

LOAN POLICY OF TITLE INSURANCE  
ISSUED BY



Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 17 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, STEWART TITLE GUARANTY COMPANY, a Texas corporation (the "Company") insures as of Date of Policy and, to the extent stated in Covered Risks 11, 13, and 14, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
  - (a) A defect in the Title caused by
    - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
    - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
    - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
    - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
    - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
    - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
    - (vii) a defective judicial or administrative proceeding
  - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
  - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (a) the occupancy, use, or enjoyment of the Land;
  - (b) the character, dimensions, or location of any improvement erected on the Land;
  - (c) the subdivision of land; or
  - (d) environmental protection

Countersigned:

Authorized Countersignature

Guarantee Title Company, L.L.C. (The

Company Name

Mobile, AL

City, State

stewart  
title guaranty company

  
Senior Chairman of the Board  
Chairman of the Board  
President

AL51622

Policy Serial No. **M-9302-000941286**

#### Covered Risks – Cont.

If a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 If a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without knowledge.
9. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. This Covered Risk includes but is not limited to insurance against loss from any of the following impairing the lien of the Insured Mortgage:
  - (a) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
  - (b) failure of any person or Entity to have authorized a transfer or conveyance;
  - (c) the Insured Mortgage not being properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
  - (d) failure to perform those acts necessary to create a document by electronic means authorized by law;
  - (e) a document executed under a falsified, expired, or otherwise invalid power of attorney;
  - (f) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
  - (g) a defective judicial or administrative proceeding.
10. The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance.
11. The lack of priority of the lien of the Insured Mortgage upon the Title
  - (a) as security for each and every advance of proceeds of the loan secured by the Insured Mortgage over any statutory lien for services, labor, or material arising from construction of an improvement or work related to the Land when the improvement or work is either:

- (i) contracted for or commenced on or before Date of Policy; or
- (ii) contracted for, commenced, or continued after Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on Date of Policy to advance; and

- (b) over the lien of any assessments for street improvements under construction or completed at Date of Policy.
12. The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens.
13. The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title
  - (a) resulting from the avoidance in whole or in part, or from a court order providing an alternative remedy, of any transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
  - (b) because the Insured Mortgage constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
    - i) to be timely, or
    - ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
14. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 13 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the Insured Mortgage in the Public Records.

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

#### Exclusions from Coverage

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (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).

## CONDITIONS

### 1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b) or decreased by Section 10 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Indebtedness": The obligation secured by the Insured Mortgage including one evidenced by electronic means authorized by law, and if that obligation is the payment of a debt, the indebtedness is the sum of
  - i) the amount of the principal disbursed as of Date of Policy;
  - ii) the amount of the principal disbursed subsequent to Date of Policy;
  - iii) the construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an Improvement to the Land or related to the Land that the Insured was and continued to be obligated to advance at Date of Policy and at the date of the advance;
  - iv) interest on the loan;
  - v) the prepayment premiums, exit fees, and other similar fees or penalties allowed by law;
  - vi) the expenses of foreclosure and any other costs of enforcement;
  - vii) the amounts advanced to assure compliance with laws or to protect the lien or the priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title;
  - viii) the amounts to pay taxes and insurance; and
  - ix) the reasonable amounts expended to prevent deterioration of improvements; but the indebtedness is reduced by the total of all payments and by any amount forgiven by an Insured.
- (e) "Insured": The Insured named in Schedule A.
  - (i) The term "Insured" also includes
    - (A) the owner of the indebtedness and each successor in ownership of the indebtedness, whether the owner or successor owns the indebtedness for its own account or as a trustee or other fiduciary, except a successor who is an obligor under the provisions of Section 12(c) of these Conditions;
    - (B) the person or Entity who has "control" of the "transferable record," if the indebtedness is evidenced by a "transferable record," as these terms are defined by applicable electronic transactions law;
    - (C) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
    - (D) successors to an Insured by its conversion to another kind of Entity;
    - (E) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
      - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
      - (2) if the grantee wholly owns the named Insured, or
      - (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity;
    - (F) any government agency or instrumentality that is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the

Indebtedness secured by the Insured Mortgage, or any part of it, whether named as an Insured or not;

- (ii) With regard to (A), (B), (C), (D), and (E) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, or other matter insured against by this policy.

