warranties of Purchaser set forth in this Agreement qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, at and as of the Closing Date as though made on the Closing Date, except to the extent such representations and warranties relate to an earlier date (in which case such representations and warranties qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of such earlier date), and Seller shall have received a certificate signed by an authorized officer of Purchaser, dated the Closing Date, to the foregoing effect;

(b) Purchaser shall have performed and complied in all respects with all obligations and agreements required by this Agreement to be performed or complied with by Purchaser on or prior to the Closing Date, and Seller shall have received a certificate signed by an authorized officer of Purchaser, dated the Closing Date, to the foregoing effect;

(c) Purchaser shall have delivered, or caused to be delivered, to Seller all of the items set forth in Section 4.3; and

(d) no petition shall have been filed by or against Purchaser under the Bankruptcy Code or any similar State or Federal Law, whether now or hereafter existing.

12.3 Conditions Precedent to Obligations of Purchaser and Seller. The respective obligations of Purchaser and Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Purchaser and Seller in whole or in part to the extent permitted by applicable Law):

(a) there shall not be in effect any Order by a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby;

(b) the Bankruptcy Court shall have entered the Bidding Procedures Order, in form and substance reasonably acceptable to Seller and Purchaser; and

(c) the Bankruptcy Court shall have entered the Sale Order and any stay period applicable to the Sale Order shall have expired or shall have been waived by the Bankruptcy Court.

12.4 Frustration of Closing Conditions. Neither Seller nor Purchaser may rely on the failure of any condition set forth in Section 12.1, 12.2 or 12.3, as the case may be, if such failure was caused by such party's failure to comply with any provision of this Agreement.

12.5 Approvals not a Condition to Purchaser's Performance. Purchaser acknowledges and agrees that its obligation to perform under this Agreement is not contingent upon Purchaser's ability to obtain any (a) governmental or quasi-governmental approval of changes or modifications in use or zoning, or (b) modification of any existing land use restriction, or (c) endorsements to the Owner's Title Policy, or (d) financing for acquisition of the Property.

ARTICLE XIII

CONDEMNATION

13.1 Right to Terminate. If, prior to the Closing Date, all or any significant portion (as hereinafter defined) of a Property is taken by eminent domain (or is the subject of a pending taking in which Seller has been served with legal process, but which has not yet been consummated), Seller shall notify Purchaser in writing of such fact promptly after obtaining knowledge thereof, and, thereafter, either Purchaser or Seller shall have the right to terminate this Agreement in its entirety by giving written notice to the other no later than ten (10) Business Days after the giving of Seller's notice, and the Closing Date shall be extended, if necessary, to provide sufficient time for Purchaser or Seller to make such election. The failure by Purchaser and Seller to so elect in writing to terminate this Agreement within such ten (10) day period shall be deemed an election not to terminate this Agreement. For purposes hereof, a "significant portion" of the Property shall mean any interest in the Property except a de minimis interest the taking of which has no material effect on the use or operation of the Property.

13.2 Assignment of Proceeds. If (a) neither Seller nor Purchaser elects to terminate this Agreement as aforesaid if all or any significant portion of the Property is taken, or (b) a portion of the Property not constituting a significant portion of the Property is taken or becomes subject to a pending taking by eminent domain, there shall be no abatement of the Purchase Price; provided, however, that, at the Closing, Seller shall pay to Purchaser the amount of any award for or other proceeds on account of such taking which have been actually paid to Seller prior to the Closing Date as a result of such taking (less all costs and expenses, including attorneys' fees and costs, incurred by Seller as of the Closing Date in obtaining payment of such award or proceeds) and, to the extent such award or proceeds have not been paid, Seller shall assign to Purchaser at the Closing (without recourse to Seller) the rights of Seller to, and Purchaser shall be entitled to receive and retain, all awards for the taking of the Property or such portion thereof.

ARTICLE XIV

NO SURVIVAL AND INDEMNIFICATION

14.1 No Survival of Representations and Warranties. The parties hereto agree that the representations and warranties contained in this Agreement shall not survive the Closing hereunder, and none of the parties shall have any liability to each other after the Closing for any breach thereof. The parties hereto agree that the covenants contained in this Agreement to be performed at or after the Closing shall survive the Closing hereunder, and each party hereto shall be liable to the other after the Closing for any breach thereof.

14.2 Indemnification by Purchaser.

(a) Subject to Section 14.4 hereof, Purchaser hereby agrees to indemnify and hold Seller and its directors, officers, employees, Affiliates, agents, successors and permitted assigns harmless from and against:

(i) any and all losses, liabilities, obligations, damages, costs and expenses (each, a "Loss") based upon, attributable to or resulting from the breach of any covenant or other agreement on the part of Purchaser under this Agreement to the extent such covenant or agreement expressly survives the Closing;

(ii) any and all Losses based upon or arising directly out of any Assumed Liability;

(iii) any and all Losses based upon or arising directly out of the Property or any portion thereof or Purchaser's operation of the Property after the Closing Date, except to the extent arising solely due to a breach of any covenant, warranty or other agreement by Seller under this Agreement; and

(iv) any and all costs and expenses, including attorneys' and other professionals' fees and disbursements, incident to the foregoing.

(b) Seller shall take and cause its Affiliates to take all reasonable steps to mitigate any Loss upon becoming aware of any event that would reasonably be expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to the Loss. Purchaser hereby agrees that its obligations under this Section 14.3 shall survive the Closing or the earlier termination of this Agreement.

14.3 Indemnification Procedures.

(a) In the event that any Legal Proceedings shall be instituted or that any claim or demand shall be asserted by any Person in respect of which payment may be sought under Section 14.2 (an "Indemnification Claim"), the indemnified party shall reasonably and promptly cause written notice of the assertion of any Indemnification Claim of which it has knowledge and which is covered by this indemnity to be forwarded to Purchaser. Purchaser shall have the right, at its sole option and expense, to be represented by counsel of its choice, which must be reasonably satisfactory to the indemnified party, and to defend against, negotiate, settle or otherwise deal with any Indemnification Claim that relates to any Losses indemnified against hereunder. If Purchaser elects to defend against, negotiate, settle or otherwise deal with any Indemnification Claim that relates to any Losses indemnified against hereunder, it shall within thirty (30) days (or sooner, if the nature of the Indemnification Claim so requires) notify the indemnified party of its intent to do so. If Purchaser elects not to defend against, negotiate, settle or otherwise deal with any Indemnification Claim that relates to any Losses indemnified against hereunder, the indemnified party may defend against,

negotiate, settle or otherwise deal with such Indemnification Claim. If Purchaser shall assume the defense of any Indemnification Claim, the indemnified party may participate, at its own expense, in the defense of such Indemnification Claim; provided, however, that such indemnified party shall be entitled to participate in any such defense with separate counsel at the expense of Purchaser if (i) so requested by Purchaser to participate or (ii) in the reasonable opinion of counsel to the indemnified party a conflict or potential conflict exists between the indemnified party and Purchaser that would make such separate representation advisable; and provided, further, that Purchaser shall not be required to pay for more than one such counsel for all indemnified parties in connection with any Indemnification Claim. The parties hereto agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such Indemnification Claim. Notwithstanding anything in this Section 14.3 to the contrary, neither Purchaser nor the indemnified party shall, without the written consent of the other, settle or compromise any Indemnification Claim or permit a default or consent to entry of any judgment unless the claimant and such party provide to such other party an unqualified release from all liability in respect of the Indemnification Claim. Notwithstanding the foregoing, if a settlement offer solely for money damages is made by the applicable third party claimant, and Purchaser notifies the indemnified party in writing of Purchaser's willingness to accept the settlement offer and, subject to the applicable limitations of Section 14.4, pay the amount called for by such offer, and the indemnified party declines to accept such offer, the indemnified party may continue to contest such Indemnification Claim, free of any participation by Purchaser, and the amount of any ultimate liability with respect to such Indemnification Claim that Purchaser has an obligation to pay hereunder shall be limited to the lesser of (A) the amount of the settlement offer that the indemnified party declined to accept plus the Losses of the indemnified party relating to such Indemnification Claim through the date of its rejection of the settlement offer or (B) the aggregate Losses of the indemnified party with respect to such Indemnification Claim. If Purchaser makes any payment on any Indemnification Claim, Purchaser shall be subrogated, to the extent of such payment, to all rights and remedies of the indemnified party to any insurance benefits or other claims of the indemnified party with respect to such Indemnification Claim.

(b) After any final decision, judgment or award shall have been rendered by a Governmental Body of competent jurisdiction and the expiration of the time in which to appeal therefrom, or a settlement shall have been consummated, or the indemnified party and Purchaser shall have arrived at a mutually binding agreement with respect to an Indemnification Claim hereunder, the indemnified party shall forward to Purchaser notice of any sums due and owing by Purchaser pursuant to this Agreement with respect to such matter.

14.4 Calculation of Losses.


(a) The amount of any Losses for which indemnification is provided under this Article XIV shall be net of any amounts actually recovered or recoverable by the indemnified party under insurance policies or otherwise with respect to such Losses (net of any Tax or expenses incurred in connection with such recovery).

(b) If the amount of any Loss for which indemnification is provided under this Article XIV gives rise to a currently realizable Tax benefit (as defined below) to the indemnified party making the Indemnification Claim, then the Indemnification Claim shall be (i) increased to take account of any net Tax cost incurred by the indemnified party arising from the receipt of indemnity payments hereunder (grossed up for such increase) and (ii) reduced to take account of any net Tax benefit realized by the indemnified party arising from the incurrence or payment of any such Loss. To the extent such Indemnification Claim does not give rise to a currently realizable Tax benefit, if the amount with respect to which any Indemnification Claim is made gives rise to a subsequently realized Tax benefit to the indemnified party that made the Indemnification Claim, such indemnified party shall refund to Purchaser the amount of such Tax benefit (with and including any gross-up payment made pursuant to this Section 14.4 with respect to such Tax benefit) when, as and if realized (it being understood that such indemnified party shall use its reasonable efforts to realize such Tax benefit). For purposes of this Section 14.4, a “Tax benefit” means an amount by which the Tax liability of the party (or group of corporations including the party) is actually reduced (including by deduction, reduction of income by virtue of increased tax basis or otherwise, entitlement to refund, credit or otherwise) plus any related interest received from the relevant taxing authority. In computing the amount of any such Tax cost or Tax benefit, the indemnified party shall be deemed to recognize all other items of income, gain, loss, deduction or credit before recognizing any item arising from the receipt of any indemnity payment hereunder or the incurrence or payment of any indemnified Loss. For purposes of this Section 14.4, a Tax benefit is “currently realizable” to the extent that such Tax benefit can be realized in the current taxable period or year or in any tax return with respect thereto (including through a carryback to a prior taxable period) or in any taxable period or year prior to the date of the Indemnification Claim. The amount of any increase, reduction or payment hereunder shall be adjusted to reflect any final determination (which shall include the execution of Form 870-AD or successor form) with respect to the indemnified party’s liability for Taxes, and payments between the parties to this Agreement to reflect such adjustment shall be made if necessary. Any indemnity payment under this Article XIV shall be treated as an adjustment to the value of the asset upon which the underlying Indemnification Claim was based, unless a final determination (which shall include the execution of a Form 870-AD or successor form) with respect to the indemnified party or any of its Affiliates causes any such payment not to be treated as an adjustment to the value of the asset for United States federal income tax purposes.

14.5 Tax Treatment of Indemnity Payments. Seller and Purchaser agree to treat any indemnity payment made pursuant to this Article XIV as an adjustment to the Purchase Price for federal, state, local and foreign income tax purposes.

14.6 No Consequential Damages. Notwithstanding anything to the contrary elsewhere in this Agreement, no party shall, in any event, be liable to any other Person for any consequential, incidental, indirect, special or punitive damages of such other Person, including loss of future revenue, income or profits, diminution of value or loss of business reputation or opportunity relating to the breach or alleged breach hereof.

14.7 Liquidated Damages. PURCHASER RECOGNIZES AND ACKNOWLEDGES THAT SELLER IS RELYING ON PURCHASER'S AGREEMENT TO PURCHASE THE PROPERTY, AND THAT SELLER WOULD OTHERWISE SUFFER SUBSTANTIAL DETRIMENT IN THE EVENT PURCHASER FAILS TO PERFORM PURCHASER'S OBLIGATIONS UNDER THIS AGREEMENT. ACCORDINGLY, PURCHASER SPECIFICALLY AGREES THAT SELLER SHALL BE ENTITLED TO COMPENSATION FOR THE DETRIMENT THAT WOULD BE CAUSED TO SELLER BY REASON OF PURCHASER'S DEFAULT HEREUNDER. SELLER AND PURCHASER AGREE IF PURCHASER DEFAULTS IN ITS OBLIGATION TO PURCHASE THE PROPERTY AS REQUIRED UNDER THIS AGREEMENT, SELLER SHALL BE ENTITLED TO THE THEN AMOUNT OF THE ESCROWED FUNDS (TOGETHER WITH ALL ACCRUED INVESTMENT INCOME THEREON) AS LIQUIDATED DAMAGES. BOTH PARTIES AGREE THAT THE THEN AMOUNT OF THE ESCROWED FUNDS (TOGETHER WITH ALL ACCRUED INVESTMENT INCOME THEREON) IS A REASONABLE ESTIMATE OF SELLER'S DAMAGES IN THE EVENT OF A PURCHASER DEFAULT IN ITS OBLIGATION TO PURCHASE THE PROPERTY IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT ON OR PRIOR TO THE CLOSING DATE AND SUCH AMOUNT SHALL BE SELLER'S SOLE REMEDY FOR PURCHASER'S FAILURE TO PURCHASE THE PROPERTY IN ACCORDANCE WITH THE TERMS HEREOF WHICH REMEDY SHALL BE IN LIEU OF ANY OTHER MONETARY RELIEF TO WHICH SELLER MAY OTHERWISE BE ENTITLED BY VIRTUE OF THIS AGREEMENT OR BY OPERATION OF LAW ARISING BY REASON OF PURCHASER'S DEFAULT.



Purchaser's Initials

Seller's Initials


ARTICLE XV

TAXES

15.1 Transfer Taxes. Purchaser shall be responsible for (and shall indemnify and hold harmless Seller and its directors, officers, employees, Affiliates, agents, successors and permitted assigns against) fifty percent (50%) of any sales, use, stamp, documentary stamp, filing, recording, transfer or similar fees or taxes or governmental charges (including any interest and penalty thereon) payable in connection with the transactions contemplated by this Agreement ("Transfer Taxes"); provided, however, that Purchaser shall not be responsible for, or be required to indemnify Seller for, (i) the portion of the Transfer Taxes that Seller is required to pay under Section 7.1(f) hereof or (ii) any amount actually paid by Purchaser at Closing as substantiated by Seller to Purchaser. To the extent that any Transfer Taxes payable by Purchaser hereunder are required to be paid by Seller (or such Transfer Taxes are assessed against Seller), Purchaser shall promptly reimburse Seller, as applicable, for such Transfer Taxes. Seller and Purchaser shall cooperate and consult with each other prior to filing any Tax Returns

14.7 Liquidated Damages. PURCHASER RECOGNIZES AND ACKNOWLEDGES THAT SELLER IS RELYING ON PURCHASER'S AGREEMENT TO PURCHASE THE PROPERTY, AND THAT SELLER WOULD OTHERWISE SUFFER SUBSTANTIAL DETRIMENT IN THE EVENT PURCHASER FAILS TO PERFORM PURCHASER'S OBLIGATIONS UNDER THIS AGREEMENT. ACCORDINGLY, PURCHASER SPECIFICALLY AGREES THAT SELLER SHALL BE ENTITLED TO COMPENSATION FOR THE DETRIMENT THAT WOULD BE CAUSED TO SELLER BY REASON OF PURCHASER'S DEFAULT HEREUNDER. SELLER AND PURCHASER AGREE IF PURCHASER DEFAULTS IN ITS OBLIGATION TO PURCHASE THE PROPERTY AS REQUIRED UNDER THIS AGREEMENT, SELLER SHALL BE ENTITLED TO THE THEN AMOUNT OF THE ESCROWED FUNDS (TOGETHER WITH ALL ACCRUED INVESTMENT INCOME THEREON) AS LIQUIDATED DAMAGES. BOTH PARTIES AGREE THAT THE THEN AMOUNT OF THE ESCROWED FUNDS (TOGETHER WITH ALL ACCRUED INVESTMENT INCOME THEREON) IS A REASONABLE ESTIMATE OF SELLER'S DAMAGES IN THE EVENT OF A PURCHASER DEFAULT IN ITS OBLIGATION TO PURCHASE THE PROPERTY IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT ON OR PRIOR TO THE CLOSING DATE AND SUCH AMOUNT SHALL BE SELLER'S SOLE REMEDY FOR PURCHASER'S FAILURE TO PURCHASE THE PROPERTY IN ACCORDANCE WITH THE TERMS HEREOF WHICH REMEDY SHALL BE IN LIEU OF ANY OTHER MONETARY RELIEF TO WHICH SELLER MAY OTHERWISE BE ENTITLED BY VIRTUE OF THIS AGREEMENT OR BY OPERATION OF LAW ARISING BY REASON OF PURCHASER'S DEFAULT.

Purchaser's Initials



Seller's Initials

ARTICLE XV

TAXES

15.1 Transfer Taxes. Purchaser shall be responsible for (and shall indemnify and hold harmless Seller and its directors, officers, employees, Affiliates, agents, successors and permitted assigns against) fifty percent (50%) of any sales, use, stamp, documentary stamp, filing, recording, transfer or similar fees or taxes or governmental charges (including any interest and penalty thereon) payable in connection with the transactions contemplated by this Agreement ("Transfer Taxes"); provided, however, that Purchaser shall not be responsible for, or be required to indemnify Seller for, (i) the portion of the Transfer Taxes that Seller is required to pay under Section 7.1(f) hereof or (ii) any amount actually paid by Purchaser at Closing as substantiated by Seller to Purchaser. To the extent that any Transfer Taxes payable by Purchaser hereunder are required to be paid by Seller (or such Transfer Taxes are assessed against Seller), Purchaser shall promptly reimburse Seller, as applicable, for such Transfer Taxes. Seller and Purchaser shall cooperate and consult with each other prior to filing any Tax Returns

in respect of Transfer Taxes. Seller and Purchaser shall cooperate and otherwise take commercially reasonable efforts to obtain any available refunds for Transfer Taxes.

