

EXHIBIT "C-2"

Owner's Policy

EXHIBIT "C-2"

Form No. 1402.06 HI
ALTA Owner's Policy (6-17-06)
1002192P0508HI



OWNER'S POLICY OF TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

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

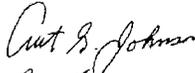
COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
 2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (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
- if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
 7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
 8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
 9. Title being vested other than as stated in Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
 10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

First American Title Insurance Company

BY  PRESIDENT

ATTEST  SECRETARY



1002192-1000021

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 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.

CONDITIONS

1. DEFINITIONS OF TERMS

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Insured": The Insured named in Schedule A.
 - (i) The term "Insured" also includes
 - (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
 - (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
 - (C) successors to an Insured by its conversion to another kind of Entity;
 - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

- (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
 - (2) if the grantee wholly owns the named Insured,
 - (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
 - (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
- (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
- (e) "Insured Claimant": An Insured claiming loss or damage.
 - (f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
 - (g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
 - (h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
 - (i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
 - (j) "Title": The estate or interest described in Schedule A.
 - (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

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

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

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

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that

SCHEDULE A

Premium: \$8,050.00
Amount of Insurance: \$7,730,000.00
Date of Policy: March 17, 2010 at 8:01 a.m.
Policy No.: FJ6-001000021
Agent's No.: 200935482

ALTA Owner's Policy (06-17-06) (with Hawaii modification)

1. Name of Insured:

KUNIA LOA RIDGE FARMLANDS, a Hawaii nonprofit corporation, as Fee
Owner

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

FEE SIMPLE

3. Title is vested in:

THE NAMED INSURED

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

See Schedule C.

SCHEDULE B CONTINUED

4. The terms and provisions contained in the following:

INSTRUMENT : TRUSTEES LIMITED WARRANTY DEED
DATED : November 1, 2006
FILED : Land Court Document No. 3505988

5. -AS TO EASEMENT "49":-

Access rights in favor of Lot 17534 (as shown on Map 1338), as set forth by Land Court Order No. 172495, filed October 22, 2007.

6. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF SITE ACCESS; JOINDER
DATED : ----, 2007 (acknowledged October 15, 2007, October 30, 2007 and November 2, 2007)
FILED : Land Court Document No. 3676945
RECORDED : Document No. 2007-193800

Joinders by UNITED STATES ENVIRONMENTAL PROTECTION AGENCY and DEL MONTE FRESH PRODUCE (HAWAII), INC., a Delaware corporation.

7. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF ENVIRONMENTAL RESTRICTION (WELL RESTRICTION AREA); JOINDER
DATED : ----, 2007 (acknowledged October 15, 2007, October 30, 2007 and November 2, 2007)
FILED : Land Court Document No. 3676946
RECORDED : Document No. 2007-193801

Joinders by UNITED STATES ENVIRONMENTAL PROTECTION AGENCY and DEL MONTE FRESH PRODUCE (HAWAII), INC., a Delaware corporation.

SCHEDULE B CONTINUED

8. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF COVENANTS REGARDING WATER ALLOCATION
AND EASEMENTS

DATED : December 13, 2007
FILED : Land Court Document No. 3694441
RECORDED : Document No. 2007-219110

AMENDED AND RESTATED DECLARATION OF COVENANTS REGARDING WATER
ALLOCATION AND EASEMENTS dated August 21, 2008, filed as Land
Court Document No. 3782044, recorded as Document No. 2008-133157.

AMENDMENT TO AMENDED AND RESTATED DECLARATION OF COVENANTS
REGARDING WATER ALLOCATION AND EASEMENTS dated February 24, 2010,
filed as Land Court Document No. 3942984, recorded as Document
No. 2010-026023.

9. GRANT OF PRIVATE WATERLINE EASEMENT

TO : SYNGENTA HAWAII, LLC, a Hawaii limited liability
company

DATED : September 3, 2008
FILED : Land Court Document No. 3785842
GRANTING : a nonexclusive easement for underground water
pipeline(s) through the easement area shown on map
attached thereto as Exhibit "A"

10. GRANT OF NONEXCLUSIVE EASEMENT (ACCESS ONLY)

TO : ARMY HAWAII FAMILY HOUSING LLC, a Delaware limited
liability company

DATED : December 10, 2008
FILED : Land Court Document No. 3812213
GRANTING : a nonexclusive easement solely for vehicular and
pedestrian access in favor of Lot 17846 of Land
Court Application No. 1069, as shown on Map 1370,
said easement shown on map attached thereto as
Exhibit "A"