- (f) "Insured Claimant": An Insured claiming loss or damage.
- (g) "Insured Mortgage": The Mortgage described in paragraph 4 of Schedule A.
- (h) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (i) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- (j) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (k) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
- (l) "Title": The estate or interest described in Schedule A.
- (m) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title or a prospective purchaser of the Insured Mortgage to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

### 2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured after acquisition of the Title by an Insured or after conveyance by an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

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

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured of any claim of title or interest that is adverse to the Title or the lien of the Insured Mortgage, as Insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title or the lien of the Insured Mortgage, as Insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

**CONDITIONS – Continued**

**4. PROOF OF LOSS**

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

**5. DEFENSE AND PROSECUTION OF ACTIONS**

- (a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.
- (b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title or the lien of the Insured Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.
- (c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

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

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title, the lien of the Insured Mortgage, or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.
- (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks,

memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

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

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

- (a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.
- (i) To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or
- (ii) To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

When the Company purchases the Indebtedness, the Insured shall transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of either of the options provided for in subsections (a)(i) or (ii), all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in those subsections, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

- (b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.
- (i) to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
- (ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

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

CONDITIONS - Continued

8. DETERMINATION AND EXTENT OF LIABILITY

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

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the least of
- (i) the Amount of Insurance,
  - (ii) the Indebtedness,
  - (iii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy, or
  - (iv) If a government agency or instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage in satisfaction of its insurance contract or guaranty.
- (b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured,
- (i) the Amount of Insurance shall be increased by 10%, and
  - (ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.
- (c) In the event the Insured has acquired the Title in the manner described in Section 2 of these Conditions or has conveyed the Title, then the extent of liability of the Company shall continue as set forth in Section 8(a) of these Conditions.
- (d) In addition to the extent of liability under (a), (b), and (c), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

- (a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, or establishes the lien of the Insured Mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title or to the lien of the Insured Mortgage, as insured.
- (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

- (a) All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment. However, any payments made prior to the acquisition of Title as provided in Section 2 of these Conditions shall not reduce the Amount of Insurance afforded under this policy except to the extent that the payments reduce the Indebtedness.
- (b) The voluntary satisfaction or release of the Insured Mortgage shall terminate all liability of the Company except as provided in Section 2 of these Conditions.

11. PAYMENT OF LOSS

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

12. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) The Company's Right to Recover.

Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title or Insured Mortgage and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Insured's Rights and Limitations.

(i) The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Insured Mortgage, or release any collateral security for the Indebtedness, if it does not affect the enforceability or priority of the lien of the Insured Mortgage.

(ii) If the Insured exercises a right provided in (b)(i), but has knowledge of any claim adverse to the Title or the lien of the Insured Mortgage insured against by this policy, the Company shall be required to pay only that part of any losses insured against by this policy that shall exceed the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's right of subrogation.

(c) The Company's Rights Against Noninsured Obligors

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

The Company's right of subrogation shall not be avoided by acquisition of the Insured Mortgage by an obligor (except an obligor described in Section 1(a)(1)(F) of these Conditions) who acquires the Insured Mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond, and the obligor will not be an Insured under this policy.

13. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

CONDITIONS - Continued

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

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or lien of the Insured Mortgage or by any action asserting such claim shall be restricted to this policy.
- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
- (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

15. **SEVERABILITY.**

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

16. **CHOICE OF LAW; FORUM.**

- (a) **Choice of Law:** The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefore in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title or the lien of the Insured Mortgage that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

- (b) **Choice of Forum:** Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

17. **NOTICES, WHERE SENT.**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at Claims Department at P.O. Box 2029, Houston, TX 77252-2029.

ALTA Loan Policy (6-17-06)

**SCHEDULE A**

Name and Address of Title Insurance Company: Stewart Title Guaranty Company  
P.O. Box 2029  
Houston, Texas 77252-2029

File No.: 77821

Policy No.: M-9302-000941286

Loan No.: 72434956-10

\*Address Reference: 1210 INDUSTRIAL PARKWAY, SARALAND, ALABAMA 36571

Amount of Insurance: \$2,600,000.00

Date of Policy: March 17, 2008

1. Name of Insured:

**COMMUNITY BANK & TRUST OF SOUTHEAST ALABAMA** and its successors and/or assigns as their interests may appear.

2. The estate or interest in the Land that is encumbered by the Insured Mortgage is: **FEE SIMPLE**

3. Title is vested in: **GATEWAY CENTRE, LLC, a limited liability company**

4. The Insured Mortgage, and its assignments, if any, are described as follows:

Mortgage in the original principal amount of: **\$2,600,000.00**

From (Mortgagor): **GATEWAY CENTRE, LLC, a limited liability company**

To (Mortgagee): **COMMUNITY BANK & TRUST OF SOUTHEAST ALABAMA**

Dated: **February 21, 2008**

Recorded: **March 17, 2008**

Real/Volume: **Real Property Book 6348 Image/Page: 1524**

Document No.: **2008018111**

and the mortgage or trust deeds, if any, shown in Schedule B hereof.

