



OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER

FILED

JAN 8 2006

S.P.

IN THE MATTER OF:

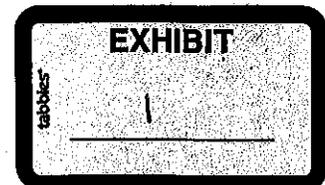
CASE NO.:
84569-05

APPROVAL OF TITLE INSURANCE FORM
AND RATE FOR THE INSURANCE DESCRIBED
IN § 624.608(2), FLORIDA STATUTES.

FINAL ORDER APPROVING FORM AND CORRESPONDING RATE

THIS CAUSE came on for consideration upon the enactment of Chapter 2005-153, Laws of Florida, by which the Office of Insurance Regulation of the Financial Services Commission (the "Office") was directed to approve the title insurance form and corresponding rate for the insurance described in § 624.608(2), Florida Statutes, not later than January 1, 2006. Being fully advised in the premises, the Insurance Commissioner finds as follows:

1. The Office has jurisdiction over such form and corresponding rate pursuant to §§ 627.777 and 627.783, Florida Statutes.
2. On behalf of the Financial Services Commission, the Office has begun rulemaking in matter number 44172-05 for the purpose of adopting a rule specifying the premium to be charged for the title insurance described in § 624.608(2), Florida Statutes. The Office held a rule workshop on December 28, 2005, which was open to the public and at which time the Office received public comment regarding the title insurance described in § 624.608(2), Florida Statutes.
3. The Office has received and is reviewing filings by two (2) groups of title insurers, Fidelity National Title Group, Inc., and First American Title Insurance Company, as to forms



and rates for the title insurance described in § 624.608(2), Florida Statutes.

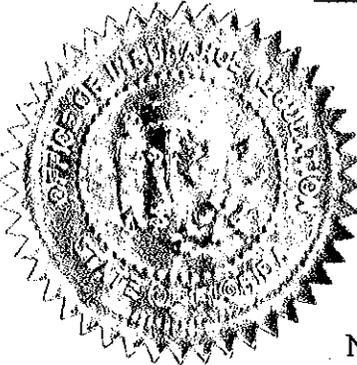
4. The Office has met with and discussed the title insurance described in § 624.608(2), Florida Statutes, with representatives of several Florida title insurance companies, including but not limited to, representatives of Fidelity National Title Group, Inc., and First American Title Insurance Company.

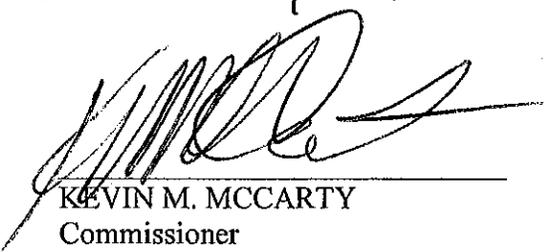
WHEREFORE, having reviewed related filings, taken public comment, and otherwise being fully advised,

IT IS THEREFORE ORDERED that the attached Florida Approved Lender's UCC Title Insurance Policy 01/01/2006 and the attached corresponding Rates for Florida Approved UCC Lender's Policy - 01/01/2006 are hereby APPROVED, and

IT IS FURTHER ORDERED that any forms submitted to the Office in substantial conformity to the attached Florida Approved Lender's UCC Title Insurance Policy 01/01/2006 may be reviewed by the Office, may be approved for sale in Florida, and may be offered for sale at the premium rates specified in the attached Rates for Florida Approved UCC Lender's Policy - 01/01/2006, subject to the provisions of §§ 627.7711 through 627.798, Florida Statutes.

DONE and ORDERED this 3rd day of January, 2006.





KEVIN M. MCCARTY
Commissioner
Office of Insurance Regulation

NOTICE OF RIGHTS

Any party to these proceedings adversely affected by this order is entitled to seek review of this order pursuant to Section 120.68, Florida Statutes, and Rule 9.110, Fla.R.App.P. Review

proceedings must be instituted by filing a petition or notice of appeal with the General Counsel of the Office of Insurance Regulation, acting as the Agency Clerk, at 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-4206, and a copy of the same with the appropriate district court of appeal, within thirty (30) days of the rendition of this order.