SCHEDULE B CONTINUED

11. GRANT OF NONEXCLUSIVE EASEMENT (ACCESS AND UTILITY PURPOSES)

TO : GILL-OLSON JOINT VENTURE, a Hawaii Joint Venture

DATED : September 30, 2009

FILED : Land Court Document No. 3903239

GRANTING : a nonexclusive easement over said Easement "49" solely for vehicular and pedestrian access to and from Kunia Road (a public highway) and for utility purposes, in favor of the Benefitted Property more particularly described therein

12. GRANT OF NONEXCLUSIVE EASEMENT (ACCESS AND UTILITY PURPOSES)

TO : EDMUND C. OLSON, AS TRUSTEE OF THE EDMUND C. OLSON TRUST NO. 2 UNDER AGREEMENT DATED AUGUST 21, 1985

DATED : September 30, 2009

FILED : Land Court Document No. 3903245

GRANTING : a nonexclusive easement over said Easement "49" solely for vehicular and pedestrian access to and from Kunia Road (a public highway) and for utility purposes, in favor of Lot 12006 (as shown on Map 885)

13. GRANT OF NONEXCLUSIVE EASEMENT (ACCESS AND UTILITY PURPOSES)

TO : THE TRUST FOR PUBLIC LAND, a California nonprofit public benefit corporation

DATED : September 30, 2009

FILED : Land Court Document No. 3903249

GRANTING : a nonexclusive easement over said Easement "49" solely for vehicular and pedestrian access to and from Kunia Road (a public highway) and for utility purposes, in favor of Lot 18717 (as shown on Map 1468)

SCHEDULE B CONTINUED

14. GRANT OF NONEXCLUSIVE EASEMENT (ACCESS ONLY)

TO : THE TRUST FOR PUBLIC LAND, a California nonprofit
public benefit corporation

DATED : September 30, 2009

FILED : Land Court Document No. 3903251

GRANTING : a nonexclusive easement solely for vehicular and
pedestrian access in favor of Lot 18717 (as shown
on Map 1468), provided that the use of the easement
area by the general public is prohibited

15. Water rights, claims or title to water, whether or not shown by the public records.
16. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.
17. Easements or claims of easements which are not recorded in the public records at Date of Policy.
18. Encroachments or any other matters which a correct survey would disclose.
19. Any matters which a correct archaeological study would disclose.
20. Hazardous substances, if any, located on the land as disclosed by the Instruments referenced in Schedule B, Items 6 and 7.

SCHEDULE B CONTINUED

21. The terms and provisions contained in the following:

INSTRUMENT : LIMITED WARRANTY DEED WITH COVENANTS, RESERVATION
OF RIGHTS AND AGREEMENTS

DATED : as of March 17, 2010

FILED : Land Court Document No. 3948038

The foregoing includes, but is not limited to, matters relating
to reservation to grant easements.

22. No insurance with respect to said unrecorded Grant of Nonexclusive
Easement (Access Only) dated March 17, 2010 is provided.

23. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND RESERVATION OF EASEMENTS FOR THE KUNIA LOA
RIDGE FARMS AGRICULTURAL SUBDIVISION

DATED : March 17, 2010

FILED : Land Court Document No. 3948041

24. MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS, FIXTURE FILING
AND FINANCING STATEMENT

MORTGAGOR : KUNIA LOA RIDGE FARMLANDS, a Hawaii nonprofit
corporation

MORTGAGEE : GLENN D. EUGENIO, as the Authorized Trustee of the
Hawaii Reinforcing Iron Workers Pension Trust Fund,
under unrecorded Second Restated Agreement and
Declaration of Trust dated effective as of October
24, 2002, and T. GEORGE PARIS, as the Authorized
Trustee of the Hawaii Structural Iron Workers
Pension Trust Fund, under unrecorded Second
Restated Agreement and Declaration of Trust dated
effective as of October 24, 2002