Assignment of Rents and Leases

From (Mortgagor): **GATEWAY CENTRE, LLC, a limited liability company**

To (Mortgagee): **COMMUNITY BANK & TRUST OF SOUTHEAST ALABAMA**

Dated: **February 21, 2008**

Recorded: **March 17, 2008**

Real/Volume: **Real Property Book 6348 Image/Page: 1532**

Document No.: **2008018112**

and the mortgage or trust deeds, if any, shown in Schedule B hereof.

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

**SEE EXHIBIT A ATTACHED HERETO**

\*FOR COMPANY REFERENCE PURPOSE ONLY, NOT AN INSURING PROVISION.

This Policy is invalid unless the Policy Cover Sheet and Schedule A and B (Part I and II) are attached

Schedule A page 1

6. This policy incorporates by reference those ALTA endorsements selected below:

- 4-06 Condominium
- 4.1-06
- 5-06 Planned Unit Development
- 5.1-06
- 6-06 Variable Rate
- 6.2-06 Variable Rate—Negative Amortization
- 8.1-06 Environmental Lien Protection referring to statute(s): NONE
- 9-06 Restrictions, Encroachments, Minerals
- 13.1-06 Leasehold Loan
- 14-06 Future Advance-Priority
- 14.1-06 Future Advance-Knowledge
- 14.3-06 Future Advance-Reverse Mortgage
- 22-06 Location

\*FOR COMPANY REFERENCE PURPOSE ONLY, NOT AN INSURING PROVISION.

This Policy is invalid unless the Policy Cover Sheet and Schedule A and B (Part I and II) are attached

Schedule A page 2

**Legal Description  
Exhibit "A"**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF MOBILE COUNTY, STATE OF ALABAMA AND IS DESCRIBED AS FOLLOWS:

**GATEWAY CENTRE - A COMMERCIAL PARK, ACCORDING TO MAP OR PLAT THEREOF, RECORDED IN MAP BOOK 117, PAGE 41 OF THE RECORDS IN THE OFFICE OF THE JUDGE OF PROBATE OF MOBILE COUNTY, ALABAMA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

COMMENCING AT A REBAR FOUND AT THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 3 SOUTH, RANGE 1 WEST, MOBILE COUNTY, ALABAMA; THENCE NORTH 89 DEGREES 23 MINUTES 39 SECONDS EAST A DISTANCE OF 2494.05 FEET TO A CRIMP TOP IRON PIPE FOUND ON THE NORTH MARGIN OF ALABAMA HIGHWAY NO. 158; THENCE NORTH 67 DEGREES 52 MINUTES 45 SECONDS WEST, ALONG SAID NORTH MARGIN, A DISTANCE OF 715.76 FEET TO A CAPPED REBAR SET AT THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED; THENCE NORTH 68 DEGREES 00 MINUTES 00 SECONDS WEST, AND CONTINUING ALONG SAID NORTH MARGIN, A DISTANCE OF 288.69 FEET TO A CONCRETE MONUMENT FOUND, SAID MONUMENT BEING ON A CURVE TO THE LEFT (CONCAVE SOUTHERLY) AND HAVING A RADIUS OF 5854.58 FEET; THENCE ALONG THE ARC OF SAID CURVE, AND CONTINUING ALONG SAID NORTH MARGIN, A DISTANCE OF 364.68 FEET TO A POINT OF INTERSECTION OF SAID NORTH MARGIN AND THE CENTERLINE OF AN UNNAMED CREEK; THENCE MEANDERING ALONG SAID CENTERLINE IN THE FOLLOWING COURSES: NORTH 31 DEGREES 32 MINUTES 45 SECONDS WEST A DISTANCE OF 169.73 FEET, MORE OR LESS, TO A POINT; THENCE NORTH 13 DEGREES 11 MINUTES 09 SECONDS WEST, A DISTANCE OF 129.97 FEET, MORE OR LESS, TO A POINT; THENCE NORTH 18 DEGREES 09 MINUTES 04 SECONDS WEST A DISTANCE OF 213.47 FEET, MORE OR LESS, TO A POINT; THENCE NORTH 12 DEGREES 06 MINUTES 16 SECONDS EAST A DISTANCE OF 113.02 FEET, MORE OR LESS, TO A POINT; THENCE NORTH 02 DEGREES 21 MINUTES 04 SECONDS WEST A DISTANCE OF 129.40 FEET, MORE OR LESS, TO A POINT; THENCE NORTH 11 DEGREES 24 MINUTES 54 SECONDS EAST A DISTANCE OF 246.06 FEET, MORE OR LESS, TO A POINT; THENCE NORTH 20 DEGREES 13 MINUTES 18 SECONDS EAST A DISTANCE OF 56.58 FEET, MORE OR LESS, TO A POINT; THENCE SOUTH 46 DEGREES 24 MINUTES 25 SECONDS EAST A DISTANCE OF 1208.26 FEET TO A CAPPED REBAR SET, SAID LINE BEING THE SOUTH LINE OF PINE FOREST, FIRST ADDITION, AS RECORDED IN MAP BOOK 9, PAGE 478, IN THE PROBATE COURT OF MOBILE COUNTY, ALABAMA; THENCE SOUTH 22 DEGREES 11 MINUTES 56 SECONDS WEST A DISTANCE OF 441.75 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THE APPURTENANT EASEMENT ITS BENEFITS AND BURDEN AS CREATED BY THE FOLLOWING: RECIPROCAL DRAINAGE EASEMENT AGREEMENT BY AND BETWEEN GATEWAY CENTRE, LLC AND SHEENAL, INC. DATED FEBRUARY 21, 2008 AND RECORDED IN REAL PROPERTY BOOK 6348, PAGE 1511, OF THE RECORDS IN THE OFFICE OF THE JUDGE OF PROBATE, MOBILE COUNTY, ALABAMA.