15.2 Purchase Price Allocation. Seller and Purchaser shall allocate the purchase price (including the Assumed Liabilities) among the Property as specified in Schedule 15.2, and, in accordance with such allocation, Purchaser shall prepare and deliver to Seller copies of Form 8594 and any required exhibits thereto (the "Asset Acquisition Statement"). Purchaser shall prepare and deliver to Seller from time to time revised copies of the Asset Acquisition Statement (the "Revised Statements") so as to report any matters on the Asset Acquisition Statement that need updating (including purchase price adjustments, if any) consistent with the agreed upon allocation. The purchase price for the Property shall be allocated in accordance with the Asset Acquisition Statement or, if applicable, the last Revised Statements, provided by Purchaser to Seller, and all income Tax Returns and reports filed by Purchaser and Seller shall be prepared consistently with such allocation.

ARTICLE XVI

MISCELLANEOUS

16.1 Expenses. Except as otherwise provided in this Agreement, each of Seller and Purchaser shall bear its own expenses incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby.

16.2 Injunctive Relief. Damages at law may be an inadequate remedy for the breach of any of the covenants, promises and agreements contained in this Agreement, and, accordingly, subject to the provisions of Section 14.7 above, any party hereto shall be entitled to injunctive relief with respect to any such breach, including without limitation specific performance of such covenants, promises or agreements or an order enjoining a party from any threatened, or from the continuation of any actual, breach of the covenants, promises or agreements contained in this Agreement. The rights set forth in this Section 16.2 shall be in addition to any other rights that a Party may have at law or in equity pursuant to this Agreement.

16.3 Submission to Jurisdiction; Consent to Service of Process.

(a) Without limiting any party's right to appeal any order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes that may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 16.7 hereof; provided,

however, that if the Bankruptcy Case has closed, the parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in New York County or the Commercial Division, Civil Branch of the Supreme Court of the State of New York sitting in New York County and any appellate court from any thereof, for the resolution of any such claim or dispute. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection that they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 16.7.

16.4 Waiver of Right to Trial by Jury. Each party to this Agreement waives any right to trial by jury in any action, matter or proceeding regarding this Agreement or any provision hereof.

16.5 Entire Agreement; Amendments and Waivers. This Agreement (including the schedules and exhibits hereto) and the Confidentiality Agreement represent the entire understanding and agreement between the parties hereto with respect to the subject matter hereof. This Agreement can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, modification or waiver is sought. No action taken pursuant to this Agreement, including without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

16.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and performed in such State.

16.7 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (i) when delivered personally by hand (with written confirmation of receipt), (ii) when sent by facsimile (with written confirmation of

transmission) or (iii) one business day following the day sent by overnight courier (with written confirmation of receipt), in each case at the following addresses and facsimile numbers (or to such other address or facsimile number as a party may have specified by notice given to the other party pursuant to this provision):

If to Seller, to:

Southwest Communities Development LLC
c/o LandSource Holding Company, LLC
23823 Valencia Blvd.
Valencia, CA 91355
Facsimile: (661)255-4219
Attention: Jeffrey Lawhon

With a copy (which shall not constitute notice) to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Facsimile: (212) 310-8007
Attention: Debra Dandeneau, Esq.

If to Purchaser, to:

Vegas Valley Land Holdings LLC
2392 Morse Avenue
Irvine, CA 92614
Attention: Mr. Casey Tischer
Phone: (949) 777-4000
Fax: (949) 777-4050
With a copy to:

Vegas Valley Land Holdings LLC
2392 Morse Avenue
Irvine, CA 92614
Attention: Andrew P. Cook, Esq.
Phone: (949) 777-4000
Fax: (949) 777-4052

16.8 Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any law or public policy, all other terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or

other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

16.9 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any Person or entity not a party to this Agreement except as provided below. No assignment of this Agreement or of any rights or obligations hereunder may be made by either Seller or Purchaser (by operation of law or otherwise) without the prior written consent of the other parties hereto, and any attempted assignment without the required consents shall be void. Notwithstanding the foregoing, Purchaser may assign this Agreement to an Affiliate of Purchaser without Seller's consent. No assignment of any obligations hereunder shall relieve the parties hereto of any such obligations. Upon any such permitted assignment, the references in this Agreement to Purchaser shall also apply to any such assignee unless the context otherwise requires.


16.10 Non-Recourse. No past, present or future director, officer, employee, incorporator, member, partner or equityholder of Seller shall have any liability for any obligations or liabilities of Seller under this Agreement or the Seller Documents or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby and thereby.

16.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written above.

SELLER:

SOUTHWEST COMMUNITIES
DEVELOPMENT LLC, a Delaware limited
liability company

By: 
Name:
Title:

PURCHASER:

VEGAS VALLEY LAND HOLDINGS
LLC, a Delaware limited liability company

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written above.


SELLER:

SOUTHWEST COMMUNITIES
DEVELOPMENT LLC, a Delaware limited
liability company

By: _____
Name:
Title:

PURCHASER:

VEGAS VALLEY LAND HOLDINGS
LLC, a Delaware limited liability company

By:  _____
Name: *Bruce V. Galt*
Title: *General Counsel*

Schedule 1.1(a)

(Assumed Contracts)

None

Schedule 1.1(b)

(Knowledge of Seller)

Jeffrey Lawhon

Schedule 8.3(a)

(No Conflicts)

None

Schedule 8.3(b)

(Consents)

None

Schedule 8.6
(Environmental Matters)

None

Schedule 8.7

(Financial Advisors)

1. Lazard Freres & Co. LLC, as broker for Seller

Schedule 11.1(a)

(Exceptions to Conduct of Property)

None

Schedule 11.1(b)

(Exceptions to Negative Covenants)

None

Schedule 15.2

(Purchase Price Allocation)

Project	Allocated Price
Centennial Park I & II	\$844,075
Centennial Park III	\$1,148,796
Desert Canyon I	\$1,178,178
Desert Canyon II	\$3,878,255
Fiesta Park	\$174,785
Glengarry	\$985,331
White Horse	\$290,579

Exhibit A
(Legal Description)

Exhibit B
(Form of Deed)

A.P.N.: _____
File No: _____ ()
R.P.T.T.: \$ _____

When Recorded Mail To: Mail Tax Statements To:

GRANT, BARGAIN AND SALE DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, pursuant to that certain [**Describe Sale Order**], Southwest Communities Development LLC, a Delaware limited liability company, the debtor-in-possession ("**Seller**") does hereby *GRANT, BARGAIN and SELL* to [_____], a [_____] ("**Purchaser**") the real property situate in the County of Clark, State of Nevada, described on Exhibit A attached hereto and incorporated herein by reference (the "**Property**"), subject to:

- (i) the lien for all general and special taxes for the current fiscal year; and
- (ii) the matters of public record set forth on Exhibit B attached hereto.

Date: _____, 2009

Exhibit C

(Form of Bill of Sale)

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

THAT SOUTHWEST COMMUNITIES DEVELOPMENT LLC, a Delaware limited liability company ("Grantor"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) cash and other good and valuable consideration in hand paid, the receipt and legal sufficiency of which are hereby acknowledged, has GRANTED, SOLD, ASSIGNED, TRANSFERRED, CONVEYED and DELIVERED and does by these presents GRANT, SELL, ASSIGN, TRANSFER, CONVEY and DELIVER unto [____], a [____] ("Grantee"), all of Grantor's right, title and interest in, to and under all personal property owned by Grantor and located on the Property (hereinafter defined) or used in connection with the development and/or operation of the Property, or acquired by Grantor for installation or use in connection with the development and/or operation of the Property and not previously replaced by Grantor, wherever located (collectively, the "Personal Property"), including, but not limited to, the fixtures, attachments, and other articles attached to the improvements located upon the Property and all tangible personal property owned by Grantor located on or at the Property or used or to be used in connection therewith, all goods, machinery, tools, and all other fixtures, apparatus, equipment, and articles owned by Grantor and used in connection with the development and/or operation of the improvements on the Property, it being understood that the enumeration of any specific articles of property shall in no way result in the exclusion of or be held to exclude any items of property not specifically mentioned. As used herein, the "Property" shall mean that certain real property located in Clark County, Nevada and more particularly described on Exhibit A attached hereto and incorporated herein, and the improvements located thereon.

TO HAVE AND TO HOLD the Personal Property and all other property as is hereinabove described unto Grantee and Grantee's successors, legal representatives and assigns, forever.

This Bill of Sale is an absolute conveyance of title in effect as well as in form and is intended to include and unconditionally convey any equitable or redemptive rights of Grantor and is not intended as a mortgage or security device of any kind.

All of the covenants, terms and conditions set forth herein shall be binding upon and inure to the benefit of the parties hereto, their respective successors, personal and legal representatives, heirs, devisees and assigns.

[SIGNATURES ON NEXT PAGE]

Exhibit D

(Form of Assignment of Contracts and Other Property Rights)

**ASSIGNMENT OF ASSUMED CONTRACTS AND OTHER
PROPERTY RIGHTS**

KNOW ALL MEN BY THESE PRESENTS: THAT, SOUTHWEST COMMUNITIES DEVELOPMENT LLC, a Delaware limited liability company (“Grantor”), for and in consideration of the sum of TEN DOLLARS AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration to Grantor in hand paid by [____], a [____] limited liability company (“Grantee”), the receipt and sufficiency of which are hereby acknowledged and confessed, has GRANTED, SOLD, ASSIGNED, TRANSFERRED, CONVEYED and DELIVERED and does by these presents GRANT, SELL, ASSIGN, TRANSFER, CONVEY and DELIVER unto Grantee all of the Grantor’s right, title and interest in and to (i) the Assumed Contracts set forth on **Schedule 1** attached hereto, and (ii) the Other Property Rights (as such term is defined in that certain Purchase and Sale Agreement by and between Grantor and Grantee, dated as of [____] (the “Purchase Agreement”; capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Purchase Agreement)), with respect to the real property and improvements more particularly described on **Exhibit A** attached hereto and made a part hereof.

Grantor does hereby agree to promptly perform, execute and/or deliver after its receipt from Grantee of written demand for same, any and all such further acts and assurances as Grantee may reasonably require to properly consummate the transfer of ownership of the Assumed Contracts and the Other Property Rights to Grantee.

To have and to hold the Assumed Contracts and the Other Property Rights unto Grantee and Grantee’s successors, legal representatives and assigns, forever.

This Assignment of Assumed Contracts and Other Property Rights and Grantee’s acceptance hereof and of the Assumed Contracts and Other Property Rights shall not imply that Grantee is assuming, and Grantee is not assuming, any obligations of Grantor under or with respect to any of the Assumed Contracts and/or Other Property Rights, except that Grantee is assuming the obligations accruing under the Assumed Contracts from and after the date hereof.

THIS ASSIGNMENT OF ASSUMED CONTRACTS AND OTHER PROPERTY RIGHTS SHALL BE GOVERNED BY, AND INTERPRETED AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[SIGNATURE APPEARS ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Grantor has executed and sealed this Assignment of Assumed Contracts and Other Property Rights on this ____ day of _____, 2009.

	GRANTOR:
	[]
	By: _____ Name: _____ Title: _____
	GRANTEE:
	[]
	By: _____ Name: _____ Title: _____

[_____]

By: _____

Name: _____

Title: _____

STATE OF CALIFORNIA)

) ss:

county of _____)

On _____, 2008 before me,
_____ (here insert name of the officer), Notary Public, personally
appeared _____, who proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

[Seal]

Exhibit F

(Existing Surveys)

- 1) Survey prepared by Craig D. Wilson on behalf of Carter Burgess for the benefit of U.S. Homes Corporation dated June 17, 2005 with respect to Centennial Park III.
- 2) Survey prepared by Craig D. Wilson on behalf of Carter Burgess for the benefit of U.S. Homes Corporation dated June 17, 2005 with respect to Desert Canyon I.
- 3) Survey prepared by Craig D. Wilson on behalf of Carter Burgess for the benefit of U.S. Homes Corporation dated June 17, 2005 with respect to Desert Canyon II.
- 4) Survey prepared by Craig D. Wilson on behalf of Carter Burgess for the benefit of U.S. Homes Corporation dated June 17, 2005 with respect to Fiesta Park.
- 5) Survey prepared by Craig D. Wilson on behalf of Carter Burgess for the benefit of U.S. Homes Corporation dated June 17, 2005 with respect to White Horse South.
- 6) Survey prepared by Craig D. Wilson on behalf of Carter Burgess for the benefit of U.S. Homes Corporation dated June 17, 2005 with respect to White Horse West.
- 7) Survey prepared by Craig D. Wilson on behalf of Carter Burgess for the benefit of U.S. Homes Corporation dated June 17, 2005 with respect to White Horse Southeast.

Exhibit G

(Personal Property)

None

Exhibit H
(Bidding Procedures)

BID PROCEDURES

Set forth below are the bidding procedures (the "Bid Procedures") to be employed with respect to the selection of the highest or otherwise best bid(s) for the sale by SOUTHWEST COMMUNITIES DEVELOPMENT LLC, (the "Seller" or the "Debtor") of certain real property located in Las Vegas, Nevada, as more particularly described on Exhibit A attached hereto (the "Purchased Assets"). As set forth in more detail below, the Debtor will conduct an auction (the "Auction") for the sale (the "Sale") of the Purchased Assets if one or more Qualified Bids (as defined below) are timely submitted, or if the Debtor receives notice from an Agent (as defined below) that the Agent wishes to participate in the Auction. The Debtors filed a motion with the Bankruptcy Court on November 19, 2008 seeking approval of the Bid Procedures and related relief (the "Procedures Motion").

Pursuant to an order of the Bankruptcy Court entered on December 9, 2008, the Debtor received authority to, among other things, select a Stalking Horse Bidder (as defined below) for the Purchased Assets and conduct the Auction. The Bankruptcy Court will conduct a hearing (the "Sale Hearing") on [____], 2009 to consider entry of an order (the "Sale Order") authorizing and approving the Sale of the Purchased Assets pursuant to the terms and conditions set forth below and definitive sale documentation.

BREAK-UP FEE

The Debtor has entered into a "stalking horse" agreement (the "Stalking Horse Agreement"), with VEGAS VALLEY LAND HOLDINGS LLC (the "Stalking Horse Bidder"), governing the purchase of the Purchased Assets by the Stalking Horse Bidder. The Stalking Horse Agreement may provide for a break-up fee of \$212,700.00 plus fees and expenses incurred by the Stalking Horse Bidder in connection with the Auction and Sale to be paid to the Stalking Horse Bidder in the event that the Stalking Horse Bidder is not the purchaser of the Purchased Assets up to \$100,000 (the "Break-Up Fee"). The amount of the Break-Up Fee may be considered by the Debtor in determining the highest or otherwise best bid and the net value that the Debtor and its estate will realize at any Auction.

QUALIFIED BIDDERS

To participate in the bidding process or otherwise be considered for any purpose hereunder, a person or entity interested in the Purchased Assets (a "Potential Bidder") must first deliver the following materials to the Debtor and its counsel:

- (i) An executed confidentiality agreement in form and substance satisfactory to the Debtor and its counsel; and
- (ii) The most current audited and latest unaudited financial statements (collectively, the "Financials") of the Potential Bidder or, if the

Potential Bidder is an entity formed for the purpose of the Sale, (a) Financials of the equity holder(s) of the Potential Bidder or such other form of financial disclosure as is acceptable to the Debtor and its counsel and (b) the written commitment acceptable to the Debtor and its counsel of the equity holder(s) of the Potential Bidder to be responsible for the Potential Bidder's obligations in connection with the Sale. In the event that a Potential Bidder is unable to provide Financials, the Debtor may accept such other information sufficient to demonstrate to the Debtor's satisfaction that such Potential Bidder has the financial wherewithal to consummate the Sale.

A "Qualified Bidder" is a Potential Bidder whose Financials or other information demonstrate the financial capability to consummate the Sale and which the Debtor determines is reasonably likely to make a bona fide offer.

Notwithstanding the foregoing, neither Barclays Bank PLC ("Barclays"), as agent under that certain Super-Priority Debtor in Possession First Lien Credit Agreement, dated as of June 16, 2008 and that certain First Lien Credit Agreement, dated as of February 27, 2007, nor The Bank of New York ("BONY") as agent under that certain Second Lien Credit Agreement, dated as of February 27, 2007, shall be required to provide Financials in order to be deemed to constitute a Qualified Bidder so long as the other requirements set forth herein for Qualified Bidders have been satisfied. Barclays and BONY are referred to collectively herein as "Agents."

OBTAINING DUE DILIGENCE ACCESS

The Debtor (or a broker retained by the Debtor in these cases) shall afford each Qualified Bidder reasonable due diligence information, including, without limitation, the due diligence information provided to the Stalking Horse Bidder. Upon request, the Debtor shall provide site access to each Qualified Bidder to the extent requested to conduct reasonable due diligence. The due diligence period will end on the Bid Deadline (as defined below).

The Debtor shall not be obligated to furnish any information relating to the Debtor or the Purchased Assets to any person except to a Qualified Bidder. The Debtor shall give each Qualified Bidder reasonable access to all written due diligence information provided to another Qualified Bidder and shall provide substantially the same site access to each Qualified Bidder.

The Debtor shall coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders. No conditions relating to the completion of due diligence shall be permitted to exist after the Bid Deadline.

BID PROCEDURES

Set forth below are the bidding procedures (the "Bid Procedures") to be employed with respect to the selection of the highest or otherwise best bid(s) for the sale by SOUTHWEST COMMUNITIES DEVELOPMENT LLC, (the "Seller" or the "Debtor") of certain real property located in Las Vegas, Nevada, as more particularly described on Exhibit A attached hereto (the "Purchased Assets"). As set forth in more detail below, the Debtor will conduct an auction (the "Auction") for the sale (the "Sale") of the Purchased Assets if one or more Qualified Bids (as defined below) are timely submitted, or if the Debtor receives notice from an Agent (as defined below) that the Agent wishes to participate in the Auction. The Debtors filed a motion with the Bankruptcy Court on November 19, 2008 seeking approval of the Bid Procedures and related relief (the "Procedures Motion").

Pursuant to an order of the Bankruptcy Court entered on December 9, 2008, the Debtor received authority to, among other things, select a Stalking Horse Bidder (as defined below) for the Purchased Assets and conduct the Auction. The Bankruptcy Court will conduct a hearing (the "Sale Hearing") on August 11, 2009 at 1:00 PM (New York time) to consider entry of an order (the "Sale Order") authorizing and approving the Sale of the Purchased Assets pursuant to the terms and conditions set forth below and definitive sale documentation.

BREAK-UP FEE

The Debtor has entered into a "stalking horse" agreement (the "Stalking Horse Agreement"), with VEGAS VALLEY LAND HOLDINGS LLC (the "Stalking Horse Bidder"), governing the purchase of the Purchased Assets by the Stalking Horse Bidder. The Stalking Horse Agreement may provide for a break-up fee of \$212,700 plus fees and expenses up to \$100,000 incurred by the Stalking Horse Bidder in connection with the Auction and Sale to be paid to the Stalking Horse Bidder in the event that the Stalking Horse Bidder is not the purchaser of the Purchased Assets (the "Break-Up Fee"). The amount of the Break-Up Fee may be considered by the Debtor in determining the highest or otherwise best bid and the net value that the Debtor and its estate will realize at any Auction.