DATED : effective March 10, 2010

SCHEDULE B CONTINUED

FILED : Land Court Document No. 3948042
AMOUNT : \$8,000,000.00

25. FINANCING STATEMENT

DEBTOR : KUNIA LOA RIDGE FARMLANDS, a Hawaii non-profit
corporation

SECURED
PARTY : HAWAII REINFORCING IRON WORKERS PENSION TRUST FUND
and HAWAII STRUCTURAL IRON WORKERS PENSION TRUST
FUND

RECORDED : Document No. 2010-035884
RECORDED ON: March 17, 2010

26. FINANCING STATEMENT

DEBTOR : KUNIA LOA RIDGE FARMLANDS, a Hawaii non-profit
corporation

SECURED
PARTY : HAWAII REINFORCING IRON WORKERS PENSION TRUST FUND
and HAWAII STRUCTURAL IRON WORKERS PENSION TRUST
FUND

RECORDED : Document No. 2010-035885
RECORDED ON: March 17, 2010

27. FINANCING STATEMENT

DEBTOR : C & C FARMLANDS LLC, a Hawaii limited liability
company

SECURED
PARTY : HAWAII REINFORCING IRON WORKERS PENSION TRUST FUND
and HAWAII STRUCTURAL IRON WORKERS PENSION TRUST
FUND

RECORDED : Document No. 2010-035886
RECORDED ON: March 17, 2010

SCHEDULE B CONTINUED

28. FINANCING STATEMENT

DEBTOR : C & C FARMLANDS LLC, a Hawaii limited liability
company

SECURED
PARTY : HAWAII REINFORCING IRON WORKERS PENSION TRUST FUND
and HAWAII STRUCTURAL IRON WORKERS PENSION TRUST
FUND

RECORDED : Document No. 2010-035887

RECORDED ON: March 17, 2010

END OF SCHEDULE B

SCHEDULE C

The land referred to in this policy is described as follows:

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii, described as follows:

LOT M-8-B, area 854.23 acres, more or less, as shown on Map 5, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being land(s) described in Transfer Certificate of Title No. 975,762 issued to KUNIA LOA RIDGE FARMLANDS, a Hawaii nonprofit corporation.

BEING THE PREMISES ACQUIRED BY LIMITED WARRANTY DEED WITH COVENANTS, RESERVATION OF RIGHTS AND AGREEMENTS

GRANTOR : JAMES CAMPBELL COMPANY LLC, a Delaware limited liability company

GRANTEE : KUNIA LOA RIDGE FARMLANDS, a Hawaii nonprofit corporation

DATED : as of March 17, 2010

FILED : Land Court Document No. 3948038

SCHEDULE C CONTINUED

Together with a nonexclusive easement over Easement "49" for vehicular and pedestrian access to and from Kunia Road and for utility purposes as granted by GRANT OF NONEXCLUSIVE EASEMENT (ACCESS AND UTILITY PURPOSES), dated March 17, 2010, filed as Land Court Document No. 3948039, more particularly described therein; and subject to terms and provisions contained therein.

Together with a nonexclusive easement for vehicular and pedestrian access as granted by GRANT OF NONEXCLUSIVE EASEMENT (ACCESS PURPOSES ONLY), dated March 17, 2010, filed as Land Court Document No. 3948040, more particularly described therein; and subject to terms and provisions contained therein.

Together with the rights and easements under that certain unrecorded ASSIGNMENT AND ASSUMPTION OF GRANTEE'S RIGHTS AND OBLIGATIONS UNDER GRANT OF EASEMENT dated as of March 17, 2010, between the JAMES CAMPBELL COMPANY LLC, a Delaware limited liability company, as Assignor, and KUNIA LOA RIDGE FARMLANDS, a Hawaii nonprofit corporation, as Assignee, which document assigns to said Assignee all of said Assignor's right, title and interest in and to that certain unrecorded Grant of Nonexclusive Easement (Access Only) dated March 17, 2010, by and between Army Hawaii Family Housing LLC, a Delaware limited liability company, as Grantor, and James Campbell Company LLC, as Grantee.

-Note:- No insurance with respect to said unrecorded Grant of Nonexclusive Easement (Access Only) is provided.

END OF SCHEDULE C

GENERAL NOTES

1. There is hereby omitted from any covenants, conditions and reservations contained herein any covenant or restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law. Lawful restrictions under state or federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

E N D O R S E M E N T N O. 1

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

Attached to Policy No. FJ6-001000021
dated March 17, 2010 at 8:01 a.m.

The Company insures against loss or damage sustained by the Insured by reason of damage to existing improvements, including lawns, shrubbery or trees resulting from the exercise of any right to use the surface of the Land for the extraction or development of the minerals excepted from the description of the Land or shown as a reservation 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.

Dated: March 17, 2010 at 8:01 a.m.

By Title Guaranty of Hawaii, Inc.,
its Authorized Agent

TG 205-06/CLTA 100.29 - mineral extraction (6-06)

the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

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

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.
- (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be

disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

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

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

- (a) To Pay or Tender Payment of the Amount of Insurance.
To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.
Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
- (b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.
 - (i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
 - (ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

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

8. DETERMINATION AND EXTENT OF LIABILITY

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

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

9. LIMITATION OF LIABILITY

- (a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a

reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.
- (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

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

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

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

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

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

14. ARBITRATION

Provided that this does not supersede Hawaii's Uniform Arbitration Act, Hawaii Revised Statutes, Chapter 658A, 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. Subject to the provisions of Hawaii Revised Statutes, Chapter 658A, arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) shall be entered in any court having jurisdiction thereof.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

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

16. SEVERABILITY

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

17. CHOICE OF LAW; FORUM

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

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at 1 First American Way, Santa Ana, CA 92707, Attn: Claims Department.

POLICY OF TITLE INSURANCE