Property Address: 1210 INDUSTRIAL PARKWAY  
Tax Key/PPIN No. 03314185 and 02605158

\*FOR COMPANY REFERENCE PURPOSE ONLY, NOT AN INSURING PROVISION.  
This Policy is invalid unless the Policy Cover Sheet and Schedule A and B (Part I and II) are attached.

Schedule A page 3

**SCHEDULE B  
PART I**

File No.: 77821

Policy No.: M-9302-000941286

Except as provided in Schedule B - Part II, this policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) that arise by reason of:

1. Taxes for the year 2008, which became a lien as of October 1, 2007, but are not due and payable until October 1, 2008.
2. 20 foot and 30 foot building setback lines, drainage and utility line easements and notes or restrictions as shown on recorded plat of said subdivision recorded in Map Book 117, Page 41.
3. Easement granted Alabama Power Company by John W. Tennant, et al by instrument dated November 1, 1950 and recorded in Deed Book 522, Page 60.
4. Differences in record and actual distances along the North property line and sanitary sewer line over and across the West property line and floodway area along the West property line all as shown on recorded plat of said subdivision and as shown on survey by Gulf States Engineering, Inc., dated September 26, 2006 and lastly revised on November 8, 2007.
5. Reservation of all oil, gas and other minerals, and all rights in connection therewith, as contained in deed from John W. Tennant and Mildred E. Tennant to Sheenal, Inc. dated May 6, 2003 and recorded in Real Property Book 5379, Page 439. This policy insures against loss or damage which the insured may sustain through the use of the service of the insured premises and down 100 feet from the surface thereof not consented to by the insured and the exercise of the mining rights.
6. Reservation of all oil, gas and other minerals, and all rights in connection therewith, as contained in deed from William Wade Tennant, et al to Sheenal, Inc. dated May 6, 2003 and recorded in Real Property Book 5379, Page 406. This policy insures against loss or damage which the insured may sustain through the use of the service of the insured premises and down 100 feet from the surface thereof not consented to by the insured and the exercise of the mining rights.
7. Reciprocal Drainage Easement Agreement by and between Gateway Centre, LLC and Sheenal, Inc. dated February 21, 2008 and recorded in Real Property Book 6348, Page 1511 of the records in the Office of the Judge of Probate of Mobile County, Alabama.
8. Pending Disbursement of full proceeds of the loan secured by the mortgage insured, this policy insures only to the extent of the amount actually disbursed but increases as each disbursement is made in good faith and without knowledge of any defects in or objections to the title up to the face amount of the policy. At the time of each disbursement of the proceeds of the loan, the title must be continued down to such time for possible liens, or objections intervening between the date hereof and the date of each such disbursement, and except as to disbursements already made and insured, the policy will be subject to such liens and objections, including mechanic's liens. Each report of continuation requested, in connection with issuance of future advances will include a statement showing survey variations or encroachments, if any, since the date of the preceding report.

**NOTE: Terms, conditions, provisions and restrictions of all permits and licenses of Federal, State and local government, including applicable agencies and departments and quasi governmental agencies having jurisdiction over the real property, including but not limited to restrictions on construction of any areas delineated by government agencies as wetlands and/or floodways.**

**\*FOR COMPANY REFERENCE PURPOSE ONLY, NOT AN INSURING PROVISION.**

This Policy is invalid unless the Policy Cover Sheet and Schedule A and B (Part I and II) are attached

Schedule B Part I page 1

**SCHEDULE B  
PART II**

File No.: 77821

Policy No.: M-9302-000941286

In addition to the matters set forth in Part I of this Schedule, the title to the estate or interest in the land described or referred to in Schedule A is subject to the following matter, if any be shown, but the Company insures these matters are subordinate to the lien or charge of the insured mortgage upon the estate or interest:

**NONE**

\*FOR COMPANY REFERENCE PURPOSE ONLY, NOT AN INSURING PROVISION.