QUALIFIED BIDDERS

To participate in the bidding process or otherwise be considered for any purpose hereunder, a person or entity interested in the Purchased Assets (a "Potential Bidder") must first deliver the following materials to the Debtor and its counsel:

- (i) An executed confidentiality agreement in form and substance satisfactory to the Debtor and its counsel; and
- (ii) The most current audited and latest unaudited financial statements (collectively, the "Financials") of the Potential Bidder or, if the

Potential Bidder is an entity formed for the purpose of the Sale, (a) Financials of the equity holder(s) of the Potential Bidder or such other form of financial disclosure as is acceptable to the Debtor and its counsel and (b) the written commitment acceptable to the Debtor and its counsel of the equity holder(s) of the Potential Bidder to be responsible for the Potential Bidder's obligations in connection with the Sale. In the event that a Potential Bidder is unable to provide Financials, the Debtor may accept such other information sufficient to demonstrate to the Debtor's satisfaction that such Potential Bidder has the financial wherewithal to consummate the Sale.

A "Qualified Bidder" is a Potential Bidder whose Financials or other information demonstrate the financial capability to consummate the Sale and which the Debtor determines is reasonably likely to make a bona fide offer.

Notwithstanding the foregoing, neither Barclays Bank PLC ("Barclays"), as agent under that certain Super-Priority Debtor in Possession First Lien Credit Agreement, dated as of June 16, 2008 and that certain First Lien Credit Agreement, dated as of February 27, 2007, nor The Bank of New York ("BONY") as agent under that certain Second Lien Credit Agreement, dated as of February 27, 2007, shall be required to provide Financials in order to be deemed to constitute a Qualified Bidder so long as the other requirements set forth herein for Qualified Bidders have been satisfied. Barclays and BONY are referred to collectively herein as "Agents."

OBTAINING DUE DILIGENCE ACCESS

The Debtor (or a broker retained by the Debtor in these cases) shall afford each Qualified Bidder reasonable due diligence information, including, without limitation, the due diligence information provided to the Stalking Horse Bidder. Upon request, the Debtor shall provide site access to each Qualified Bidder to the extent requested to conduct reasonable due diligence. The due diligence period will end on the Bid Deadline (as defined below).

The Debtor shall not be obligated to furnish any information relating to the Debtor or the Purchased Assets to any person except to a Qualified Bidder. The Debtor shall give each Qualified Bidder reasonable access to all written due diligence information provided to another Qualified Bidder and shall provide substantially the same site access to each Qualified Bidder.

The Debtor shall coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders. No conditions relating to the completion of due diligence shall be permitted to exist after the Bid Deadline.

DUE DILIGENCE FROM BIDDERS

To the extent that cash payments are required to consummate the transaction, each Qualified Bidder shall comply with all reasonable requests for additional information by the Debtor or its advisors regarding such Qualified Bidder's financial wherewithal to consummate and perform obligations in connection with the Sale. Failure by the Qualified Bidder to comply with requests for additional information may be a basis for the Debtor to determine that a bid made by the Qualified Bidder is not a Qualified Bid (as defined below).

BID DEADLINE

The deadline for submitting bids by a Qualified Bidder, other than an Agent, shall be July 17, 2009 at 5:00 PM (New York time) (the "Bid Deadline").

Prior to the Bid Deadline, a Qualified Bidder, other than an Agent, that desires to make a bid shall deliver written copies of its bid to (i) the Debtor, Southwest Communities Development LLC, 23823 Valencia Blvd., Valencia, CA 91355 (Attn: Jeffrey Lawhon), (ii) counsel to the Debtor, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Debra Dandeneau, Esq.), and (iii) the financial advisors to the Debtor, Lazard Frères & Co. LLC, 30 Rockefeller Plaza, New York, NY 10020 (Attn: Brandon Aebersold). The Debtor shall provide copies of all bids received to the financial advisors to each of (i) Barclays, (ii) BONY, and (iii) the Official Committee of Unsecured Creditors (the "Creditors' Committee") and together with Barclays and BONY, the "Notice Parties").

The Agents need not submit bids by the Bid Deadline. An Agent may bid at an Auction regardless of whether it has delivered a bid by the Bid Deadline. If no bids have been received from any Qualified Bidders on or before the Bid Deadline, then an Agent may advise the Debtor of its intent to bid (either by credit bid or otherwise) in an Auction by delivering a notice to the Debtor and the other Notice Parties so that it is actually received by the Debtor and the other Notice Parties within two (2) business days after the Bid Deadline.

QUALIFIED BID REQUIREMENTS

A bid must be a written irrevocable offer from a Qualified Bidder (i) stating that the Qualified Bidder offers to consummate a Sale; (ii) confirming that the offer shall remain open and irrevocable until the closing of a Sale to the Successful Bidder or the Next Highest Bidder (both as defined below); (iii) enclosing a copy of the proposed bid; and (iv) enclosing a certified or bank check, wire transfer, or letter of credit reasonably acceptable to the Debtors equal to 5% of the amount of the Qualified Bid, as a minimum deposit (the "Minimum Deposit"). No liens of any creditors of the Debtor shall attach, or be deemed to attach, to the Minimum Deposit until and unless a Sale to the bidder making the Minimum Deposit occurs or the bidder forfeits its deposit in

accordance with the procedures set forth herein. All bids will be considered, but the Debtor reserves its right to reject any or all bids.

Any bid for the Purchased Assets must:

- (a) provide for the purchase of all of the Purchased Assets and may not have conditions to close not present in the Stalking Horse Agreement; provided, that the Debtor may consider bids for less than all of the Purchased Assets to the extent such bid, as a stand-alone bid or in combination with another, is the highest or otherwise best bid;
- (b) not be conditioned on obtaining financing or the outcome of any due diligence by the bidder;
- (c) not request or entitle the bidder to any break-up fee, expense reimbursement or similar type of payment;
- (d) fully disclose the identity of each entity that will be bidding for the Purchased Assets or otherwise participating in connection with such bid, and the complete terms of any such participation;
- (e) contain written evidence that the bidder has the requisite corporate or similar authority to consummate the proposed Sale;
- (f) offer a cash amount not less than \$8,850,000; provided, however, that the Agents are entitled to credit bid under section 363(k) of title 11 of the United States Code (the "Bankruptcy Code"), except to the extent that cash payments are required to consummate the transaction;
- (g) identify any executory contracts ("Contracts") or unexpired leases ("Leases") to be assumed and assigned in connection with the Sale;
- (h) be accompanied by an acknowledgement that the Qualified Bidder (a) has had an opportunity to conduct due diligence regarding the Purchased Assets prior to making its offer and does not require further due diligence, (b) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Purchased Assets in making its bid, and (c) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the Purchased Assets, or the completeness of any information provided in connection therewith, except as expressly stated in these Bidding Procedures;
- (i) include, with respect to the proposed Contracts and Leases, an Adequate Assurance Package (as defined below); and

- (j) be accompanied by a signed contract substantially in the form of the Stalking Horse Agreement and marked to show any changes made thereto.

A bid received from a Qualified Bidder that meets the requirements set forth above will be considered a "Qualified Bid," and the highest or otherwise best such bid, the "Highest Qualified Bid." For the avoidance of doubt, a credit bid submitted at the Auction by an Agent will be considered a Qualified Bid.

ADEQUATE ASSURANCE PACKAGE

If any Qualified Bid requires the assumption and assignment of Contracts or Leases, then such Qualified Bidder must identify such Contracts and/or Leases to be assumed and assigned and provide evidence of its ability to provide adequate assurance of future performance of such Contracts or Leases along with the Qualified Bid (an "Adequate Assurance Package").

AUCTION

If at least one Qualified Bid by a Qualified Bidder other than the Stalking Horse Bidder is received by the Bid Deadline, or if an Agent has provided the Notice Parties with timely written notice of its intent to participate at the Auction, the Auction with respect to the Purchased Assets shall take place on July 23, 2009, at 9:00 AM (New York time)) at the offices of Weil Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153. The Debtor may extend the Auction deadline and/or adjourn, continue or suspend the Auction and/or the Sale Hearing for any reason, including to seek further clarification from the Bankruptcy Court regarding any issues, without further order of the Bankruptcy Court, by filing a notice with the Bankruptcy Court and serving such notice on all Potential Bidders and the Auction Notice Parties (as such term is defined in the Procedures Motion). The Debtor will provide appropriate notice to each of the Qualified Bidders and other invitees of the date, time, and place for the Auction. Only the authorized representatives of each of the Debtor, the Creditors' Committee, the Agents, and the Qualified Bidders shall be permitted to attend the Auction.

If no Qualified Bid other than the Stalking Horse bid is received by the Bid Deadline, and neither of the Agents has provided timely written notice to the Notice Parties of its intent to participate at the Auction, then the Auction will not be held, and, pursuant to the Stalking Horse Agreement, but subject to the entry of the Sale Order, the Stalking Horse Bidder shall purchase, acquire and accept from Seller, and the Seller shall sell, transfer, assign, convey and deliver to the Stalking Horse Bidder (or its designated affiliate or affiliates) all of Seller's right, title and interest in, to and under the Purchased Assets, free and clear of all liens (except for the Permitted Exceptions (as defined in the Stalking Horse Agreement)) to the extent permissible under section 363(f) of the Bankruptcy Code and free and clear of any claims or interests the Debtor may have had.

A party may participate at the Auction only if it is either (i) a Qualified Bidder who has submitted a Qualified Bid, or (ii) an Agent who has complied with the

requirements of these Bid Procedures. The Debtor will evaluate all Qualified Bids received and will select the Qualified Bid that reflects the highest and best offer, as determined by the Debtor in its sole and absolute discretion, as the "Starting Auction Bid" for the Purchased Assets.

The bidding at the Auction shall start at the Starting Auction Bid as disclosed by the Debtor to all Qualified Bidders prior to commencement of the Auction. The bidding will continue in incremental amounts of at least \$100,000 (until there is a Successful Bid (as defined below) and a Next Highest Bid (as defined below). At the Auction, Qualified Bidders will be permitted to increase their bids. All bids subsequent to the Starting Auction Bid, whether oral or written, shall be deemed to constitute valid modifications or amendments to the signed contract previously submitted by such bidder. The Agents shall be entitled to credit bid at the Auction pursuant to section 363(k) of the Bankruptcy Code; provided, however, that to the extent applicable, any such credit bid must be accompanied by a cash payment equal to the amount of the secured debt with liens senior to the liens of the Agent that is credit bidding. Any credit bid submitted at the Auction will be on substantially the same terms as contained in the Stalking Horse Agreement.

Prior to concluding the Auction, the Debtor shall (i) review each Qualified Bid on the basis of its financial and contractual terms and the factors relevant to the sale process and the best interests of the Debtor's estates and creditors and (ii) determine which bid is the highest or otherwise best bid (the "Successful Bid") and the next highest or otherwise best offer after the Successful Bid (the "Next Highest Bid"). In evaluating bids, the Debtor may consider bids for less than all of the Purchased Assets, as well as bids for all of the Purchased Assets, so as to maximize the value received for the Purchased Assets.

At or prior to the Auction, the Debtor, in its sole and absolute discretion, may adopt other rules for the Auction that, in its reasonable judgment, will better promote the goals of the Auction. All such rules shall be fully disclosed to all Qualified Bidders and will provide that the procedures must be fair and open. The Debtor may (i) determine whether to distribute copies of other Qualified Bids to other Qualified Bidders prior to or during the Auction or (ii) proceed with sealed bidding. Nothing herein shall prohibit the Debtor from meeting privately with any Qualified Bidders to negotiate the terms of the bids.

Immediately upon selection of the Successful Bid, if the Minimum Deposit does not equal 20% of the purchase price of the Successful Bid, the Qualified Bidder making the Successful Bid (the "Successful Bidder") shall provide the Debtor with immediately available funds to be placed in escrow so that the Minimum Deposit is equal to 20% of the purchase price of the Successful Bid.

Any bid submitted after the conclusion of the Auction shall not be considered for any purpose unless an order of the Bankruptcy Court is entered directing

that such bid be considered. Neither the Debtor nor any other person shall have any obligation to seek such an order from the Bankruptcy Court.

ACCEPTANCE OF THE SUCCESSFUL BID

Following the Auction or a determination that the Stalking Horse is the Successful Bidder, the Debtor will file and serve the Sale Hearing Notice. If no party objects to the Sale within five (5) business days after the filing of the Sale Hearing Notice, the Debtor may submit the Sale Order to the Bankruptcy Court upon a certification of counsel, and the Bankruptcy Court may enter the Sale Order without a Sale Hearing. If a Sale Hearing occurs, the Debtor will present the results of the Auction to the Bankruptcy Court at the Sale Hearing, at which the Debtor will seek certain findings from the Bankruptcy Court regarding the Auction, including, among other things, that (i) the Auction was conducted in a fair and reasonable manner, (ii) the Successful Bidder was selected in accordance with the Bid Procedures, and (iii) consummation of the Sale contemplated by the Successful Bid will provide the highest or otherwise best value for the Purchased Assets and is in the best interests of the Debtor and its estates.

The Debtor shall have accepted a Qualified Bid only when the Bankruptcy Court has approved the Successful Bid and entered the Sale Order.

Upon the closing of the Sale, (i) the Debtor shall promptly receive the Minimum Deposit held in escrow in connection with that Successful Bid and (ii) the Successful Bidder shall pay directly to the Debtor the balance of the Successful Bid.

In the event that, for any reason, the Successful Bidder fails to close the Sale contemplated by its Successful Bid, then, without notice to any other party or further Bankruptcy Court order, the Debtor shall be authorized to close the Sale with the Qualified Bidder that submitted the Next Highest Bid (the “Next Highest Bidder”) in accordance with the foregoing procedures.

RETURN OF MINIMUM DEPOSIT

The Minimum Deposits of all Qualified Bidders other than the Successful Bidder and the Next Highest Bidder required to submit a deposit under these Bid Procedures shall be returned upon or within three (3) business days after the Auction. The Minimum Deposit of the Successful Bidder and the Next Highest Bidder shall be held until the closing of the Sale and the deposit of the Successful Bidder, or the Next Highest Bidder if the Purchased Assets are sold to it, will be applied to the amount of the Successful Bid.

Notwithstanding the above, if the Successful Bidder fails to close the Sale, such party’s Minimum Deposit shall be forfeited to the Debtor.

Except as otherwise provided in the Purchase Agreement, the Seller will not be required to maintain any Minimum Deposit in an interest bearing account, but any interest earned on any Minimum Deposit will be remitted to the appropriate Qualified Bidder if the Minimum Deposit is returned to the Qualified Bidder pursuant to the above or applied to the amount of the Successful Bid. Minimum Deposits may only be used in accordance with the terms of these Bidding Procedures. Neither the Seller nor the Purchaser shall have any liability with respect to any Minimum Deposit.

RESERVATION OF RIGHTS

The Debtor reserves the right to (i) determine which bidders are Qualified Bidders; (ii) determine which Bids are Qualified Bids; (iii) determine which Qualified Bid is the highest and best proposal and which is the next highest and best proposal; and (iv) reject any bid that is (a) inadequate or insufficient or (b) not in conformity with the requirements of the Bid Procedures Order or the requirements of the Bankruptcy Code.

JURISDICTION

The Bankruptcy Court shall retain exclusive jurisdiction over any matter or dispute relating to the sale of the Purchased Assets, the Bidding Procedures, the Sale Hearing, the Auction, the Stalking Horse Agreement, and/or any other matter that in any way relates to the foregoing.

Exhibit I
(Title Commitment)
Attached)

Fifth Amended



First American Title
633 Third Avenue
New York, NY, 10017

June 03, 2009

Peggy Jones
Weil, Gotshal & Manges, LLP
200 Crescent Court, Suite 300
Dallas, TX 75201-7830
Phone: (214)746-7784

Order Number: 361731NV43

Property: NV, 125-14-410-001 et al.,

Attached please find the following item(s):

Commitment

Thank You for your confidence and support. We at First American Title Insurance Company maintain the fundamental principle:

Customer First!

First American Title Insurance Company

First American Title Insurance Company
INFORMATION

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

This information is not part of the title insurance commitment.

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YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.
If you have any questions about the Commitment,
please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

Issued by

First American Title Insurance Company

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions.

This Commitment is not valid without Schedule A and Sections 1 and 2 of Schedule B.

First American Title Insurance Company

10/15/2014 10:00 AM C:\Users\james\Documents\1068-2 ALTA Plain Language Commitment.docx

LOTS TWO HUNDRED FOUR (204) THROUGH TWO HUNDRED THIRTY-TWO (232) INCLUSIVE, TWO HUNDRED FIFTY-THREE (253) THROUGH TWO HUNDRED SEVENTY-FOUR (274) INCLUSIVE IN BLOCK ONE (1), TWO HUNDRED SEVENTY-FIVE (275) THROUGH TWO HUNDRED SEVENTY-SEVEN (277) INCLUSIVE, TWO HUNDRED EIGHTY-THREE (283) THROUGH TWO HUNDRED EIGHTY-NINE INCLUSIVE, TWO HUNDRED NINETY-SIX (296) THROUGH TWO HUNDRED NINETY-EIGHT (298) INCLUSIVE IN BLOCK TWO (2), OF CENTENNIAL PARK 2, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 118 OF PLATS, PAGE 55 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL NO. 5:

LOTS ONE HUNDRED ELEVEN (111) THROUGH ONE HUNDRED FORTY-NINE (149) INCLUSIVE IN BLOCK ONE (1), ONE (1) THROUGH SIX (6) INCLUSIVE, ONE HUNDRED FIFTY-SIX (156) THROUGH ONE HUNDRED SEVENTY-THREE (173) INCLUSIVE IN BLOCK TWO (2), NINETY-ONE (91) THROUGH NINETY-SIX (96) INCLUSIVE, ONE HUNDRED (100) THROUGH ONE HUNDRED-TWO (102) INCLUSIVE IN BLOCK THREE (3), SEVENTY-NINE (79) THROUGH NINETY (90) INCLUSIVE IN BLOCK FOUR (4), SIXTY-SEVEN (67) THROUGH SEVENTY-EIGHT (78) INCLUSIVE IN BLOCK FIVE (5), FIFTY-FIVE (55) THROUGH SIXTY-SIX (66) INCLUSIVE IN BLOCK SIX (6), FORTY-FOUR (44) THROUGH FORTY-FIVE (45) INCLUSIVE, FORTY-NINE (49) THROUGH FIFTY-FOUR (54) INCLUSIVE IN BLOCK SEVEN (7), OF CENTENNIAL PARK 3, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 132 OF PLATS, PAGE 19 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL NO. 6:

LOTS ONE HUNDRED-SEVEN (107) THROUGH ONE HUNDRED TWENTY-EIGHT (128) INCLUSIVE IN BLOCK ONE (1), SIXTY-THREE (63), SIXTY-SIX (66) THROUGH EIGHTY-ONE (81) INCLUSIVE, EIGHTY-SEVEN (87) THROUGH ONE HUNDRED (100) INCLUSIVE, ONE HUNDRED-FIVE (105) THROUGH ONE HUNDRED-SIX (106) INCLUSIVE IN BLOCK TWO (2), TWO HUNDRED FORTY-NINE (249) THROUGH TWO HUNDRED FIFTY (250) INCLUSIVE IN BLOCK THREE (3), THREE HUNDRED TWENTY-TWO (322) THROUGH THREE HUNDRED TWENTY-SIX (326) INCLUSIVE, THREE HUNDRED THIRTY (330) THROUGH THREE HUNDRED THIRTY-ONE (331) INCLUSIVE IN BLOCK FOUR (4), THREE HUNDRED THIRTY-FIVE (335) THROUGH THREE HUNDRED FORTY-FIVE (345) INCLUSIVE, THREE HUNDRED NINETY-THREE (393) THROUGH THREE HUNDRED NINETY-FOUR (394) INCLUSIVE IN BLOCK FIVE (5), THREE HUNDRED NINETY-FIVE (395) THROUGH FOUR HUNDRED (400) INCLUSIVE IN BLOCK SIX (6) AND COMMON AREA LOTS B, C, D, E, G, H, J, K, L AND N. OF DESERT CANYON 2 PHASE 1, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 128 OF PLATS, PAGE 91 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, AND CERTIFICATE OF AMENDMENT RECORDED IN BOOK 20080522, AS INSTRUMENT NO. 05475 OF OFFICIAL RECORDS.