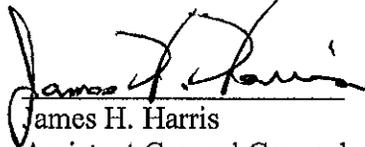
All correspondence or requests for proceedings should contain the case number and the style of the case as listed on page one of this order.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Immediate Final Order has been sent by regular U.S. mail to:

All Florida Licensed Title Insurers as of January 1, 2006.

on this 4th day of January, 2006



James H. Harris
Assistant General Counsel
Fla. Bar #817775
Office of Insurance Regulation
Division of Legal Services
200 East Gaines Street
Suite 612
Tallahassee, Florida 32399
850-413-4188
Facsimile: 850-922-2543

INSURING CLAUSES

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS TO COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS AND STIPULATIONS, Name of Insurer, a State of Domicile corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A for those coverages included in Category I, and after Date of Policy for those coverages set forth in Category II, against Loss or Damage, not exceeding the amount of insurance stated in Schedule A, sustained or incurred by the Insured by reason of any of the following:

Category I

1. The Insured Security Interest does not exist;
2. The Insured Security Interest has not Attached to all of the Collateral;
3. The Insured Security Interest has not been Perfected as to all of the Collateral;
4. The Insured Security Interest does not have Priority over any Lien or other Security Interest in all of the Collateral; or
5. Any assignment shown in Schedule A has not transferred the Insured Security Interest to the Insured free of any Security Interest of any other person or entity that has Priority over the Insured Security Interest in all of the Collateral.

Category II

- A. With respect to any advance made subsequent to Date of Policy pursuant to Commitment under the Debtor Security Agreement, failure of the Insured Security Interest, at the time the advance is made and as security for that advance, (a) to exist, (b) to Attach to, to be Perfected as to all of the Collateral, and (c) to enjoy Priority over any Lien or other Security Interest in all of the Collateral, provided the advance is made prior to the time the Debtor becomes a debtor in a federal bankruptcy proceeding, state insolvency or similar proceeding.
- B. Any Purchaser of all or any portion of the Collateral whose interest in the Collateral is acquired after Date of Policy obtaining Priority over the Insured Security Interest or taking the Collateral, or any portion thereof, free of the Insured Security Interest, but only if the Purchaser acquires its interest prior to the time the Debtor becomes the subject of a federal bankruptcy, state insolvency or similar proceeding.

Name of Insurer

By:

President

Secretary

Countersigned: _____

**Authorized Signature
(PLEASE PRINT NAME)**

EXCLUSIONS FROM COVERAGE

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

1. 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 filed in the Public Records at Date of Policy, but only if 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.
2. Any claim by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws that the Insured Security Interest in whole or part constitutes, or was created by, a fraudulent conveyance, fraudulent transfer, equitable subordination or preference arising out of the transaction creating the Insured Security Interest on Date of Policy or at the time future loan advances are made, *provided, however*, that this exclusion shall not apply to any preference claim under federal bankruptcy law based on the failure of the security interest to be perfected.
3. Lack of Attachment of the Insured Security Interest to any portion of the Collateral consisting of Proceeds if those Proceeds are not Identifiable.
4. Lack of Perfection of the Insured Security Interest in the entirety or any portion of the Collateral as the result of:
 - (a) the incorrectness of any of the information set out in Schedule A except for: (i) information that the Company has failed to transcribe correctly from the source of such information; (ii) information relating to the current exact legal name of the Debtor, as set forth in item 2 of Schedule A; and (iii) information relating to the financing statements to be filed in connection with this Policy, as set forth in item 10 of Schedule A.
 - (b) the Collateral consisting of Proceeds of other Collateral, where those Proceeds are not Identifiable; or
 - (c) any requirement that Perfection be by a method other than any of the following under the Uniform Commercial Code: (i) by Attachment, (ii) by Filing of a Financing Statement, (iii) by Possession of Possessory Collateral or (iv) by Control of Control Collateral.
5. Lack of Priority of the Insured Security Interest, as insured herein, as to all or any portion of the Collateral, over the Rights or Interests of a Purchaser of the Collateral when that Purchaser's claimed Rights or Interests:
 - (a) were derived from a prior owner of the Collateral;
 - (b) were Perfected before Date of Policy by any method other than the Filing of a Financing Statement or, in the case of Possessory Collateral, perfected by possession;
 - (c) are a Purchase Money Security Interest or a Consignor's Interest, in either case complying with the requirements for Filing and Notice under the Uniform Commercial Code for the Priority of such an interest, respectively;
 - (d) are Interests in the Proceeds of the Collateral or the Proceeds of Purchaser's collateral;
 - (e) are claimed to have Priority because of an actual or alleged lapse, after Date of Policy, of the filing of a Financing Statement made to Perfect the Insured Security Interest; or
 - (f) claiming an interest in the Collateral as a Purchaser from a New Debtor that has become bound by the Debtor Security Agreement.
6. Any Lien in any portion of the Collateral held by a Lien Creditor on Date of Policy if the Lien was either
 - (a) suffered by a prior owner of that portion of the Collateral, unless it is Possessory Collateral of which the Insured has Possession or it is Control Collateral of which the Insured has Control; or
 - (b) acquired by a method other than Filing in the Public Records or, in the case of Possessory Collateral, by taking Possession of the Collateral.
7. The Interest of a Purchaser of any portion of the Collateral when, with respect to each category of Collateral mentioned below in this exclusion, that Purchaser is, or derives its rights through, any of the following Persons:
 - (a) General Intangible - a Licensee in the Ordinary Course of Business;
 - (b) Goods - a Buyer or Lessee in the Ordinary Course of Business;
 - (c) Instrument - a Holder in Due Course;
 - (d) Letter of Credit - a Transferee Beneficiary or Nominated Person;
 - (e) Money or funds from a Deposit Account - a transferee not in collusion with the Debtor;
 - (f) Negotiable Document - a recipient to whom it has been Duly Negotiated;
 - (g) Certificated or uncertificated security - a protected Purchaser
 - (h) Security Entitlement - a Purchaser who gives value and obtains control; and
 - (i) *Transferable Record* under and as defined in the federal Electronic Signatures in Global and National Commerce Act, the Uniform Electronic Transactions Act, or any other act to which Section 102(a)(2) of the Electronic Signatures in Global and National Commerce Act refers - a Holder having the rights and defenses of a Holder in Due Course or to which a Negotiable Document of Title has been duly negotiated.
8. The Priority over the Insured Security Interest of a Purchaser who has Purchased any portion of the Collateral that falls within of any of the categories listed below in this exclusion if the Insured Security Interest has been Perfected only through the Filing of a Financing Statement or automatically by Attachment and the Purchaser has performed those acts listed with respect to each such category:
 - (a) Certificated Security - Purchaser has Control or Possession;
 - (b) Electronic Chattel Paper - Purchaser gives Value and obtains Control;
 - (c) Instrument - Purchaser has Possession;
 - (d) Letter of Credit Rights - Purchaser obtains Control;
 - (e) Negotiable Document - Purchaser obtains Possession;
 - (f) Securities Account - Purchaser gives Value and obtains Control;
 - (g) Security Entitlement - Purchaser gives Value and obtains Control;
 - (h) Tangible Chattel Paper - Purchaser gives Value and obtains Possession in the Ordinary Course of Purchaser's business; or
 - (i) *Transferable Record* under and as defined in the federal Electronic Signatures in Global and National Commerce Act, the Uniform Electronic Transactions Act, or any other act to which Section 102(a)(2) of which the Electronic Signatures in Global and National Commerce Act refers - Purchaser has taken *control* of the *Transferable Record* (as those italicized terms are defined in any of those Acts) and is entitled to Priority by complying with those requirements of the Uniform Commercial Code providing rights and defenses equal to those of a Holder of an Instrument or a Negotiable Document of Title.
9. The Priority over the Insured Security Interest of: (a) a Bank as to any portion of the Collateral that constitutes a Deposit Account maintained with it if: (i) it asserts a right of recoupment; (ii) holds a security interest in the Deposit Account; or (iii) asserts a right of set off, but, as to the asserted security interest or right of set-off, this exclusion shall not apply if the Insured is a customer of the Bank with respect to that Deposit Account; or (b) a Securities Intermediary or Commodity Intermediary as to any portion of the Collateral that constitutes a Securities Account or Security Entitlement or Commodity Account maintained with it if: (i) it asserts a Right of Recoupment; (ii) holds a security interest in the Securities Account, Securities Entitlement or Commodity Account; or (iii) asserts a Right of Set-Off.
10. The failure of any Insured to perform any act necessary to maintain the Perfection of the Insured Security Interest after Date of Policy.
11. Any change after Date of Policy in any of the following:
 - a. the information provided in Schedule A;
 - b. the documents described in Schedule A; or
 - c. those facts concerning the Debtor or the Collateral that would render the information provided in Schedule A misleading or incomplete or would require the Insured to reperfect the Insured Security Interest in order to maintain its Priority in some or all of the Collateral.
12. Consequences of the existence of any anti-assignment statute.