This Policy is invalid unless the Policy Cover Sheet and Schedule A and B (Part I and II) are attached

Schedule B Part II page 1

# **Restrictions, Encroachments, Minerals-Loan Policy ALTA Endorsement 9.3**

## **ENDORSEMENT**

**Attached to Policy No.**

**M-9302-000941286**

**Issued by**

**STEWART TITLE GUARANTY COMPANY**

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. The existence at Date of Policy of any of the following:
  - a. Covenants, conditions, or restrictions under which the lien of the insured mortgage can be divested, subordinated, or extinguished, or its validity, priority or enforceability impaired.
  - b. Unless expressly excepted in Schedule B
    - i. Present violations on the land of any enforceable covenants, conditions, or restrictions, or existing improvements on the land that violate any building setback lines shown on a plat of subdivision recorded or filed in the public records.
    - ii. Any instrument referred to in Schedule B as containing covenants, conditions, or restrictions on the land that, in addition, (A) establishes an easement on the land, (B) provides a lien for liquidated damages, (C) provides for a private charge or assessment, (D) provides for an option to purchase, a right of first refusal, or the prior approval of a future purchaser or occupant.
    - iii. Any encroachment of existing improvements located on the land onto adjoining land, or any encroachment onto the land of existing improvements located on adjoining land.
    - iv. Any encroachment of existing improvements located on the land onto that portion of the land subject to any easement excepted in Schedule B.
    - v. Any notices of violation of covenants, conditions, or restrictions relating to environmental protection recorded or filed in the public records.
2. Any future violation on the land of any existing covenants, conditions, or restrictions occurring prior to the acquisition of title by the insured, provided the violation results in:
  - (a) invalidity, loss of priority, or unenforceability of the lien of the insured mortgage; or
  - (b) loss of title if the Insured shall acquire title in satisfaction of the indebtedness.
3. Damage to existing improvements, including lawns, shrubbery, or trees, located or

encroaching on that portion of the land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved.

4. Damage to improvements, including lawns, shrubbery, or trees, located on the land on or after Date of Policy resulting from the future exercise of any right to use the surface of the land for the extraction or development of minerals excepted from the description of the land or excepted in Schedule B.

5. Any final court order or judgment requiring the removal from any land adjoining the land of any encroachment excepted in Schedule B.

6. Any final court order or judgment denying the right to maintain any existing improvements on the land because of any violation of covenants, conditions, or restrictions, or building setback lines shown on a plat of subdivision recorded or filed in the public records.

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

As used in paragraphs 1.b.i. and 6, the words "covenants, conditions or restrictions" do not include any covenants, conditions, or restrictions (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 excepted in Schedule B.

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

**Signed under seal for the Company, but this endorsement is to be valid only when it bears an authorized countersignature.**

By   
Authorized Officer or Agent

**STEWART TITLE GUARANTY COMPANY**

**THE GUARANTEE TITLE COMPANY, L.L.C.**

759 Downtowner Loop West  
Mobile, Alabama 36609  
Phone: (251) 344-2660 Fax: (251) 344-2698  
E-mail: [deeann@guarantcetitle.com](mailto:deeann@guarantcetitle.com)

June 5, 2008

Community Bank and Trust of Southeast Alabama  
901 N. Bollweevil Circle  
Enterprise, AL 36330

Our File # 77821

Enclosed, please find the following documents:

- (X) Original Mortgage recorded in Real Property Book 6348, Page 1524
- (X) Original Assignment of Rents and Leases recorded in Real Property Book 6348, Page 1532
- (X) Original Mortgage Title Policy M-9302-000941286

Thank you for your patronage. If you have any questions or if we can be of any further service, please let me know.

Yours truly,  
THE GUARANTEE TITLE COMPANY, L.L.C.

Deeann Dombroski  
Enclosure/s



**COMMITMENT FOR TITLE INSURANCE**

**SCHEDULE A  
(Continued)**

**EXHIBIT A – LEGAL DESCRIPTION**

**LEGAL DESCRIPTION**

**GATEWAY CENTRE - A COMMERCIAL PARK, ACCORDING TO MAP OR PLAT THEREOF, RECORDED IN MAP BOOK 117, PAGE 41 OF THE RECORDS IN THE OFFICE OF THE JUDGE OF PROBATE OF MOBILE COUNTY, ALABAMA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