PARCEL NO. 7:

LOTS FORTY-FIVE "A" (45A) THROUGH SIXTY-TWO "A" (62A) INCLUSIVE, SIXTY-FOUR "A" (64A) THROUGH SIXTY-FIVE "A" (65A) INCLUSIVE IN BLOCK TWO (2) AND COMMON LOT "O" OF DESERT CANYON 2 PHASE 1 AMENDED, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 132 OF PLATS, PAGE 48 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL NO. 8:

LOTS ONE HUNDRED TWENTY-NINE (129) THROUGH ONE HUNDRED FORTY-SIX (146) INCLUSIVE IN BLOCK ONE (1), ONE HUNDRED SIXTY-NINE (169) THROUGH TWO HUNDRED-ONE (201) INCLUSIVE IN BLOCK THREE (3), TWO HUNDRED EIGHTY-ONE (281) THROUGH TWO HUNDRED NINETY-SEVEN (297) INCLUSIVE IN BLOCK FOUR (4), FOUR HUNDRED-SIX (406) THROUGH FOUR HUNDRED FIFTEEN (415) INCLUSIVE IN BLOCK SEVEN (7) AND

COMMON AREA LOTS H, L, M, R, S, U, V AND W, OF DESERT CANYON 2 PHASE 2, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 129 OF PLATS, PAGE 50 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, AND CERTIFICATE OF AMENDMENT RECORDED IN BOOK 20080522, AS INSTRUMENT NO. 05476 OF OFFICIAL RECORDS.

PARCEL NO. 9:

LOTS TWO HUNDRED-TWO (202) THROUGH TWO HUNDRED THIRTY-ONE (231) INCLUSIVE IN BLOCK THREE (3), TWO HUNDRED FIFTY-TWO (252) THROUGH TWO HUNDRED EIGHTY (280) INCLUSIVE, THREE HUNDRED SEVEN (307) THROUGH THREE HUNDRED TWENTY-ONE (321) INCLUSIVE IN BLOCK FOUR (4), THREE HUNDRED FORTY-SIX (346) THROUGH THREE HUNDRED FIFTY-NINE (359) INCLUSIVE IN BLOCK FIVE (5), AND COMMON AREA LOTS C, I, J, N, O, Q, R AND 9, OF DESERT CANYON 2 PHASE 3, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 129 OF PLATS, PAGE 96 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, AND CERTIFICATE OF AMENDMENT RECORDED IN BOOK 20080522, AS INSTRUMENT NO. 05477 OF OFFICIAL RECORDS.

PARCEL NO. 10:

COMMON AREA LOTS "A" AND "B" OF FIESTA PARK UNIT 1, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 122 OF PLATS, PAGE 51 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL NO. 11:

COMMON AREA LOTS "B" AND "C", OF FIESTA PARK UNIT 2, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 123 OF PLATS, PAGE 91 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, AND CERTIFICATE OF AMENDMENT RECORDED IN BOOK 20050526 AS INSTRUMENT NO. 02292 OF OFFICIAL RECORDS.

PARCEL NO. 12:

LOTS TWENTY-THREE (23) THROUGH TWENTY-EIGHT (28) INCLUSIVE IN BLOCK SEVEN (7) AND COMMON AREA LOTS D, F, G, H AND J, OF FIESTA PARK UNIT 3, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 127 OF PLATS, PAGE 45 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL NO. 13:

COMMON AREA LOTS A, B, C, D, E AND F, OF RAVENSTONE AT ANTHEM, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 120 OF PLATS, PAGE 40 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL NO. 14:

LOTS ONE (1) THROUGH TWO (2) INCLUSIVE, ONE HUNDRED FIFTY-FOUR (154) THROUGH ONE HUNDRED FIFTY-NINE (159) INCLUSIVE, ONE HUNDRED SIXTY (160) THROUGH ONE HUNDRED SIXTY-THREE (163) INCLUSIVE, ONE HUNDRED SIXTY-SEVEN (167) THROUGH ONE HUNDRED SIXTY-EIGHT (168) INCLUSIVE IN BLOCK ONE (1), THREE (3) THROUGH TEN (10) INCLUSIVE IN BLOCK TWO (2) AND COMMON AREA LOTS B, C, D, E AND G, OF GLENGARRY AT ANTHEM, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 121 OF PLATS, PAGE 72 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL NO. 15:

SCHEDULE B

SECTION ONE REQUIREMENTS

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (E) Releases(s) or Reconveyance(s) of Item(s): 283, 284 and 285
- (F) Other:
- (G) You must give us the following information:
 - 1. Any off record leases, surveys, etc.
 - 2. Statement(s) of Identity, all parties.
 - 3. Other:

The following additional requirements, as indicated by "X", must be met:

- (H) Provide information regarding any off-record matters, which may include, but are not limited to: leases, recent works of improvement, or commitment statements in effect under the Environmental Responsibility Acceptance Act, Civil Code Section 850, et seq.

The Company's Owner's Affidavit form(as provided by company) must be completed and submitted prior to close in order to satisfy this requirement. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.
- (I) An ALTA/ACSM survey of recent date, which complies with the current minimum standard detail requirements for ALTA/ACSM land title surveys, must be submitted to the Company for review. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.
- (J) The following LLC documentation is required:
 - (i) a copy of the Articles of Organization
 - (ii) a copy of the Operating Agreement, if applicable
 - (iii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
 - (iv) express Company Consent to the current transaction

With respect to Southwest Communities Development, LLC, a Delaware limited liability company :

- a. A copy of its operating agreement and any amendments thereto;
 - b. If it is a California limited liability company, that a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) be recorded in the public records;
 - c. If it is a foreign limited liability company, that a certified copy of its application for registration (LLC-5) be recorded in the public records;
 - d. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, that such document or instrument be executed in accordance with one of the following, as appropriate:
 - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such document must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
 - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
 - e. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.
- (K) The following partnership documentation is required :
- (i) a copy of the partnership agreement, including all applicable amendments thereto
 - (ii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
 - (iii) express Partnership Consent to the current transaction
- (L) The following coporation documentation is required:
- (i) a copy of the Articles of Incorporation
 - (ii) a copy of the Bylaws, including all applicable Amendments thereto
 - (iii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
 - (iv) express Corporate Resolution consenting to the current transaction
- (M) Based upon the Company's review of that certain partnership/operating agreement dated for the proposed insured herein, the following requirements must be met:
- Any further amendments to said agreement must be submitted to the Company, together with an affidavit from one of the general partners or members stating that it is a true copy, that said partnership or limited liability company is in full force and effect, and that there have been no further amendments to the agreement. This Commitment will then be subject to such further requirements as may be deemed necessary.
- (N) A copy of the complete lease, as referenced in Schedule A, #3 herein, together with any amendments and/or assignments thereto, must be submitted to the Company for review, along with an affidavit executed by the present lessee stating that it is a true copy, that the lease is in full force and effect, and that there have been no further amendments to the lease. This Commitment will then be subject to such further requirements as may be deemed necessary.

- (O) Approval from the Company's Underwriting Department must be obtained for issuance of the policy contemplated herein and any endorsements requested thereunder. This Commitment will then be subject to such further requirements as may be required to obtain such approval.
- (P) Potential additional requirements, if ALTA Extended coverage is contemplated hereunder, and work on the land has commenced prior to close, some or all of the following requirements, and any other requirements which may be deemed necessary, may need to be met:
 - (Q) The Company's "Mechanic's Lien Risk Addendum" form must be completed by a Company employee, based upon information furnished by the appropriate parties involved.
 - (R) The Company's "Indemnity Agreement I" must be executed by the appropriate parties.
 - (S) Financial statements from the appropriate parties must be submitted to the Company for review.
 - (T) A copy of the construction contract must be submitted to the Company for review.
 - (U) An inspection of the land must be performed by the Company for verification of the phase of construction.

SCHEDULE B

SECTION TWO

EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction. The printed exceptions and exclusions from the coverage of the policy or policies are set forth in Exhibit A attached. Copies of the policy forms should be read. They are available from the office which issued this Commitment.

1. Water rights, claims or title to water, whether or not shown by the public records.
2. Any taxes that may be due, but not assessed, for new construction which can be assessed on the unsecured property rolls, in the Office of the County Assessor, per Nevada Revised Statute 361.260.

The following affects Parcel No. 1.

3. This item has been intentionally deleted.
4. The tax search indicates that the land described in Schedule A is benefited by a tax exemption that may terminate upon transfer of said land. The land then may become taxed, pro-rata, for the unexpired term of the tax year from the termination of the exemption. Policy will except loss or damage arising from the retroactive reimposition of taxes from the termination of the exemption.

Affects APN's: 125-14-410-021 through 125-14-410-026.

5. Reservations and provisions as contained in the Patent from the State of Nevada, recorded May 09, 1952, in Book 66 of Deeds, Page 358, as Instrument No. 384190.
6. This item has been intentionally deleted.
7. This item has been intentionally deleted.
8. Covenants, conditions, easements and restrictions in a Sewer Connection Agreement recorded November 19, 2004, in Book 20041119 as Instrument No. 01310 of Official Records.
9. This item has been intentionally deleted.
10. An Easement for perpetual avigation for right of flight, for the passage of aircraft in the air space above the surface of the said premises, together with the right to cause in said air space such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, as conveyed to the County of Clark, recorded February 23, 2006, in Book 20060223 as Instrument No. 05662 of Official Records.

11. Covenants, conditions, easements and restrictions in a Right of Entry recorded May 10, 2006, in Book 20060510 as Instrument No. 01771 of Official Records.
12. An Easement and right-of-way for the construction, operation, maintenance, repair, renewal, reconstruction, and removal of pipelines for conducting water with the right of ingress and egress, as conveyed to Las Vegas Valley Water District, a quasi-municipal corporation, by an instrument recorded May 12, 2006, in Book 20060512 as Instrument No. 02988 of Official Records, over a portion of the land.
13. An easement for communication lines and incidental purposes in the document recorded June 20, 2006 in Book 20060620 as Instrument No. 00489 of Official Records.
14. Covenants, conditions, and restrictions in a Restrictive Covenant Running with the Land recorded January 29, 2007, in Book 20070129 as Instrument No. 04633 of Official Records.
15. Covenants, conditions, and restrictions in an Off-Site Improvements Agreement recorded April 11, 2007, in Book 20070411 as Instrument No. 03873 of Official Records.
16. An easement for public drainage and incidental purposes in the document recorded April 18, 2007 in Book 20070418 as Instrument No. 05089 of Official Records.
17. Easements as shown and/or dedicated upon the final map of Whitehorse West, on file in Book 136 of plats, Page 85 , of Official Records.

The following affects Parcel No. 2.
18. This item has been intentionally deleted.
19. The tax search indicates that the land described in Schedule A is benefited by a tax exemption that may terminate upon transfer of said land. The land then may become taxed, pro-rata, for the unexpired term of the tax year from the termination of the exemption. Policy will except loss or damage arising from the retroactive reimposition of taxes from the termination of the exemption.

APN's: 125-14-811-081 through 125-14-811-085.
20. Reservations and provisions as contained in the Patent from the State of Nevada, recorded July 20, 1928, in Book 13 of Deeds, Page 162, as Instrument No. 28951.
21. An easement for public utilities and incidental purposes in the document recorded June 28, 1974 in Book 438 as Instrument No. 397367 of Official Records.
22. An easement for public utilities and incidental purposes in the document recorded March 24, 1983 in Book 1708 as Instrument No. 1667181 of Official Records.
23. Covenants, conditions, easements and restrictions in a Sewer Connection Agreement recorded November 19, 2004, in Book 20041119 as Instrument No. 01311 of Official Records.

24. An easement for public utilities and incidental purposes in the document recorded February 09, 2005 in Book 20050209 as Instrument No. 00901 of Official Records.
25. Covenants, conditions, and restrictions in a Restrictive Covenant Running with the Land recorded August 10, 2005, in Book 20050810 as Instrument No. 02490 of Official Records.
26. Covenants, conditions, and restrictions in an Off-Site Improvement Agreement recorded August 12, 2005, in Book 20050812 as Instrument No. 04423 of Official Records.
27. An Easement and right-of-way for the construction, operation, maintenance, repair, renewal, reconstruction, and removal of pipelines for conducting water with the right of ingress and egress, as conveyed to Las Vegas Valley Water District, a quasi-municipal corporation, by an instrument recorded November 14, 2005, in Book 20051114 as Instrument No. 01326 of Official Records, over a portion of the land.
28. This item has been intentionally deleted.
29. Easements as shown and/or dedicated upon the final map of Whitehorse South, on file in Book 128 of plats, Page 95 , of Official Records.
30. Covenants, conditions, easements and restrictions in a Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for White Horse South recorded May 05, 2008, in Book 20080505 as Instrument No. 03324 of Official Records.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon WhiteHorse South Homeowners Association.**

Subject property is subject to annexation.

The following affects Parcel No. 3.

31. This item has been intentionally deleted.
32. This item has been intentionally deleted.
33. This item has been intentionally deleted.
34. This item has been intentionally deleted.
35. This item has been intentionally deleted.
36. This item has been intentionally deleted.
37. This item has been intentionally deleted.
38. This item has been intentionally deleted.
39. This item has been intentionally deleted.

- A document entitled "Declaration of Utilization Bureau of Land Management Rights-of-Way" recorded May 23, 2002 in Book 20020523 as Instrument No. 02157 of Official Records.
- A document entitled "Partial Relinquishment of Patent Easement Rights" recorded May 18, 2004 in Book 20040518 as Instrument No. 03179 of Official Records.
- A document entitled "Order of Relinquishment of Interest" recorded March 30, 2005 in Book 20050330 as Instrument No. 02300 of Official Records.
- 55. Covenants, conditions, and restrictions in an Encroachment Agreement recorded June 2, 2004, in Book 20040602 as Instrument No. 01293 of Official Records.
- 56. An easement for public utilities and incidental purposes in the document recorded June 30, 2004 in Book 20040630 as Instrument No. 04280 of Official Records.
- 57. An Easement and right-of-way for the construction, operation, maintenance, repair, renewal, reconstruction, and removal of pipelines for conducting water with the right of ingress and egress, as conveyed to Las Vegas Valley Water District, a quasi-municipal corporation, by an instrument recorded July 19, 2004, in Book 20040719 as Instrument No. 02158 of Official Records, over a portion of the land.
- 58. Easements as shown and/or dedicated upon the final map of Centennial Part 2, on file in Book 118 of plats, Page 55 , of Official Records.
- 59. Any private easements or lesser rights together with the rights, if any, of the City of Las Vegas and/or the County of Clark , public utilities or special districts, which may not have been affected by the proceedings vacating easements as the same was recorded June 13, 2005 in Book 20050613 as Instrument No. 00942 of Official Records.
- 60. Covenants, conditions, easements and restrictions in a Declaration of Covenants, Conditions, and Restrictions for Remington Place recorded November 28, 2007, in Book 20071128 as Instrument No. 00875 of Official Records.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon Remington Place Homeowners Association.**

Subject property is subject to annexation.

The following affects Parcel No. 5.

- 61. This item has been intentionally deleted.
- 62. Reservations and provisions as contained in the Patent from the State of Nevada, recorded September 18, 1941, in Book 29 of Deeds, Pages 6-7, as Instrument No. 120572.
- 63. Covenants, conditions, easements and restrictions in a Water Facilities Installation Agreement recorded December 1, 1992, in Book 921201 as Instrument No. 00644 of Official Records.

64. An easement for sewer lines and incidental purposes in the document recorded September 8, 1997 in Book 970908 as Instrument No. 00822 of Official Records.
65. Easements as shown and/or dedicated upon the parcel map, recorded in File 109, Page 80 of Parcel Maps.
66. An Easement and right-of-way for the construction, operation, maintenance, repair, renewal, reconstruction, and removal of pipelines for conducting water with the right of ingress and egress, as conveyed to Las Vegas Valley Water District, a quasi-municipal corporation, by an instrument recorded December 29, 2005, in Book 20051229 as Instrument No. 00721 of Official Records, over a portion of the land.
67. Covenants, conditions, easements and restrictions in a Declaration of Easements, Covenants, Conditions and Restrictions recorded December 16, 2005, in Book 20051216 as Instrument No. 05773 of Official Records.
68. Easements as shown and/or dedicated upon the final map of Centennial Park 3, on file in Book 132 of plats, Page 19 , of Official Records.
69. Covenants, conditions, easements and restrictions in an Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Lexington Park recorded February 6, 2008, in Book 20080206 as Instrument No. 03354 of Official Records.

- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon Lexington Park Homeowners Association.**

Subject property is subject to annexation.

The following affects Parcel No. 6.

70. This item has been intentionally deleted.
71. This item has been intentionally deleted.
72. The tax search indicates that the land described in Schedule A is benefited by a tax exemption that may terminate upon transfer of said land. The land then may become taxed, pro-rata, for the unexpired term of the tax year from the termination of the exemption. Policy will except loss or damage arising from the retroactive reimposition of taxes from the termination of the exemption.

APN's: 178-03-611-102 through 106 and 178-03-511-071 through 075.

73. Reservations and provisions as contained in Patent from the United States of America, recorded February 22, 1963, in Book N/A of Official Records, as Instrument No. 341434.

Document re-recorded December 23, 1988 in Book 881223 as Instrument No. 00456 of Official Records.

74. Covenants, conditions, easements and restrictions in a United States Department of the Interior Bureau of Reclamation Agreement Relating to Exercise of Reserved Right-of-Way recorded April 27, 1981, in Book 1391 as Instrument No. 1350669 of Official Records.

Document(s) declaring modifications thereof recorded August 01, 1984 in Book 1971 as Instrument No. 1930509 of Official Records.
75. Easements as shown and/or dedicated upon the parcel map, recorded in File 47, Page 97 of Parcel Maps.
76. Covenants, conditions, and restrictions in a Declaration of Covenants recorded September 30, 1985, in Book 2192 as Instrument No. 2151167 of Official Records.
77. The lack of abutters rights, including access rights appurtenant to the adjacent remaining property recorded December 17, 1985 in Book 2234 as Instrument Nos. 2193032, 2193033, 2193034, 2193036, 2193037 and 2193038 of Official Records.
78. Covenants, conditions, easements and restrictions in a Mutual Agreement for use of Utility Easement recorded April 30, 1991, in Book 910430 as Instrument No. 01097 of Official Records.
79. An easement for gas pipe lines and incidental purposes in the document recorded April 7, 1997 in Book 970407 as Instrument No. 00616 of Official Records.
80. An easement for gas pipe lines and incidental purposes in the document recorded April 7, 1997 in Book 970407 as Instrument No. 00617 of Official Records.
81. Covenants, conditions, easements and restrictions in a Right of Entry Agreement recorded July 18, 2001, in Book 20010718 as Instrument No. 00861 of Official Records.
82. Covenants, conditions, and restrictions in a Grant, Bargain in and Sale Deed recorded March 11, 2003, in Book 20030311 as Instrument No. 02565 of Official Records.
83. This item has been intentionally deleted.
84. An easement for public utilities and incidental purposes in the document recorded October 6, 2005 in Book 20051006 as Instrument No. 01388 of Official Records.
85. Easements as shown and/or dedicated upon the final map of Desert Canyon 2, on file in Book 128 of plats, Page 91, of Official Records, and Certificate of Amendment recorded in Book 20080522 as Instrument No. 05475.
86. Covenants, conditions, easements and restrictions in a Declaration of Covenants, Conditions, and Restrictions for the Willows recorded January 12, 2007, in Book 20070112 as Instrument No. 02813 of Official Records.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon The Willows Homeowners Association.**

Subject property is subject to annexation.

The following affects Parcel No. 7

87. This item has been intentionally deleted.
88. This item has been intentionally deleted.
89. The tax search indicates that the land described in Schedule A is benefited by a tax exemption that may terminate upon transfer of said land. The land then may become taxed, pro-rata, for the unexpired term of the tax year from the termination of the exemption. Policy will except loss or damage arising from the retroactive reimposition of taxes from the termination of the exemption.

APN: 178-03-613-021.
90. Reservations and provisions as contained in Patent from the United States of America, recorded February 22, 1963, in Book N/A of Official Records, as Instrument No. 341434.

Document re-recorded December 23, 1988 in Book 881223 as Instrument No. 00456 of Official Records.
91. Covenants, conditions, easements and restrictions in an United States Department of the Interior Bureau of Reclamation Agreement Relating to Exercise of Reserved Right-of-Way recorded April 27, 1981, in Book 1391 as Instrument No. 1350669 of Official Records.

Document(s) declaring modifications thereof recorded August 10, 1984 in Book 1971 as Instrument No. 1930509 of Official Records.
92. Easements as shown and/or dedicated upon the parcel map, recorded in File 47, Page 97 of Parcel Maps.
93. Covenants, conditions, and restrictions in a Declaration of Covenants recorded September 30, 1988, in Book 2192 as Instrument No. 2151167 of Official Records.
94. The lack of abutters rights, including access rights appurtenant to the adjacent remaining property recorded December 17, 1985 in Book 2234 as Instrument Nos. 2193032, 2193033, 2193034, 2193036, 2193037 and 2193038 of Official Records.
95. Covenants, conditions, easements and restrictions in a Mutual Agreement for Use of Utility Easements recorded April 30, 1991, in Book 910430 as Instrument No. 01097 of Official Records.
96. An easement for gas pipe line and incidental purposes in the document recorded April 7, 1997 in Book 970407 as Instrument No. 00616 of Official Records.
97. An easement for gas pipe line and incidental purposes in the document recorded April 7, 1997 in Book 970407 as Instrument No. 00617 of Official Records.
98. Covenants, conditions, easements and restrictions in a Right of Entry Agreement recorded July 18, 2001, in Book 20010718 as Instrument No. 00861 of Official Records.

99. Covenants, conditions, and restrictions in a Grant Bargain and Sale Deed recorded March 11, 2003, in Book 20030311 as Instrument No. 02565 of Official Records.
100. Covenants, conditions, easements and restrictions in a Final Order of Condemnation recorded July 26, 2004, in Book 20040726 as Instrument No. 04672 of Official Records.
101. An easement for public utilities and incidental purposes in the document recorded October 6, 2005 in Book 20051006 as Instrument No. 01388 of Official Records.
102. Easements as shown and/or dedicated upon the final map of Desert Canyon 2 Phase 1, on file in Book 128 of plats, Page 91 , of Official Records, and Certificate of Amendment recorded in Book 20080522 as Instrument No. 05475.
103. Easements as shown and/or dedicated upon the final map of Desert Canyon 2 Phase1 Amended, on file in Book 132 of plats, Page 48 , of Official Records.
104. Covenants, conditions, easements and restrictions in a Declaration of Covenants, Conditions, and Restrictions for the Willows recorded January 12, 2007, in Book 20070112 as Instrument No. 02813 of Official Records.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon The Willows Homeowners Association.**

Subject property is subject to annexation.

The following affects Parcel No. 8.

105. This item has been intentionally deleted.
106. This item has been intentionally deleted.
107. This item has been intentionally deleted.
108. The tax search indicates that the land described in Schedule A is benefited by a tax exemption that may terminate upon transfer of said land. The land then may become taxed, pro-rata, for the unexpired term of the tax year from the termination of the exemption. Policy will except loss or damage arising from the retroactive reimposition of taxes from the termination of the exemption.

APN's 178-03-512-132 through 136, 138 & 139

109. Reservations and provisions as contained in Patent from the United States of America, recorded February 22, 1963, in Book N/A of Official Records, as Instrument No. 341434.

Document re-recorded December 23, 1988 in Book 881223 as Instrument No. 00456 of Official Records.

110. Covenants, conditions, easements and restrictions in an United States Department of the Interior Bureau of Reclamation Agreement Relating to Exercise of Reserved Right-of-Way recorded April 27, 1981, in Book 1391 as Instrument No. 1350669 of Official Records.

Document(s) declaring modifications thereof recorded August 10, 1984 in Book 1971 as Instrument No. 1930509 of Official Records.
111. Easements as shown and/or dedicated upon the parcel map, recorded in File 47, Page 97 of Parcel Maps.
112. Covenants, conditions, and restrictions in a Declaration Of Covenants recorded September 30, 1988, in Book 2192 as Instrument No. 2151167 of Official Records.
113. The lack of abutters rights, including access rights appurtenant to the adjacent remaining property recorded December 17, 1985 in Book 2234 as Instrument Nos. 2193032, 2193033, 2193034, 2193036, 2193037 and 2193038 of Official Records.
114. Covenants, conditions, easements and restrictions in a Mutual Agreement for Use of Utility Easement recorded April 30, 1991, in Book 910430 as Instrument No. 01097 of Official Records.
115. Easements as shown and/or dedicated upon the parcel map, recorded in File 83, Page 85 of Parcel Maps.
116. An easement for gas pipe line and incidental purposes in the document recorded April 7, 1997 in Book 970407 as Instrument No. 00616 of Official Records.
117. An easement for gas pipe line and incidental purposes in the document recorded April 7, 1997 in Book 970407 as Instrument No. 00617 of Official Records.
118. Covenants, conditions, easements and restrictions in a Right of Entry Agreement recorded July 18, 2001, in Book 20010718 as Instrument No. 00861 of Official Records.
119. Covenants, conditions, and restrictions in a Grant Bargain and Sale Deed recorded March 11, 2003, in Book 20030311 as Instrument No. 02565 of Official Records.
120. This item has been intentionally deleted.
121. An easement for public utilities and incidental purposes in the document recorded October 6, 2005 in Book 20051006 as Instrument No. 01388 of Official Records.
122. Easements as shown and/or dedicated upon the final map of Desert Canyon 2 Phase 1, on file in Book 128 of plats, Page 91 , of Official Records and Certificate of Amendment recorded in Book 20080522 as Instrument No. 05475.
123. Easements as shown and/or dedicated upon the final map of Desert Canyon 2 Phase 2, on file in Book 129 of plats, Page 50 , of Official Records, and Certificate of Amendment recorded in Book 20080522 as Instrument No. 05476.
124. Covenants, conditions, easements and restrictions in a Right of Entry recorded June 30, 2006, in Book 20060630 as Instrument No. 03085 of Official Records.

125. An easement for communication system and incidental purposes in the document recorded October 20, 2006 in Book 20061020 as Instrument No. 02804 of Official Records.
- A document entitled "Subordination Agreement" recorded October 20, 2006 in Book 20061020 as Instrument No. 02807 of Official Records.
126. Covenants, conditions, easements and restrictions in a Declaration of Covenants, Conditions, and Restrictions for the Willows recorded January 12, 2007, in Book 20070112 as Instrument No. 02813 of Official Records.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon The Willows Homeowners Association.**

Subject property is subject to annexation.

The following affects Parcel No. 9

127. This item has been intentionally deleted.
128. The tax search indicates that the land described in Schedule A is benefited by a tax exemption that may terminate upon transfer of said land. The land then may become taxed, pro-rata, for the unexpired term of the tax year from the termination of the exemption. Policy will except loss or damage arising from the retroactive reimposition of taxes from the termination of the exemption.

APN's : 178-03-513-120 through 124, 178-03-612-034, 035

129. Reservations and provisions as contained in Patent from the United States of America, recorded February 22, 1963, in Book N/A of Official Records, as Instrument No. 341434.
- Document re-recorded December 23, 1988 in Book 881223 as Instrument No. 00456 of Official Records.
130. Covenants, conditions, easements and restrictions in an United States Department of the Interior Bureau of Reclamation Agreement Relating to Exercise of Reserved Right-of-Way recorded April 27, 1981, in Book 1391 as Instrument No. 1350669 of Official Records.
- Document(s) declaring modifications thereof recorded August 10, 1984 in Book 1971 as Instrument No. 1930509 of Official Records.
131. Easements as shown and/or dedicated upon the parcel map, recorded in File 47, Page 97 of Parcel Maps.
132. Covenants, conditions, and restrictions in a Declaration of Covenants recorded September 30, 1988, in Book 2192 as Instrument No. 2151167 of Official Records.
133. The lack of abutters rights, including access rights appurtenant to the adjacent remaining property recorded December 17, 1985 in Book 2234 as Instrument Nos. 2193032, 2193033, 2193034, 2193036, 2193037 and 2193038 of Official Records.

134. Covenants, conditions, easements and restrictions in a Mutual Agreement for use of Utility Easement recorded April 30, 1991, in Book 910430 as Instrument No. 01097 of Official Records.
135. Easements as shown and/or dedicated upon the parcel map, recorded in File 83, Page 85 of Parcel Maps.
136. An easement for gas pipe line and incidental purposes in the document recorded April 7, 1997 in Book 970407 as Instrument No. 00616 of Official Records.
137. An easement for gas pipe line and incidental purposes in the document recorded April 7, 1997 in Book 970407 as Instrument No. 00617 of Official Records.
138. Covenants, conditions, easements and restrictions in a Right of Entry Agreement recorded July 18, 2001, in Book 20010718 as Instrument No. 00861 of Official Records.
139. Covenants, conditions, and restrictions in a Grant Bargain and Sale Deed recorded March 11, 2003, in Book 20030311 as Instrument No. 02565 of Official Records.
140. This item has been intentionally deleted.
141. An easement for public utilities and incidental purposes in the document recorded October 6, 2005 in Book 20051006 as Instrument No. 01388 of Official Records.
142. Easements as shown and/or dedicated upon the final map of Desert Canyon 2 Phase 1, on file in Book 128 of plats, Page 91 , of Official Records, and Certificate of Amendment recorded in Book 20080522 as Instrument No. 05475.
143. Easements as shown and/or dedicated upon the final map of Desert Canyon 2 Phase 3, on file in Book 129 of plats, Page 96 , of Official Records, and Certificate of Amendment recorded in Book 20080522 as Instrument No. 05477.
144. Covenants, conditions, easements and restrictions in a Declaration of Covenants, Conditions, and Restrictions for the Willows recorded January 12, 2007, in Book 20070112 as Instrument No. 02813 of Official Records.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon The Willows Homeowners Association.**

Subject property is subject to annexation.

The following affects Parcel No. 10.

145. The tax search indicates that the land described in Schedule A is benefited by a tax exemption that may terminate upon transfer of said land. The land then may become taxed, pro-rata, for the unexpired term of the tax year from the termination of the exemption. Policy will except loss or damage arising from the retroactive reimposition of taxes from the termination of the exemption.

APN's: 178-13-310-011, 178-13-412-006, 007

146. Reservations and provisions as contained in the Patent from the State of Nevada, recorded October 15, 1941, in Book N/A of Official Records, as Instrument No. 122041.
 147. Reservations and provisions as contained in Patent from the United States of America, recorded October 24, 1941, in Book 29 of Deeds, Pages 129-130, as Instrument No. 123295.
 148. Covenants, conditions, and restrictions in a Quitclaim Deed recorded September 9, 1949, in Book N/A as Instrument No. 321823 of Official Records.
 149. An easement for sewer purposes and incidental purposes in the document recorded February 14, 1957 in Book 120 as Instrument No. 99359 of Official Records.
 150. An easement for public utilities and incidental purposes in the document recorded October 10, 1950 in Book 63, Page 41 as Instrument No. 352472 of Official Records.
 151. An easement for public utilities and incidental purposes in the document recorded October 10, 1950 in Book 63, Page 91 as Instrument No. 353576 of Official Records.
 152. Covenants, conditions, and restrictions in a Relinquishment of Easement recorded June 10, 1952, in Book 33 as Instrument No. 225 of Miscellaneous Records.
 153. An easement for telephone lines and incidental purposes in the document recorded November 15, 1960 in Book 269 as Instrument No. 217715 of Official Records.
 154. An easement for gas pipe line and incidental purposes in the document recorded January 22, 1974 in Book 395 as Instrument No. 354978 of Official Records.
 155. An easement for gas pipe line and incidental purposes in the document recorded September 8, 1978 in Book 941 as Instrument No. 900347 of Official Records.
 156. Covenants, conditions, easements and restrictions in a Communication System Right-of Way and Easement Deed recorded September 8, 2004, in Book 20040908 as Instrument No. 01796 of Official Records.
 157. Easements as shown and/or dedicated upon the final map of Fiesta Part Unit 1, on file in Book 122 of plats, Page 51 , of Official Records.
 158. Covenants, conditions, easements and restrictions in a Declaration of Covenants, Conditions, and Restrictions for Fiesta Park recorded October 26, 2005, in Book 20051026 as Instrument No. 03968 of Official Records.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon Fiesta Park Homeowners Association.**

Subject property is subject to annexation.

Document(s) declaring modifications thereof recorded July 3, 2006 in Book 20060703 as Instrument No. 00825 of Official Records.

159. An easement for public utilities and incidental purposes in the document recorded January 10, 2007 in Book 20070110 as Instrument No. 01937 of Official Records.

The following affects Parcel No. 11.

160. The tax search indicates that the land described in Schedule A is benefited by a tax exemption that may terminate upon transfer of said land. The land then may become taxed, pro-rata, for the unexpired term of the tax year from the termination of the exemption. Policy will except loss or damage arising from the retroactive reimposition of taxes from the termination of the exemption.

APN's: 178-13-413-060 and 061.

161. Reservations and provisions as contained in the Patent from the State of Nevada, recorded October 15, 1941, in Book N/A of Official Records, as Instrument No. 122041.
162. Reservations and provisions as contained in Patent from the United States of America, recorded October 24, 1941, in Book 29 of Deeds, Pages 129-130, as Instrument No. 123295.
163. Covenants, conditions, and restrictions in a QuitClaim Deed recorded September 9, 1949, in Book N/A as Instrument No. 321823 of Official Records.
164. An easement for sewer purposes and incidental purposes in the document recorded February 14, 1957 in Book 120 as Instrument No. 99359 of Official Records.
165. An easement for public utilities and incidental purposes in the document recorded October 10, 1950 in Book 63, Page 41 as Instrument No. 352472 of Official Records.
166. An easement for public utilities and incidental purposes in the document recorded October 10, 1950 in Book 63, Page 41 as Instrument No. 353576 of Official Records.
167. Covenants, conditions, and restrictions in a Relinquishment of Easement recorded June 10, 1952, in Book 33 as Instrument No. 225 of Official Records.
168. An easement for telephone lines and incidental purposes in the document recorded November 15, 1960 in Book 269 as Instrument No. 217715 of Official Records.
169. An easement for gas pipe lines and incidental purposes in the document recorded January 22, 1974 in Book 395 as Instrument No. 354978 of Official Records.
170. An easement for gas pipe lines and incidental purposes in the document recorded September 8, 1978 in Book 941 as Instrument No. 900347 of Official Records.
171. Covenants, conditions, easements and restrictions in a Communication System Right-of-Way and Easement Deed recorded September 8, 2004, in Book 20040908 as Instrument No. 01796 of Official Records.

172. Easements as shown and/or dedicated upon the final map of Fiesta Park Unit 1, on file in Book 122 of plats, Page 51 , of Official Records.
173. Easements as shown and/or dedicated upon the final map of Fiesta Park Unit 2, on file in Book 123 of plats, Page 91 , of Official Records, and Certificate of Amendment recorded in Book 20050526 as Instrument No. 02292.
174. Covenants, conditions, easements and restrictions in a Declaration of Covenants, Conditions, and Restrictions for Fiesta Park recorded October 26, 2005, in Book 20051026 as Instrument No. 03968 of Official Records.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon Fiesta Park Homeowners Association.**

Subject property is subject to annexation.