**COMMENCING AT A REBAR FOUND AT THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 3 SOUTH, RANGE 1 WEST, MOBILE COUNTY, ALABAMA; THENCE NORTH 89 DEGREES 23 MINUTES 39 SECONDS EAST A DISTANCE OF 2494.05 FEET TO A CRIMP TOP IRON PIPE FOUND ON THE NORTH MARGIN OF ALABAMA HIGHWAY NO. 158; THENCE NORTH 67 DEGREES 52 MINUTES 45 SECONDS WEST, ALONG SAID NORTH MARGIN, A DISTANCE OF 715.76 FEET TO A CAPPED REBAR SET AT THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED; THENCE NORTH 68 DEGREES 00 MINUTES 00 SECONDS WEST, AND CONTINUING ALONG SAID NORTH MARGIN, A DISTANCE OF 288.69 FEET TO A CONCRETE MONUMENT FOUND, SAID MONUMENT BEING ON A CURVE TO THE LEFT (CONCAVE SOUTHERLY) AND HAVING A RADIUS OF 5854.58 FEET; THENCE ALONG THE ARC OF SAID CURVE, AND CONTINUING ALONG SAID NORTH MARGIN, A DISTANCE OF 364.68 FEET TO A POINT OF INTERSECTION OF SAID NORTH MARGIN AND THE CENTERLINE OF AN UNNAMED CREEK; THENCE MEANDERING ALONG SAID CENTERLINE IN THE FOLLOWING COURSES: NORTH 31 DEGREES 32 MINUTES 45 SECONDS WEST A DISTANCE OF 169.73 FEET, MORE OR LESS, TO A POINT; THENCE NORTH 13 DEGREES 11 MINUTES 09 SECONDS WEST, A DISTANCE OF 129.97 FEET, MORE OR LESS, TO A POINT; THENCE NORTH 18 DEGREES 09 MINUTES 04 SECONDS WEST A DISTANCE OF 213.47 FEET, MORE OR LESS, TO A POINT; THENCE NORTH 12 DEGREES 06 MINUTES 16 SECONDS EAST A DISTANCE OF 113.02 FEET, MORE OR LESS, TO A POINT; THENCE NORTH 02 DEGREES 21 MINUTES 04 SECONDS WEST A DISTANCE OF 129.40 FEET, MORE OR LESS, TO A POINT; THENCE NORTH 11 DEGREES 24 MINUTES 54 SECONDS EAST A DISTANCE OF 246.06 FEET, MORE OR LESS, TO A POINT; THENCE NORTH 20 DEGREES 13 MINUTES 18 SECONDS EAST A DISTANCE OF 56.58 FEET, MORE OR LESS, TO A POINT; THENCE SOUTH 46 DEGREES 24 MINUTES 25 SECONDS EAST A DISTANCE OF 1208.26 FEET TO A CAPPED REBAR SET, SAID LINE BEING THE SOUTH LINE OF PINE FOREST, FIRST ADDITION, AS RECORDED IN MAP BOOK 9, PAGE 478, IN THE PROBATE COURT OF MOBILE COUNTY, ALABAMA; THENCE SOUTH 22 DEGREES 11 MINUTES 56 SECONDS WEST A DISTANCE OF 441.75 FEET TO THE POINT OF BEGINNING.**

**TOGETHER WITH THE APPURTENANT EASEMENT ITS BENEFITS AND BURDEN AS CREATED BY THE FOLLOWING: RECIPROCAL DRAINAGE EASEMENT AGREEMENT BY AND BETWEEN GATEWAY CENTRE, LLC AND SHEENAL, INC. DATED FEBRUARY \_\_\_\_\_, 2008 AND RECORDED IN REAL PROPERTY BOOK \_\_\_\_\_, PAGE \_\_\_\_\_, OF THE RECORDS IN THE OFFICE OF THE JUDGE OF PROBATE, MOBILE COUNTY, ALABAMA.**

*For informational purposes only:*

Property Address: **1210 INDUSTRIAL PARKWAY, SARALAND, ALABAMA 36571**

Tax PPIN/Key No.: **03314185 and 02605158**

County: **MOBILE COUNTY**

This Commitment is invalid unless the Commitment Cover Sheet and Schedule A and B (Part I and II) are attached

Schedule A page 2

## COMMITMENT FOR TITLE INSURANCE

### SCHEDULE B Part I

File No: 77821

The Following are requirements to be complied with:

1. Proof of identity, legal age, competency of Grantors/Mortgagors and marital status (including deaths and divorces) effecting any individual Grantors/Mortgagors, herein.
2. TO BE PRODUCED BEFORE OR AT CLOSING: Drivers License, Social Security Number(s) or Tax Identification Number(s), along with future address(s) of the seller(s) must be furnished to comply with reporting requirements of the IRS.
3. POWERS OF ATTORNEY: If any party to the settlement intends to use a Power of Attorney at settlement, a copy of such Power of Attorney must be submitted for review in advance of settlement. Failure to comply with this requirement may result in the postponement of the settlement. Acceptability of the Power of Attorney for purpose of completion of settlement is within the discretion of the insurer. If accepted the Power of Attorney must be recorded in the county where the property is located.
4. Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest, mortgage or lien to be issued.
5. Furnish proof of payment of all bills for labor and material furnished or to be furnished in connection with improvements erected or to be erected.
6. Pay all general and special taxes now due and payable.
7. Record instrument conveying or encumbering the estate or interest to be insured, briefly described:
  - A. Execution and recordation, in the Office of the Judge of Probate, **MOBILE COUNTY**, Alabama, without intervening rights, of a Warranty Deed by **SHEENAL, INC., an Alabama Corporation, acting by and through its duly authorized officers** to **GATEWAY CENTRE, LLC** conveying the property described in Schedule "A" hereof.
  - B. Delivery of mortgage from **GATEWAY CENTRE, LLC**, an Alabama Limited Liability Company executed by its members as authorized in its operating agreement conveying the property described in Schedule "A" to **COMMUNITY BANK & TRUST OF SOUTHEAST ALABAMA**.
8. Payment and cancellation of mortgage from Sheenal, Inc. to Regions Bank dated May 6, 2003 and recorded in Real Property Book 5379, Page 442. Amount: \$650,000.00
9. Payment and cancellation of Assignment of Rents from Sheenal, Inc. to Regions Bank dated May 6, 2003 and recorded in Real Property Book 5379, Page 449. Amount: \$650,000.00
10. Payment and cancellation of mortgage from Sheenal, Inc. to First Community Bank dated August 13, 2003 and recorded in Real Property Book 5470, Page 1899. Amount: \$500,000.00
11. Payment and cancellation of mortgage from Sheenal, Inc. to Regions Bank dated September 2, 2005 and recorded in Real Property Book 5840, Page 145. Amount: \$1,200,000.00

This Commitment is invalid unless the Commitment Cover Sheet and Schedule A and B (Part I and II) are attached

Schedule B-Part I page 1

## COMMITMENT FOR TITLE INSURANCE

### SCHEDULE B Part I

File No: 77821

12. There should be submitted to us certified copies of resolutions adopted by the Stockholders and Directors of said Sheenal, Inc., an Alabama Corporation, authorizing the execution of this deed, and further authorizing the officers of said corporation to execute the same for and in the name of the corporation.
13. We should be furnished an executed copy of the Operating Agreement of GATEWAY CENTRE, LLC, an Alabama Limited Liability Company, authorizing the said manager/s or member/s to execute the same for and in the name of the Company.
14. Payment of any municipal assessments that may be due or may become due the City of Saraland.
15. Payment of 2007 taxes assessed to Sheenal, Inc. in the amount of \$1,954.16, plus penalty and interest. Key #03314185. (NOTE: If paid on February 29, 2008, the amount would be: \$2,004.36)
16. Payment of 2007 taxes assessed to Sheenal, Inc. in the amount of \$889.20, plus penalty and interest. Key #02605158. (NOTE: If paid on February 29, 2008, the amount would be: \$918.37)

THE COMPANY MAY MAKE OTHER REQUIREMENTS OR EXCEPTIONS UPON ITS REVIEW OF THE DOCUMENTS CREATING THE ESTATE OR INTEREST TO BE INSURED OR OTHERWISE ASCERTAINING DETAILS OF THE TRANSACTION.

This Commitment is invalid unless the Commitment Cover Sheet and Schedule A and B (Part I and II) are attached  
Schedule B-Part I page 2

## COMMITMENT FOR TITLE INSURANCE

### SCHEDULE B Part II

File No: 77821

Schedule B of the policy or policies to be insured will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.

#### Special Exceptions

1. Taxes for the year 2008, which became a lien as of October 1, 2007, but are not due and payable until October 1, 2008.
2. Rights or claims of parties other than insured in actual possession of any or all of the property.
3. Unfiled mechanics or materialmen's liens.
4. 20 foot and 30 foot building setback lines, drainage and utility line easements and notes or restrictions as shown on recorded plat of said subdivision recorded in Map Book 117, Page 41.
5. Easement granted Alabama Power Company by John W. Tennant, et al by instrument dated November 1, 1950 and recorded in Deed Book 522, Page 60.
6. Differences in record and actual distances along the North property line and sanitary sewer line over and across the West property line and floodway area along the West property line all as shown on recorded plat of said subdivision and as shown on survey by Gulf States Engineering, Inc., dated September 26, 2006 and lastly revised on November 8, 2007.
7. Reservation of all oil, gas and other minerals, and all rights in connection therewith, as contained in deed from John W. Tennant and Mildred E. Tennant to Sheenal, Inc. dated May 6, 2003 and recorded in Real Property Book 5379, Page 439.
8. Reservation of all oil, gas and other minerals, and all rights in connection therewith, as contained in deed from William Wade Tennant, et al to Sheenal, Inc. dated May 6, 2003 and recorded in Real Property Book 5379, Page 406.
9. Reciprocal Drainage Easement Agreement by and between Gateway Centre, LLC and Sheenal, Inc. dated February \_\_\_\_\_, 2008 and recorded in Real Property Book \_\_\_\_\_, Page \_\_\_\_\_.
10. Pending Disbursement of full proceeds of the loan secured by the mortgage insured, this policy insures only to the extent of the amount actually disbursed but increases as each disbursement is made in good faith and without knowledge of any defects in or objections to the title up to the face amount of the policy. At the time of each