Document(s) declaring modifications thereof recorded July 3, 2006 in Book 20060703 as Instrument No. 00825 of Official Records.

The following affects Parcel No. 12.

175. This item has been intentionally deleted.
176. This item has been intentionally deleted.
177. The tax search indicates that the land described in Schedule A is benefited by a tax exemption that may terminate upon transfer of said land. The land then may become taxed, pro-rata, for the unexpired term of the tax year from the termination of the exemption. Policy will except loss or damage arising from the retroactive reimposition of taxes from the termination of the exemption.

APN'S: 178-13-414-036, 037, 038 and 178-13-312-044 through 046.
178. Reservations and provisions as contained in the Patent from the State of Nevada, recorded October 15, 1941, in Book N/A of Official Records, as Instrument No. 122041.
179. Reservations and provisions as contained in the Patent from the State of Nevada, recorded October 24, 1941, in Book 29 of Deeds, Page 129-130, as Instrument No. 123295.
180. Covenants, conditions, and restrictions in a Quitclaim Deed recorded September 9, 1949, in Book N/A as Instrument No. 321823 of Official Records.
181. An easement for sewer purposes and incidental purposes in the document recorded February 14, 1957 in Book 120 as Instrument No. 99359 of Official Records.
182. An easement for public utilities and incidental purposes in the document recorded October 10, 1950 in Book 63, Page 41 as Instrument No. 352472 of Official Records.

183. An easement for public utilities and incidental purposes in the document recorded October 10, 1950 in Book 63, Page 41 as Instrument No. 353576 of Official Records.
184. Covenants, conditions, and restrictions in a Relinquishment of Easement recorded June 10, 1952, in Book 33, Page 225 as Instrument No. N/A of Official Records.
185. An easement for telephone lines and incidental purposes in the document recorded November 15, 1960 in Book 269 as Instrument No. 217715 of Official Records.
186. An easement for gas pipe line and incidental purposes in the document recorded January 22, 1974 in Book 395 as Instrument No. 354978 of Official Records.
187. An easement for gas pipe line and incidental purposes in the document recorded September 08, 1978 in Book 941 as Instrument No. 900347 of Official Records.
188. Covenants, conditions, easements and restrictions in a Communication System Right-of-Way and Easement Deed recorded September 8, 2004, in Book 20040908 as Instrument No. 01796 of Official Records.
189. Easements as shown and/or dedicated upon the parcel map, recorded in File 82, Page 94 of Parcel Maps.
190. Easements as shown and/or dedicated upon the final map of Fiesta Park Unit 3, on file in Book 127 of plats, Page 45, of Official Records.
191. An easement for public utilities and incidental purposes in the document recorded October 4, 2006 in Book 20061004 as Instrument No. 02339 of Official Records.

The following affects Parcel No. 13.

192. The tax search indicates that the land described in Schedule A is benefited by a tax exemption that may terminate upon transfer of said land. The land then may become taxed, pro-rata, for the unexpired term of the tax year from the termination of the exemption. Policy will except loss or damage arising from the retroactive reimposition of taxes from the termination of the exemption.

APN's: 191-24-812-118 through 122 and 190-19-412-005.

193. Reservations and provisions as contained in Patent from the United States of America, recorded October 15, 1999, in Book 991015 of Official Records, as Instrument No. 01121.
 194. Covenants, conditions, and restrictions in a Declaration of Restrictions recorded June 26, 1998, in Book 980626 as Instrument No. 03097 of Official Records.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon Sun City Anthem community Association, Inc., The Anthem Country Club Community Association, Inc and The Coventry Homes as Anthem Community Association, Inc.**

A declaration of annexation recorded April 20, 2001 in Book 20010420 as Instrument No. 00295 of Official Records.

Document(s) declaring modifications thereof recorded August 07, 2003 in Book 20030807 as Instrument No. 00875 of Official Records.

195. Covenants, conditions, and restrictions in a Declaration of Restrictions recorded June 29, 1998, in Book 980629 as Instrument No. 00719 of Official Records.

Document re-recorded October 31, 2000 in Book 20001031 as Instrument No. 02253 of Official Records.

- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon Sun City Anthem Community Association, Inc.**

196. An easement for public utilities and incidental purposes in the document recorded June 7, 2000 in Book 20000607 as Instrument No. 00485 of Official Records.
197. An Easement for perpetual avigation for right of flight, for the passage of aircraft in the air space above the surface of the said premises, together with the right to cause in said air space such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, as conveyed to the County of Clark , recorded August 28, 2000, in Book 20000828 as Instrument No. 00828 of Official Records.
198. Covenants, conditions, and restrictions in an Agreement recorded October 31, 2000, in Book 20001031 as Instrument No. 00808 of Official Records.
199. An assignment of the interest held by Clark County under said agreement which states the following assignee City of Henderson, a Municipal corporation, recorded March 27, 2001 in Book 20010327 as Instrument No. 01269.
200. An easement for public utilities and incidental purposes in the document recorded November 8, 2001 in Book 20011108 as Instrument No.02024 of Official Records.
201. Easements as shown and/or dedicated upon the parcel map, recorded in File 102, Page 32 of Parcel Maps.
202. Covenants, conditions, easements and restrictions in a Municipal Utilities Access and Maintenance Agreement recorded May 2, 2002, in Book 20020502 as Instrument No. 01295 of Official Records.

Document(s) declaring modifications thereof recorded October 01, 2002 in Book 20021001 as Instrument No. 03222 of Official Records.

Document(s) declaring modifications thereof recorded October 01, 2002 in Book 20021001 as Instrument No. 03223 of Official Records.

Document re-recorded October 15, 2002 in Book 20021015 as Instrument No. 00724 of Official Records.

203. Easements as shown and/or dedicated upon the parcel map, recorded in File 103, Page 84 of Parcel Maps.
204. Easements as shown and/or dedicated upon the parcel map, recorded in File 104, Page 29 of Parcel Maps.
205. Covenants, conditions, and restrictions in an Alternative Procedure Agreement recorded May 9, 2003, in Book 20030509 as Instrument No. 00754 of Official Records.
206. Covenants, conditions, and restrictions in a Declaration of Restrictions recorded July 25, 2003, in Book 20030725 as Instrument No. 01651 of Official Records.
- A document entitled "Supplemental Declaration to Declaration of Covenants, Conditions and Restrictions for Anthem Highlands" recorded November 24, 2003 in Book 20031124 as Instrument No. 01756 of Official Records.
207. Easements as shown and/or dedicated upon the parcel map, recorded in File 105, Page 65 of Parcel Maps.
208. Easements as shown and/or dedicated upon the parcel map, recorded in File 105, Page 67 of Parcel Maps.
209. An easement for public utilities and incidental purposes in the document recorded October 3, 2003 in Book 20031003 as Instrument No. 00208 of Official Records.
210. Covenants, conditions, easements and restrictions in a Transmission Easement Use Agreement recorded November 7, 2003, in Book 20031107 as Instrument No. 02023 of Official Records.
211. Covenants, conditions, and restrictions in a Declaration of Restrictions recorded November 24, 2003, in Book 20031124 as Instrument No. 01758 of Official Records.
212. Covenants, conditions, and restrictions in a Memorandum of Right of First Refusal recorded November 24, 2003, in Book 20031124 as Instrument No. 01760 of Official Records.
213. An easement for public utilities and incidental purposes in the document recorded May 4, 2004 in Book 20040504 as Instrument No. 03065 of Official Records.
214. An easement for private access and incidental purposes in the document recorded July 16, 2004 in Book 20040716 as Instrument No. 03855 of Official Records.
215. Covenants, conditions, easements and restrictions in a Transmission Easement Use Agreement recorded December 13, 2004, in Book 20041213 as Instrument No. 02548 of Official Records.
216. Easements as shown and/or dedicated upon the final map of Ravenstone of Anthem, on file in Book 120 of plats, Page 40 , of Official Records.

- And amended by that certain Certificate of Amendment recorded May 20, 2009 in Book 20090520 as Instrument No. 03846 of Official Records.

The following affects Parcel No. 14.

217. This item has been intentionally deleted.
218. The tax search indicates that the land described in Schedule A is benefited by a tax exemption that may terminate upon transfer of said land. The land then may become taxed, pro-rata, for the unexpired term of the tax year from the termination of the exemption. Policy will except loss or damage arising from the retroactive reimposition of taxes from the termination of the exemption.
- APN's: 191-24-813-147 through 150 and 191-24-410-027.
219. Reservations and provisions as contained in Patent from the United States of America, recorded October 15, 1999, in Book 991015 of Official Records, as Instrument No. 01121.
220. Covenants, conditions, and restrictions in a Declaration of Restrictions recorded June 26, 1998, in Book 980626 as Instrument No. 03097 of Official Records.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon Sun City Anthem Community Association, Inc., The Anthem Country Club Community Association, Inc and The Coventry Homes as Anthem Community Association, Inc.**
- A declaration of annexation recorded April 20, 2001 in Book 20010420 as Instrument No. 00295 of Official Records.
- Document(s) declaring modifications thereof recorded August 7, 2003 in Book 20030807 as Instrument No. 00875 of Official Records.
221. An easement for public utilities and incidental purposes in the document recorded June 7, 2000 in Book 20000607 as Instrument No. 00485 of Official Records.
222. An Easement for perpetual avigation for right of flight, for the passage of aircraft in the air space above the surface of the said premises, together with the right to cause in said air space such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, as conveyed to the County of Clark, recorded August 28, 2000, in Book 20000828 as Instrument No. 00828 of Official Records.
223. Covenants, conditions, and restrictions in an Agreement recorded October 31, 2000, in Book 20001031 as Instrument No. 00808 of Official Records.
224. An assignment of the interest held by Clark County under said agreement which states the following Assignee City of Henderson, a Municipal Corporation, recorded March 27, 2001 in Book 20010327 as Instrument No. 01269.
225. An easement for public utilities and incidental purposes in the document recorded November 8, 2001 in Book 20011108 as Instrument No. 02024 of Official Records.

226. Easements as shown and/or dedicated upon the parcel map, recorded in File 102, Page 32 of Parcel Maps.
227. Covenants, conditions, and restrictions in a Municipal Utilities Access and Maintenance Agreement recorded May 2, 2002, in Book 20020502 as Instrument No. 01295 of Official Records.
- Document(s) declaring modifications thereof recorded October 1, 2002 in Book 20021001 as Instrument No. 03222 of Official Records.
- Document(s) declaring modifications thereof recorded October 1, 2002 in Book 20021001 as Instrument No. 03223 of Official Records.
228. Easements as shown and/or dedicated upon the parcel map, recorded in File 103, Page 84 of Parcel Maps.
229. Easements as shown and/or dedicated upon the parcel map, recorded in File 104, Page 29 of Parcel Maps.
230. Covenants, conditions, and restrictions in a Alternative Procedure Agreement recorded May 9, 2003, in Book 20030509 as Instrument No. 00754 of Official Records.
231. Covenants, conditions, and restrictions in a Declaration of Restrictions recorded July 25, 2003, in Book 20030725 as Instrument No. 01651 of Official Records.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon Anthem Highlands Community Association.**
- Document(s) declaring modifications thereof recorded November 24, 2003 in Book 20031124 as Instrument No. 01749 of Official Records.
- Document(s) declaring modifications thereof recorded December 10, 2003 in Book 20031210 as Instrument No. 01939 of Official Records.
232. Easements as shown and/or dedicated upon the parcel map, recorded in File 105, Page 65 of Parcel Maps.
233. Easements as shown and/or dedicated upon the parcel map, recorded in File 105, Page 66 of Parcel Maps.
234. An easement for public utilities and incidental purposes in the document recorded October 3, 2003 in Book 20031003 as Instrument No. 00208 of Official Records.
235. Covenants, conditions, easements and restrictions in a Transmission Easement Use Agreement recorded November 7, 2003, in Book 20031107 as Instrument No. 02023 of Official Records.

236. Covenants, conditions, and restrictions in a Declaration of Restrictions recorded December 10, 2003, in Book 20031210 as Instrument No. 01941 of Official Records.
237. Covenants, conditions, and restrictions in a Memorandum of Right of First Refusal recorded December 10, 2003, in Book 20031210 as Instrument No. 01946 of Official Records.
238. An easement for public utilities and incidental purposes in the document recorded May 04, 2004 in Book 20040504 as Instrument No. 03066 of Official Records.
239. Covenants, conditions, easements and restrictions in a Transmission Easement Use Agreement recorded December 13, 2004, in Book 20041213 as Instrument No. 02549 of Official Records.
240. Easements as shown and/or dedicated upon the final map of Glengarry at Anthem, on file in Book 121 of plats, Page 72 , of Official Records.

The following affects Parcel No. 15.
241. The tax search indicates that the land described in Schedule A is benefited by a tax exemption that may terminate upon transfer of said land. The land then may become taxed, pro-rata, for the unexpired term of the tax year from the termination of the exemption. Policy will except loss or damage arising from the retroactive reimposition of taxes from the termination of the exemption.

APN's: 191-24-811-099 through 101, 103 through 106.
242. Reservations and provisions as contained in Patent from the United States of America, recorded October 15, 1999, in Book 991015 of Official Records, as Instrument No. 01121.
243. Covenants, conditions, and restrictions in a Declaration of Restrictions recorded June 26, 1998, in Book 980626 as Instrument No. 03097 of Official Records.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon Anthem country Club Community Association, Inc., and the Coventry Homes at Anthem community Association, Inc.**

A declaration of annexation recorded April 20, 2001 in Book 20010420 as Instrument No. 00295 of Official Records.

Document(s) declaring modifications thereof recorded August 07, 2003 in Book 20030807 as Instrument No. 00875 of Official Records.
244. An easement for public utilities and incidental purposes in the document recorded June 07, 2000 in Book 20000607 as Instrument No. 00485 of Official Records.
245. An Easement for perpetual avigation for right of flight, for the passage of aircraft in the air space above the surface of the said premises, together with the right to cause in said air space such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation

of or flight in the air, as conveyed to the County of Clark , recorded August 28, 2000, in Book 20000828 as Instrument No. 00828 of Official Records.

246. Covenants, conditions, and restrictions in an Agreement recorded October 31, 2000, in Book 20001031 as Instrument No. 00808 of Official Records.
247. An Assignment of the interest held by Clark County under said agreement which names.
Assignee: City of Henderson, a municipal Corporation
Recorded: March 27, 2001
Book: 20010327
Instrument No. 01269, Official Records.
248. An easement for public utilities and incidental purposes in the document recorded November 08, 2001 in Book 20011108 as Instrument No. 02024 of Official Records.
249. Easements as shown and/or dedicated upon the parcel map, recorded in File 102, Page 32 of Parcel Maps.
250. Covenants, conditions, easements and restrictions in a Municipal Utilities Access and Maintenance Agreement recorded May 02, 2002, in Book 20020502 as Instrument No. 01295 of Official Records.

Document(s) declaring modifications thereof recorded October 1, 2002 in Book 20021001 as Instrument No. 03222 of Official Records.

Document(s) declaring modifications thereof recorded October 1, 2002 in Book 20021001 as Instrument No. 03223 of Official Records.

Document re-recorded October 15, 2002 in Book 20021015 as Instrument No. 00724 of Official Records.
251. Easements as shown and/or dedicated upon the parcel map, recorded in File 103, Page 84 of Parcel Maps.
252. Easements as shown and/or dedicated upon the parcel map, recorded in File 104, Page 29 of Parcel Maps.
253. Covenants, conditions, and restrictions in a Alternative Procedure Agreement recorded May 09, 2003, in Book 20030509 as Instrument No. 00754 of Official Records.
254. Covenants, conditions, and restrictions in a Declaration of Restrictions recorded July 25, 2003, in Book 20030725 as Instrument No. 01651 of Official Records.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon Anthem Highlands Community Association.**

Document(s) declaring modifications thereof recorded November 24, 2003 in Book 20031124 as Instrument No. 01749 of Official Records.

255. Easements as shown and/or dedicated upon the parcel map, recorded in File 105, Page 65 of Parcel Maps.
256. Easements as shown and/or dedicated upon the parcel map, recorded in File 105, Page 66 of Parcel Maps.
257. An easement for public utilities and incidental purposes in the document recorded October 03, 2003 in Book 20031003 as Instrument No. 00208 of Official Records.
258. Covenants, conditions, easements and restrictions in a Transmission Easement use Agreement recorded November 07, 2003, in Book 20031107 as Instrument No. 02023 of Official Records.
259. Covenants, conditions, and restrictions in a Declaration of Restrictions recorded November 24, 2003, in Book 20031124 as Instrument No. 01751 of Official Records.
260. Covenants, conditions, and restrictions in a Memorandum of Right of First Refusal recorded November 24, 2003, in Book 20031124 as Instrument No. 01754 of Official Records.
261. An easement for public utilities and incidental purposes in the document recorded May 04, 2004 in Book 20040504 as Instrument No. 03064 of Official Records.
262. Covenants, conditions, easements and restrictions in a Transmission Easement Use Agreement recorded December 13, 2004, in Book 20041213 as Instrument No. 02547 of Official Records.
263. Easements as shown and/or dedicated upon the final map of Earlstone Estates at Anthem, on file in Book 120 of plats, Page 60, of Official Records, and Certificate of Amendment recorded in Book 20080714 as Instrument No. 02499.
264. Covenants, conditions, easements and restrictions in a Declaration of Restrictions recorded August 05, 2005, in Book 20050805 as Instrument No. 00847 of Official Records.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon Earlstone Homeowner's Association.**

Document(s) declaring modifications thereof recorded August 23, 2006 in Book 20060823 as Instrument No. 03134 of Official Records.

Document(s) declaring modifications thereof recorded August 30, 2006 in Book 20060830 as Instrument No. 00771 of Official Records.

The following affects Parcel No. 16.
265. This item has been intentionally deleted.

266. This item has been intentionally deleted.
267. Reservations and provisions as contained in Patent from the United States of America, recorded September 28, 1960, in Book 262 of Official Records, as Instrument No. 212533.
268. Reservations and provisions as contained in Patent from the United States of America, recorded February 22, 1963, in Book 423 of Official Records, as Instrument No. 341434.
269. An Easement and right-of-way for the construction, operation, maintenance, repair, renewal, reconstruction, and removal of pipelines for conducting water with the right of ingress and egress, as conveyed to Las Vegas Valley Water District, a quasi-municipal corporation, by an instrument recorded March 17, 1964, in Book 522 as Instrument No. 420621 and recorded December 28, 1994 in Book 941228 as Instrument No. 01414 of Official Records, over a portion of the land.
270. Covenants, conditions, easements and restrictions in a Agreement Relating to Exercise of Reserved Right-of-Way recorded December 19, 1980, in Book 1330 as Instrument No. 1289843 of Official Records.
271. An easement for public utilities and incidental purposes in the document recorded December 10, 1981 in Book 1497 as Instrument No. 1456245 and Amended February 01, 1990 in Book 900201 as Instrument No. 00570 of Official Records.
272. Covenants, conditions, and restrictions in an Agreement Relating to Compensation for Exercise of Reserved Right-of-Way recorded November 02, 1984, in Book 2016 as Instrument No. 1975841 of Official Records.
273. An easement for public utilities and incidental purposes in the document recorded September 28, 1992 in Book 920928 as Instrument No. 01254 of Official Records.
274. An easement for public utilities and incidental purposes in the document recorded July 20, 1999 in Book 990720 as Instrument No. 00920 and recorded October 05, 2000 in Book 20001005 as Instrument No. 00734 of Official Records.
275. Easements as shown and/or dedicated upon the parcel map, recorded in File 107, Page 62 of Parcel Maps.
276. An easement for drainage facilities and incidental purposes in the document recorded November 03, 2004 in Book 20041103 as Instrument No. 02199 of Official Records.
277. An easement for drainage facilities and incidental purposes in the document recorded November 03, 2004 in Book 20041103 as Instrument No. 02200 of Official Records.
278. Covenants, conditions, and restrictions in a Maintenance Agreement recorded December 13, 2004, in Book 20041213 as Instrument No. 04731 of Official Records.
279. Covenants, conditions, and restrictions in a Right of Entry recorded May 26, 2005, in Book 20050526 as Instrument No. 00523 of Official Records.

- 280. Covenants, conditions, and restrictions in a Right of Entry recorded May 18, 2006, in Book 20060518 as Instrument No. 00851 of Official Records.
- 281. Easements as shown and/or dedicated upon the final map of Desert Canyon Phase 2B, on file in Book 131 of plats, Page 79 , of Official Records.
- 282. Covenants, conditions, and restrictions in a City of Henderson Zoning Ordinance No. 2469 ZCO-05-670061-A1 recorded June 07, 2006, in Book 20060607 as Instrument No. 02509 of Official Records.

The Following Affects all Parcels.

- 283. A Deed of Trust to secure an original indebtedness of \$600,000,000.00 recorded June 22, 2005 in Book 20050622 as Instrument No. 02727 of Official Records.

Dated: June 20, 2005
Trustor: Southwest Communities Development, LLC., a Delaware limited liability company
Trustee: Chicago Title Insurance Company
Beneficiary: JPMorgan Chase Bank, N.A. (successor by merger to Bank One, NA)

Affects: The land and other property.

- 284. A Deed of Trust to secure an original indebtedness of \$2,612,000,000.00 recorded February 28, 2007 in Book 20070228 as Instrument No. 00954 of Official Records.

Dated: February 22, 2007
Trustor: Southwest Communities Development, LLC., a Delaware limited liability company
Trustee: North American Title Company
Beneficiary: Barclays Bank PLC, a Public Limited Company organized under the laws of England and Wales

Affects: The land and other property.

- 285. A Deed of Trust to secure an original indebtedness of \$2,612,000,000.00 recorded February 28, 2007 in Book 20070228 as Instrument No. 00955 of Official Records.

Dated: February 22, 2007
Trustor: Southwest Communities Development, LLC., a Delaware limited liability company
Trustee: North American Title Company
Beneficiary: Barclays Bank PLC, a Public Limited Company organized under the laws of England and Wales

Affects: The land and other property.

- 286. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/ACSM survey.
- 287. Rights of parties in possession.

288. This item has been intentionally deleted.

289. Special assessments for improvement purposes:

City of Henderson Improvement district no. LID T-14
Reference no.: 7801 / 191-24-813-014 through 015, 191-24-410-001 through 006, 191-24-813-001 through 004, 191-24-813-008 through 009, 191-24-813-016 through 021 and 191-24-410-025 through 026
Set at \$ 7,313.13
Payable each year on or before: 6/1 - 12/1
Status: This parcel is being billed and collected by AMG; in Southern Nevada contact (702) 796-0082; in Northern Nevada contact (775) 322-7788.

Same amount per each parcel number.

Affects Parcel No. 14

290. This item has been intentionally deleted.

291. A document entitled "Southern Nevada Water Authority Easement Occupancy Permit" recorded November 26, 2008 in Book 20081126 as Instrument No. 04468 of Official Records.

Affects Parcels 6, 7

INFORMATIONAL NOTES

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-14-410-001 through 125-14-410-020
Total tax: \$1,808.53 (Paid)

Same amount for each parcel number.

Affects Parcel No. 1

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-14-811-029 and 030
Total tax: \$1,356.40 (Paid)

Same amount for each parcel number.

Affects Parcel No. 2

The following affects parcel No.3

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-23-511-001
Total tax: \$535.40 (Paid)

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-23-511-002
Total tax: \$534.61 (Paid)

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-23-511-003
Total tax: \$542.28 (Paid)

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-23-511-004
Total tax: \$540.60 (Paid)

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-23-511-005
Total tax: \$529.87 (Paid)

First American Title Insurance Company

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-23-511-006
Total tax: \$529.84 (Paid)

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-23-511-007
Total tax: \$529.82 (Paid)

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-23-511-008
Total tax: \$538.76 (Paid)

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-23-511-009
Total tax: \$558.26 (Paid)

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-23-511-010
Total tax: \$538.03 (Paid)

125-23-511-006-007-008-009-010-011-012-013-014-015-016-017-018-019-020-021-022-023-024-025-026-027-028-029-030-031-032-033-034-035-036-037-038-039-040-041-042-043-044-045-046-047-048-049-050-051-052-053-054-055-056-057-058-059-060-061-062-063-064-065-066-067-068-069-070-071-072-073-074-075-076-077-078-079-080-081-082-083-084-085-086-087-088-089-090-091-092-093-094-095-096-097-098-099-100-101-102-103-104-105-106-107-108-109-110-111-112-113-114-115-116-117-118-119-120-121-122-123-124-125-126-127-128-129-130-131-132-133-134-135-136-137-138-139-140-141-142-143-144-145-146-147-148-149-150-151-152-153-154-155-156-157-158-159-160-161-162-163-164-165-166-167-168-169-170-171-172-173-174-175-176-177-178-179-180-181-182-183-184-185-186-187-188-189-190-191-192-193-194-195-196-197-198-199-200-201-202-203-204-205-206-207-208-209-210-211-212-213-214-215-216-217-218-219-220-221-222-223-224-225-226-227-228-229-230-231-232-233-234-235-236-237-238-239-240-241-242-243-244-245-246-247-248-249-250-251-252-253-254-255-256-257-258-259-260-261-262-263-264-265-266-267-268-269-270-271-272-273-274-275-276-277-278-279-280-281-282-283-284-285-286-287-288-289-290-291-292-293-294-295-296-297-298-299-300-301-302-303-304-305-306-307-308-309-310-311-312-313-314-315-316-317-318-319-320-321-322-323-324-325-326-327-328-329-330-331-332-333-334-335-336-337-338-339-340-341-342-343-344-345-346-347-348-349-350-351-352-353-354-355-356-357-358-359-360-361-362-363-364-365-366-367-368-369-370-371-372-373-374-375-376-377-378-379-380-381-382-383-384-385-386-387-388-389-390-391-392-393-394-395-396-397-398-399-400-401-402-403-404-405-406-407-408-409-410-411-412-413-414-415-416-417-418-419-420-421-422-423-424-425-426-427-428-429-430-431-432-433-434-435-436-437-438-439-440-441-442-443-444-445-446-447-448-449-450-451-452-453-454-455-456-457-458-459-460-461-462-463-464-465-466-467-468-469-470-471-472-473-474-475-476-477-478-479-480-481-482-483-484-485-486-487-488-489-490-491-492-493-494-495-496-497-498-499-500-501-502-503-504-505-506-507-508-509-510-511-512-513-514-515-516-517-518-519-520-521-522-523-524-525-526-527-528-529-530-531-532-533-534-535-536-537-538-539-540-541-542-543-544-545-546-547-548-549-550-551-552-553-554-555-556-557-558-559-560-561-562-563-564-565-566-567-568-569-570-571-572-573-574-575-576-577-578-579-580-581-582-583-584-585-586-587-588-589-590-591-592-593-594-595-596-597-598-599-600-601-602-603-604-605-606-607-608-609-610-611-612-613-614-615-616-617-618-619-620-621-622-623-624-625-626-627-628-629-630-631-632-633-634-635-636-637-638-639-640-641-642-643-644-645-646-647-648-649-650-651-652-653-654-655-656-657-658-659-660-661-662-663-664-665-666-667-668-669-670-671-672-673-674-675-676-677-678-679-680-681-682-683-684-685-686-687-688-689-690-691-692-693-694-695-696-697-698-699-700-701-702-703-704-705-706-707-708-709-710-711-712-713-714-715-716-717-718-719-720-721-722-723-724-725-726-727-728-729-730-731-732-733-734-735-736-737-738-739-740-741-742-743-744-745-746-747-748-749-750-751-752-753-754-755-756-757-758-759-760-761-762-763-764-765-766-767-768-769-770-771-772-773-774-775-776-777-778-779-780-781-782-783-784-785-786-787-788-789-790-791-792-793-794-795-796-797-798-799-800-801-802-803-804-805-806-807-808-809-810-811-812-813-814-815-816-817-818-819-820-821-822-823-824-825-826-827-828-829-830-831-832-833-834-835-836-837-838-839-840-841-842-843-844-845-846-847-848-849-850-851-852-853-854-855-856-857-858-859-860-861-862-863-864-865-866-867-868-869-870-871-872-873-874-875-876-877-878-879-880-881-882-883-884-885-886-887-888-889-890-891-892-893-894-895-896-897-898-899-900-901-902-903-904-905-906-907-908-909-910-911-912-913-914-915-916-917-918-919-920-921-922-923-924-925-926-927-928-929-930-931-932-933-934-935-936-937-938-939-940-941-942-943-944-945-946-947-948-949-950-951-952-953-954-955-956-957-958-959-960-961-962-963-964-965-966-967-968-969-970-971-972-973-974-975-976-977-978-979-980-981-982-983-984-985-986-987-988-989-990-991-992-993-994-995-996-997-998-999-1000

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-23-511-011
Total tax: \$434.02 (Paid)

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-23-511-012
Total tax: \$424.61 (Paid)

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-23-511-013
Total tax: \$564.16 (Paid)

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-23-511-014
Total tax: \$538.61 (Paid)

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 125-17-413-001 through 029 and 050 through 074 and 80 through 086 and
093 through 095
Total tax: \$578.67 (Paid)

Same amount for each parcel number.

Affects parcel No. 4

First American Title Insurance Company

125-23-511-011-012-013-014-001-002-003-004-005-006-007-008-009-010-011-012-013-014-015-016-017-018-019-020-021-022-023-024-025-026-027-028-029-030-031-032-033-034-035-036-037-038-039-040-041-042-043-044-045-046-047-048-049-050-051-052-053-054-055-056-057-058-059-060-061-062-063-064-065-066-067-068-069-070-071-072-073-074-075-076-077-078-079-080-081-082-083-084-085-086-087-088-089-090-091-092-093-094-095-096-097-098-099-100

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 138-02-612-001 through 006, 044, 045 and 049 through 096 and 100 through 102 and 111 through 149 and 156 through 173
Total tax: \$1,259.49 (Paid)

Same amount for each parcel number.

Affects parcel No. 5

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 178-03-511-001 through 004, 006, 007, 010 through 027, 031, 032, 036 through 046, 057 through 062 and 178-03-611-037, 040 through 043, 045 through 050, 052 through 055, 061 through 074, 079, 080
Total tax: \$710.03 (Paid)

Same amount for each parcel number.

Affects parcel No. 6

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 178-03-611-005, 008, 009, 055, 056 and 178-03-611-044, 051
Total tax: \$745.54 (Paid)

Same amount for each parcel number.

Affects parcel No. 6

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 178-03-613-001 through 018, 020
Total tax: \$710.03 (Paid)

Same amount for each parcel number.

Affects parcel No. 7

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 178-03-613-019
Total tax: \$754.54 (Paid)

Affects parcel No. 7

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 178-03-512-001 through 007, 010 through 018, 043 through 090, 119 through 124, 126 through 128
Total tax: \$710.03 (Paid)

Same amount for each parcel number.

Affects parcel No. 8

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 178-03-512-008, 041, 042 and 125
Total tax: \$745.54 (Paid)

Same amount for each parcel number.

Affects parcel No. 8

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 178-03-512-009
Total tax: \$781.04 (Paid)

Affects parcel No. 8

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 178-03-513-005 through 052, 060 through, 178-03-612-001 through 011
Total tax: \$710.03 (Paid)

Same amount for each parcel number.

Affects parcel No. 9

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 178-13-414-036
Total tax: \$1,336.20 (Paid)

Affects parcel No. 12

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 178-13-312-013 through 018
Total tax: \$1,161.94 (Paid)

Same amount for each parcel number.

Affects parcel No. 12

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 191-24-813-001 through 004, 008, 009, 014 through 021 and 191-24-410-001 through 006, 025, 026
Total tax: \$1,119.08 (Paid)

Same amount for each parcel number.

Affects parcel No. 14

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 178-02-614-001 through 007, 009 through 012 and 178-02-511-001 through 015, 045 through 054, 059 and 060
Total tax: \$862.18 (Paid)

Same amount for each parcel number.

Affects parcel No. 16

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 178-02-614-008
Total tax: \$905.031 (Paid)

Affects parcel No. 16

NOTE: Taxes for the fiscal year July 1, 2008 through June 30, 2009, including any secured personal property taxes collected therewith.

APN 178-03-611-098 and 099
Total tax: \$710.03 (Paid)

Same amount for each parcel number.

First American Title Insurance Company

Affects Parcel No. 6

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

Vertical text on the right edge of the page, likely a page number or document identifier.

CONDITIONS

1. DEFINITIONS

- (a)"Mortgage" means mortgage, deed of trust or other security instrument.
(b)"Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section Two may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section One are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section One
or
eliminate with our written consent any Exceptions shown in Schedule B - Section Two.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.

Privacy Policy

We Are Committed to Safeguarding Customer Information

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

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from 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 nonpublic personal information that we may collect include:

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

Use of Information

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

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply 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 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 federal regulations to guard your nonpublic personal information.

**EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
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) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

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:

1. (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) whether or not recorded in the public records at Date of Policy, but 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 insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

**3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
WITH REGIONAL EXCEPTIONS**

First American Title Insurance Company

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

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

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

**5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
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:

First American Title Insurance Company

1. (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) whether or not recorded in the public records at Date of Policy, but 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 (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at 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 insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
(iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
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:

1. (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:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) 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:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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:
Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL
TITLE INSURANCE POLICY - 1987
EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

* land use	* land division
* improvements on the land	* environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
 - * a notice of exercising the right appears in the public records on the Policy Date
 - * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
 - * that are created, allowed, or agreed to by you
 - * that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - * that result in no loss to you
 - * that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:

- * to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
 - * in streets, alleys, or waterways that touch your land
- This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

11. EAGLE PROTECTION OWNER'S POLICY

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998 ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. land use
 - d. improvements on the land
 - e. land division
 - f. environmental protection

This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.

Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This exclusion does not limit the coverage described in Covered Risk 11 or 18.

12. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE WITH EAGLE PROTECTION ADDED

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:

1. (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. This exclusion does not limit the coverage provided under Insuring provisions 14, 15, 16 and 24 of this 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. This exclusion does not limit the coverage provided under insuring provisions 14, 15, 16 and 24 of this 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 (this paragraph (d) does not limit the coverage provided under insuring provisions 7, 8,

- 16, 17, 19, 20, 21, 23, 24 and 25); or
(e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
 5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon:
 - (a) usury, except as provided under insuring provision 10 of this policy; or
 - (b) any consumer credit protection or truth in lending law.
 6. Taxes or assessments of any taxing or assessment authority which become a lien on the Land subsequent to Date of Policy.
 7. Any claim, which arises out of the transaction creating the interest of the mortgagee 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 interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (b) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (c) the transaction creating the interest of the insured mortgagee 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.
 8. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided under insuring provision 7.
 9. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting title, the existence of which are known to the Insured at:
 - (a) The time of the advance; or
 - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification.This exclusion does not limit the coverage provided under insuring provision 7.

SCHEDULE B

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:

1. Environmental protection liens provided for by the following existing statutes, which liens will have priority over the lien of the Insured Mortgage when they arise: NONE.

13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH EAGLE PROTECTION ADDED WITH REGIONAL EXCEPTIONS

When the American Land Title Association loan policy with EAGLE Protection Added is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 12 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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:

Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

Part Two:

1. Environmental protection liens provided for by the following existing statutes, which liens will have priority over the lien of the Insured Mortgage when they arise: NONE

14. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006 EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement erected on the Land;

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- iii. the subdivision of land; or
- iv. environmental protection;
- c. 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
 - b. created, suffered, assumed, or agreed to by the Insured Claimant;
 - c. 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;
 - d. resulting in no loss or damage to the Insured Claimant;
 - e. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - f. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
- 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
- 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
- 6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - a. a fraudulent conveyance or fraudulent transfer, or
 - a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
- 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

**13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006
EXCLUSIONS FROM COVERAGE**

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

- 1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
- 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
- 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
- 6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
- 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

**14. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 13 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

- 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:
- 1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

**15. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement erected on the Land;
 - iii. the subdivision of land; or
 - iv. environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- c. 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
 - b. created, suffered, assumed, or agreed to by the Insured Claimant;
 - c. 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;
 - d. resulting in no loss or damage to the Insured Claimant;
 - e. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or
 - f. 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
 - a. 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.

**15. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which 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 Risks 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.