This Commitment is invalid unless the Commitment Cover Sheet and Schedule A and B (Part I and II) are attached

Schedule B-Part II page 1

## COMMITMENT FOR TITLE INSURANCE

### SCHEDULE B Part II

File No: 77821

disbursement of the proceeds of the loan, the title must be continued down to such time for possible liens, or objections intervening between the date hereof and the date of each such disbursement, and except as to disbursements already made and insured, the policy will be subject to such liens and objections, including mechanic's liens. Each report of continuation requested, in connection with issuance of future advances will include a statement showing survey variations or encroachments, if any, since the date of the preceding report.

**NOTE:** Terms, conditions, provisions and restrictions of all permits and licenses of Federal, State and local government, including applicable agencies and departments and quasi governmental agencies having jurisdiction over the real property, including but not limited to restrictions on construction of any areas delineated by government agencies as wetlands and/or floodways.

**NOTE:** The current tax valuation is in accordance with the present assessment rolls in the Tax Assessor's Office, but is subject to any future adjustment made by either the Tax Assessor's Office or the Board of Equalization. Neither this Commitment nor any policy of title Insurance Issued pursuant hereto, purports to, or shall be construed to, insure against the lien of any ad valorem taxes which may become subsequently effective as to the insured property notwithstanding that such lien may retroactively apply to prior tax years by virtue of an escape or change in valuation occasioned by a change in category or use of the property.

**NOTE:** This binder does not attempt to set out the manner in which the title to oil, gas or other minerals is now vested and does not insure any rights or easements in connection with such interest.

**NOTE:** The policy to be issued pursuant to this binder will not insure against any invalidity, or claim thereof, in any mortgage, predicated upon any claim of usury, or any claimed violation of any consumer credit protection or truth in lending law.

This Commitment is invalid unless the Commitment Cover Sheet and Schedule A and B (Part I and II) are attached  
Schedule B-Part II page 2

## COMMITMENT FOR TITLE INSURANCE

### SCHEDULE C

File No: 77821

#### CAUTION TO APPLICANT:

THIS COMMITMENT IS NOT AN ABSTRACT, EXAMINATION, REPORT, OR REPRESENTATION OF FACT OR TITLE AND DOES NOT CREATE AND SHALL NOT BE THE BASIS OF ANY CLAIM FOR NEGLIGENCE, NEGLIGENT MISREPRESENTATION OR OTHER TORT CLAIM OR ACTION. THE SOLE LIABILITY OF COMPANY AND ITS TITLE INSURANCE AGENT SHALL ARISE UNDER AND BE GOVERNED BY THE CONDITIONS OF THE COMMITMENT.

THIS COMMITMENT IS CONFIDENTIAL AND MAY NOT BE RELEASED TO ANY OTHER THIRD PARTY. ANY USE OR RELIANCE ON THIS COMMITMENT, WITH OR WITHOUT NOTICE TO INSURER FOR ANY OTHER PURPOSE, OR BY ANY THIRD PARTY, SHALL IN NO EVENT CREATE ANY LIABILITY. THIS IS NOT A COLLECTION OR FORECLOSURE REPORT, ABSTRACT OR OPINION OF TITLE, GUARANTEE, OR POLICY. IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY EXPRESSLY EXCLUDED. WE RESERVE THE RIGHT TO AMEND THIS COMMITMENT AT ANY TIME PRIOR TO DISBURSEMENT AND RECORDING OF DEED AND MORTGAGE.

#### NOTICE

**PRIVACY POLICY:** Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of person or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies of (AGENT) and Stewart Title Guaranty Company.

We may collect nonpublic personal information about you from the following sources:

1. Information we receive from you, such as on applications or other forms.
2. Information about your transactions we secure from our files, or from our affiliates or others.
3. Information we receive from a consumer reporting agency.
4. Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

1. We also may disclose this information about our customer or former customers to nonaffiliated companies that perform services on our behalf.

**WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.**

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Schedule C

ALTA Commitment (6-17-06)  
Commit.frm (Alabama 8-2007)

 **stewart**  
title guaranty company