**16. AMERICAN LAND TITLE ASSOCIATION SHORT FORM RESIDENTIAL LOAN POLICY
ONE-TO-FOUR FAMILY 2006
EXCEPTIONS FROM COVERAGE AND**

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AFFIRMATIVE INSURANCES

Except to the extent of the affirmative insurance set forth below, this policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees, or expenses) which arise by reason of:

1. Covenants, conditions, or restrictions, if any, appearing in the Public Records; however, this policy insures against loss or damage arising from:
 - (a) the violation of those covenants, conditions, or restrictions on or prior to Date of Policy;
 - (b) a forfeiture or reversion of Title from a future violation of those covenants, conditions, or restrictions, including those relating to environmental protection; and
 - (c) provisions in those covenants, conditions, or restrictions, including those relating to environmental protection, under which the lien of the Insured Mortgage can be extinguished, subordinated, or impaired.As used in paragraph 2(a), the words "covenants, conditions, or restrictions" do not refer to or include any covenant, condition, or restriction (a) relating to obligations of any type to perform maintenance, repair or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Policy and is not referenced in an addendum attached to this policy.
2. Any easements or servitudes appearing in the Public Records; however, this policy insures against loss or damage arising from (a) the encroachment, at Date of Policy, of the improvements on any easement, and (b) any interference with or damage to existing improvements, including lawns, shrubbery, and trees, resulting from the use of the easements for the purposes granted or reserved.
3. Any lease, grant, exception, or reservation of minerals or mineral rights appearing in the Public Records; however, this policy insures against loss or damage arising from (a) any affect on or impairment of the use of the Land for residential one-to-four family dwelling purposes by reason of such lease, grant, exception or reservation of minerals or mineral rights, and (b) any damage to existing improvements, including lawns, shrubbery, and trees, resulting from the future exercise of any right to use the surface of the Land for the extraction or development of the minerals or mineral rights so leased, granted, excepted, or reserved. Nothing herein shall insure against loss or damage resulting from subsidence.

16. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 15 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

Exhibit III

Bidding Procedures

BID PROCEDURES

Set forth below are the bidding procedures (the “Bid Procedures”) to be employed with respect to the selection of the highest or otherwise best bid(s) for the sale by SOUTHWEST COMMUNITIES DEVELOPMENT LLC, (the “Seller” or the “Debtor”) of certain real property located in Las Vegas, Nevada, as more particularly described on Exhibit A attached hereto (the “Purchased Assets”). As set forth in more detail below, the Debtor will conduct an auction (the “Auction”) for the sale (the “Sale”) of the Purchased Assets if one or more Qualified Bids (as defined below) are timely submitted, or if the Debtor receives notice from an Agent (as defined below) that the Agent wishes to participate in the Auction. The Debtors filed a motion with the Bankruptcy Court on November 19, 2008 seeking approval of the Bid Procedures and related relief (the “Procedures Motion”).

Pursuant to an order of the Bankruptcy Court entered on December 9, 2008, the Debtor received authority to, among other things, select a Stalking Horse Bidder (as defined below) for the Purchased Assets and conduct the Auction. The Bankruptcy Court will conduct a hearing (the “Sale Hearing”) on August 11, 2009 at 1:00 PM (New York time) to consider entry of an order (the “Sale Order”) authorizing and approving the Sale of the Purchased Assets pursuant to the terms and conditions set forth below and definitive sale documentation.

BREAK-UP FEE

The Debtor has entered into a “stalking horse” agreement (the “Stalking Horse Agreement”), with VEGAS VALLEY LAND HOLDINGS LLC (the “Stalking Horse Bidder”), governing the purchase of the Purchased Assets by the Stalking Horse Bidder. The Stalking Horse Agreement may provide for a break-up fee of \$212,700 plus fees and expenses up to \$100,000 incurred by the Stalking Horse Bidder in connection with the Auction and Sale to be paid to the Stalking Horse Bidder in the event that the Stalking Horse Bidder is not the purchaser of the Purchased Assets (the “Break-Up Fee”). The amount of the Break-Up Fee may be considered by the Debtor in determining the highest or otherwise best bid and the net value that the Debtor and its estate will realize at any Auction.

QUALIFIED BIDDERS

To participate in the bidding process or otherwise be considered for any purpose hereunder, a person or entity interested in the Purchased Assets (a “Potential Bidder”) must first deliver the following materials to the Debtor and its counsel:

- (i) An executed confidentiality agreement in form and substance satisfactory to the Debtor and its counsel; and
- (ii) The most current audited and latest unaudited financial statements (collectively, the “Financials”) of the Potential Bidder or, if the

Potential Bidder is an entity formed for the purpose of the Sale, (a) Financials of the equity holder(s) of the Potential Bidder or such other form of financial disclosure as is acceptable to the Debtor and its counsel and (b) the written commitment acceptable to the Debtor and its counsel of the equity holder(s) of the Potential Bidder to be responsible for the Potential Bidder's obligations in connection with the Sale. In the event that a Potential Bidder is unable to provide Financials, the Debtor may accept such other information sufficient to demonstrate to the Debtor's satisfaction that such Potential Bidder has the financial wherewithal to consummate the Sale.

A "Qualified Bidder" is a Potential Bidder whose Financials or other information demonstrate the financial capability to consummate the Sale and which the Debtor determines is reasonably likely to make a bona fide offer.

Notwithstanding the foregoing, neither Barclays Bank PLC ("Barclays"), as agent under that certain Super-Priority Debtor in Possession First Lien Credit Agreement, dated as of June 16, 2008 and that certain First Lien Credit Agreement, dated as of February 27, 2007, nor The Bank of New York ("BONY") as agent under that certain Second Lien Credit Agreement, dated as of February 27, 2007, shall be required to provide Financials in order to be deemed to constitute a Qualified Bidder so long as the other requirements set forth herein for Qualified Bidders have been satisfied. Barclays and BONY are referred to collectively herein as "Agents."

OBTAINING DUE DILIGENCE ACCESS

The Debtor (or a broker retained by the Debtor in these cases) shall afford each Qualified Bidder reasonable due diligence information, including, without limitation, the due diligence information provided to the Stalking Horse Bidder. Upon request, the Debtor shall provide site access to each Qualified Bidder to the extent requested to conduct reasonable due diligence. The due diligence period will end on the Bid Deadline (as defined below).

The Debtor shall not be obligated to furnish any information relating to the Debtor or the Purchased Assets to any person except to a Qualified Bidder. The Debtor shall give each Qualified Bidder reasonable access to all written due diligence information provided to another Qualified Bidder and shall provide substantially the same site access to each Qualified Bidder.

The Debtor shall coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders. No conditions relating to the completion of due diligence shall be permitted to exist after the Bid Deadline.

DUE DILIGENCE FROM BIDDERS

To the extent that cash payments are required to consummate the transaction, each Qualified Bidder shall comply with all reasonable requests for additional information by the Debtor or its advisors regarding such Qualified Bidder's financial wherewithal to consummate and perform obligations in connection with the Sale. Failure by the Qualified Bidder to comply with requests for additional information may be a basis for the Debtor to determine that a bid made by the Qualified Bidder is not a Qualified Bid (as defined below).

BID DEADLINE

The deadline for submitting bids by a Qualified Bidder, other than an Agent, shall be July 17, 2009 at 5:00 PM (New York time) (the "Bid Deadline").

Prior to the Bid Deadline, a Qualified Bidder, other than an Agent, that desires to make a bid shall deliver written copies of its bid to (i) the Debtor, Southwest Communities Development LLC, 23823 Valencia Blvd., Valencia, CA 91355 (Attn: Jeffrey Lawhon), (ii) counsel to the Debtor, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Debra Dandeneau, Esq.), and (iii) the financial advisors to the Debtor, Lazard Frères & Co. LLC, 30 Rockefeller Plaza, New York, NY 10020 (Attn: Brandon Aebersold). The Debtor shall provide copies of all bids received to the financial advisors to each of (i) Barclays, (ii) BONY, and (iii) the Official Committee of Unsecured Creditors (the "Creditors' Committee") and together with Barclays and BONY, the "Notice Parties").

The Agents need not submit bids by the Bid Deadline. An Agent may bid at an Auction regardless of whether it has delivered a bid by the Bid Deadline. If no bids have been received from any Qualified Bidders on or before the Bid Deadline, then an Agent may advise the Debtor of its intent to bid (either by credit bid or otherwise) in an Auction by delivering a notice to the Debtor and the other Notice Parties so that it is actually received by the Debtor and the other Notice Parties within two (2) business days after the Bid Deadline.

QUALIFIED BID REQUIREMENTS

A bid must be a written irrevocable offer from a Qualified Bidder (i) stating that the Qualified Bidder offers to consummate a Sale; (ii) confirming that the offer shall remain open and irrevocable until the closing of a Sale to the Successful Bidder or the Next Highest Bidder (both as defined below); (iii) enclosing a copy of the proposed bid; and (iv) enclosing a certified or bank check, wire transfer, or letter of credit reasonably acceptable to the Debtors equal to 5% of the amount of the Qualified Bid, as a minimum deposit (the "Minimum Deposit"). No liens of any creditors of the Debtor shall attach, or be deemed to attach, to the Minimum Deposit until and unless a Sale to the bidder making the Minimum Deposit occurs or the bidder forfeits its deposit in

accordance with the procedures set forth herein. All bids will be considered, but the Debtor reserves its right to reject any or all bids.

Any bid for the Purchased Assets must:

- (a) provide for the purchase of all of the Purchased Assets and may not have conditions to close not present in the Stalking Horse Agreement; provided, that the Debtor may consider bids for less than all of the Purchased Assets to the extent such bid, as a stand-alone bid or in combination with another, is the highest or otherwise best bid;
- (b) not be conditioned on obtaining financing or the outcome of any due diligence by the bidder;
- (c) not request or entitle the bidder to any break-up fee, expense reimbursement or similar type of payment;
- (d) fully disclose the identity of each entity that will be bidding for the Purchased Assets or otherwise participating in connection with such bid, and the complete terms of any such participation;
- (e) contain written evidence that the bidder has the requisite corporate or similar authority to consummate the proposed Sale;
- (f) offer a cash amount not less than \$8,850,000; provided, however, that the Agents are entitled to credit bid under section 363(k) of title 11 of the United States Code (the “Bankruptcy Code”), except to the extent that cash payments are required to consummate the transaction;
- (g) identify any executory contracts (“Contracts”) or unexpired leases (“Leases”) to be assumed and assigned in connection with the Sale;
- (h) be accompanied by an acknowledgement that the Qualified Bidder (a) has had an opportunity to conduct due diligence regarding the Purchased Assets prior to making its offer and does not require further due diligence, (b) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Purchased Assets in making its bid, and (c) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the Purchased Assets, or the completeness of any information provided in connection therewith, except as expressly stated in these Bidding Procedures;
- (i) include, with respect to the proposed Contracts and Leases, an Adequate Assurance Package (as defined below); and

- (j) be accompanied by a signed contract substantially in the form of the Stalking Horse Agreement and marked to show any changes made thereto.

A bid received from a Qualified Bidder that meets the requirements set forth above will be considered a “Qualified Bid,” and the highest or otherwise best such bid, the “Highest Qualified Bid.” For the avoidance of doubt, a credit bid submitted at the Auction by an Agent will be considered a Qualified Bid.

ADEQUATE ASSURANCE PACKAGE

If any Qualified Bid requires the assumption and assignment of Contracts or Leases, then such Qualified Bidder must identify such Contracts and/or Leases to be assumed and assigned and provide evidence of its ability to provide adequate assurance of future performance of such Contracts or Leases along with the Qualified Bid (an “Adequate Assurance Package”).

AUCTION

If at least one Qualified Bid by a Qualified Bidder other than the Stalking Horse Bidder is received by the Bid Deadline, or if an Agent has provided the Notice Parties with timely written notice of its intent to participate at the Auction, the Auction with respect to the Purchased Assets shall take place on July 23, 2009, at 9:00 AM (New York time)) at the offices of Weil Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153. The Debtor may extend the Auction deadline and/or adjourn, continue or suspend the Auction and/or the Sale Hearing for any reason, including to seek further clarification from the Bankruptcy Court regarding any issues, without further order of the Bankruptcy Court, by filing a notice with the Bankruptcy Court and serving such notice on all Potential Bidders and the Auction Notice Parties (as such term is defined in the Procedures Motion). The Debtor will provide appropriate notice to each of the Qualified Bidders and other invitees of the date, time, and place for the Auction. Only the authorized representatives of each of the Debtor, the Creditors’ Committee, the Agents, and the Qualified Bidders shall be permitted to attend the Auction.

If no Qualified Bid other than the Stalking Horse bid is received by the Bid Deadline, and neither of the Agents has provided timely written notice to the Notice Parties of its intent to participate at the Auction, then the Auction will not be held, and, pursuant to the Stalking Horse Agreement, but subject to the entry of the Sale Order, the Stalking Horse Bidder shall purchase, acquire and accept from Seller, and the Seller shall sell, transfer, assign, convey and deliver to the Stalking Horse Bidder (or its designated affiliate or affiliates) all of Seller’s right, title and interest in, to and under the Purchased Assets, free and clear of all liens (except for the Permitted Exceptions (as defined in the Stalking Horse Agreement)) to the extent permissible under section 363(f) of the Bankruptcy Code and free and clear of any claims or interests the Debtor may have had.

A party may participate at the Auction only if it is either (i) a Qualified Bidder who has submitted a Qualified Bid, or (ii) an Agent who has complied with the

requirements of these Bid Procedures. The Debtor will evaluate all Qualified Bids received and will select the Qualified Bid that reflects the highest and best offer, as determined by the Debtor in its sole and absolute discretion, as the “Starting Auction Bid” for the Purchased Assets.

The bidding at the Auction shall start at the Starting Auction Bid as disclosed by the Debtor to all Qualified Bidders prior to commencement of the Auction. The bidding will continue in incremental amounts of at least \$100,000 (until there is a Successful Bid (as defined below) and a Next Highest Bid (as defined below). At the Auction, Qualified Bidders will be permitted to increase their bids. All bids subsequent to the Starting Auction Bid, whether oral or written, shall be deemed to constitute valid modifications or amendments to the signed contract previously submitted by such bidder. The Agents shall be entitled to credit bid at the Auction pursuant to section 363(k) of the Bankruptcy Code; provided, however, that to the extent applicable, any such credit bid must be accompanied by a cash payment equal to the amount of the secured debt with liens senior to the liens of the Agent that is credit bidding. Any credit bid submitted at the Auction will be on substantially the same terms as contained in the Stalking Horse Agreement.

Prior to concluding the Auction, the Debtor shall (i) review each Qualified Bid on the basis of its financial and contractual terms and the factors relevant to the sale process and the best interests of the Debtor’s estates and creditors and (ii) determine which bid is the highest or otherwise best bid (the “Successful Bid”) and the next highest or otherwise best offer after the Successful Bid (the “Next Highest Bid”). In evaluating bids, the Debtor may consider bids for less than all of the Purchased Assets, as well as bids for all of the Purchased Assets, so as to maximize the value received for the Purchased Assets.

At or prior to the Auction, the Debtor, in its sole and absolute discretion, may adopt other rules for the Auction that, in its reasonable judgment, will better promote the goals of the Auction. All such rules shall be fully disclosed to all Qualified Bidders and will provide that the procedures must be fair and open. The Debtor may (i) determine whether to distribute copies of other Qualified Bids to other Qualified Bidders prior to or during the Auction or (ii) proceed with sealed bidding. Nothing herein shall prohibit the Debtor from meeting privately with any Qualified Bidders to negotiate the terms of the bids.

Immediately upon selection of the Successful Bid, if the Minimum Deposit does not equal 20% of the purchase price of the Successful Bid, the Qualified Bidder making the Successful Bid (the “Successful Bidder”) shall provide the Debtor with immediately available funds to be placed in escrow so that the Minimum Deposit is equal to 20% of the purchase price of the Successful Bid.

Any bid submitted after the conclusion of the Auction shall not be considered for any purpose unless an order of the Bankruptcy Court is entered directing

that such bid be considered. Neither the Debtor nor any other person shall have any obligation to seek such an order from the Bankruptcy Court.

ACCEPTANCE OF THE SUCCESSFUL BID

Following the Auction or a determination that the Stalking Horse is the Successful Bidder, the Debtor will file and serve the Sale Hearing Notice. If no party objects to the Sale within five (5) business days after the filing of the Sale Hearing Notice, the Debtor may submit the Sale Order to the Bankruptcy Court upon a certification of counsel, and the Bankruptcy Court may enter the Sale Order without a Sale Hearing. If a Sale Hearing occurs, the Debtor will present the results of the Auction to the Bankruptcy Court at the Sale Hearing, at which the Debtor will seek certain findings from the Bankruptcy Court regarding the Auction, including, among other things, that (i) the Auction was conducted in a fair and reasonable manner, (ii) the Successful Bidder was selected in accordance with the Bid Procedures, and (iii) consummation of the Sale contemplated by the Successful Bid will provide the highest or otherwise best value for the Purchased Assets and is in the best interests of the Debtor and its estates.

The Debtor shall have accepted a Qualified Bid only when the Bankruptcy Court has approved the Successful Bid and entered the Sale Order.

Upon the closing of the Sale, (i) the Debtor shall promptly receive the Minimum Deposit held in escrow in connection with that Successful Bid and (ii) the Successful Bidder shall pay directly to the Debtor the balance of the Successful Bid.

In the event that, for any reason, the Successful Bidder fails to close the Sale contemplated by its Successful Bid, then, without notice to any other party or further Bankruptcy Court order, the Debtor shall be authorized to close the Sale with the Qualified Bidder that submitted the Next Highest Bid (the “Next Highest Bidder”) in accordance with the foregoing procedures.

RETURN OF MINIMUM DEPOSIT

The Minimum Deposits of all Qualified Bidders other than the Successful Bidder and the Next Highest Bidder required to submit a deposit under these Bid Procedures shall be returned upon or within three (3) business days after the Auction. The Minimum Deposit of the Successful Bidder and the Next Highest Bidder shall be held until the closing of the Sale and the deposit of the Successful Bidder, or the Next Highest Bidder if the Purchased Assets are sold to it, will be applied to the amount of the Successful Bid.

Notwithstanding the above, if the Successful Bidder fails to close the Sale, such party’s Minimum Deposit shall be forfeited to the Debtor.

Except as otherwise provided in the Purchase Agreement, the Seller will not be required to maintain any Minimum Deposit in an interest bearing account, but any interest earned on any Minimum Deposit will be remitted to the appropriate Qualified Bidder if the Minimum Deposit is returned to the Qualified Bidder pursuant to the above or applied to the amount of the Successful Bid. Minimum Deposits may only be used in accordance with the terms of these Bidding Procedures. Neither the Seller nor the Purchaser shall have any liability with respect to any Minimum Deposit.

RESERVATION OF RIGHTS

The Debtor reserves the right to (i) determine which bidders are Qualified Bidders; (ii) determine which Bids are Qualified Bids; (iii) determine which Qualified Bid is the highest and best proposal and which is the next highest and best proposal; and (iv) reject any bid that is (a) inadequate or insufficient or (b) not in conformity with the requirements of the Bid Procedures Order or the requirements of the Bankruptcy Code.

JURISDICTION

The Bankruptcy Court shall retain exclusive jurisdiction over any matter or dispute relating to the sale of the Purchased Assets, the Bidding Procedures, the Sale Hearing, the Auction, the Stalking Horse Agreement, and/or any other matter that in any way relates to the foregoing.