13. Any claim by an Encumbrancer or owner of real property, other than the Debtor, to fixtures on the related real property.
14. Any claim or defense arising: (a) with respect to Collateral that is Goods, under the following Articles of the Uniform Commercial Code: Article 2-401 or 2-505 by a Seller of Goods, Article 2-711 or 2A-508 by a Buyer or Lessee of rejected Goods, or Article 7-209 or 7-210 by a warehouseman on Goods in its possession; or (b) with respect to Collateral that is Documents, under Article 5-118(b) of the Uniform Commercial Code concerning the rights of an unpaid issuer or nominated party.

CONDITIONS AND STIPULATIONS

1. Definition of Terms.

The following terms when used in this policy mean:

- a. "Collateral": Those items of personal property and Fixtures described in the Debtor Security Agreement
- (1) which are listed in Schedule A, as the said personal property and Fixtures exist from time to time;
 - (2) which, if tangible, are physically located within the United States of America.
- b. "Control Collateral": Deposit Accounts, Electronic Chattel Paper, Investment Property, and Letter of Credit Rights.
- c. "Debtor": the grantor of the Security Interest under the Debtor Security Agreement.
- d. "Debtor Security Agreement": the Security Agreement identified in Schedule A.
- e. "File," "Filed" or "Filing": filing, recording or registering in the Public Records.
- f. "Filing Office": the governmental or quasi-governmental agency or agencies and their locations shown in Schedule A.
- g. "Indebtedness": the sum of the following that are secured by the Debtor Security Agreement:
- (1) Advances made by the Insured to or for the benefit of the Debtor on or before Date of Policy;
 - (2) Advances made by the Insured to or for the benefit of the Debtor subsequent to Date of Policy covered by the Debtor Security Agreement and made Pursuant to Commitment existing on Date of Policy;
 - (3) Interest and late charges on the Advances;
 - (4) Amounts reasonably spent or incurred by reason of foreclosure, retention of the Collateral in satisfaction of the Indebtedness, or other legal manner that discharges the Security Interest of the Debtor Security Agreement;
 - (5) Amounts reasonably spent or incurred to assure compliance with laws, or to protect the existence, Attachment, Perfection, or Priority of the Insured Security Interest prior to the time of the disposition of the Collateral pursuant to an exercise of remedies under the Debtor Security Agreement;
 - (6) Amounts reasonably spent or incurred to prevent deterioration of the Collateral; and
 - (7) Any and all other amounts owed to the Insured pursuant to the Debtor Security Agreement.
- h. "Insured": the party or parties named in Schedule A and the owner of the Indebtedness Secured by the Debtor Security Agreement and each successor in ownership of the Indebtedness except a Non-Insured Obligor.
- i. "Insured Claimant": an Insured claiming Loss or Damage.
- j. "Insured Security Interest": the Security Interest created by the Debtor Security Agreement in the Collateral.
- k. "Loss" or "Damage" shall mean loss or damage arising from the application of any law of the United States of America or of any of the states of the United States of America. For purposes of this definition, the District of Columbia and any territory of the United States shall be considered a state of the United States of America.
- l. "Non-Insured Obligor": an obligor under an indemnity, guarantee, letter of credit, repurchase obligation, surety bond, or other policy of insurance or bond who succeeds to or acquires the Insured Security Interest.
- m. "Possessory Collateral": Certificated Securities, Instruments, Money, Negotiable Documents of Title and Tangible Chattel Paper.
- n. "Public Records": those records maintained by the Filing Office.
- o. "Uniform Commercial Code": Except as used in paragraph 14 of the Exclusions from Coverage, the Uniform Commercial Code in effect in the jurisdiction whose law applies to the event upon which a claim is based. As used in said paragraph, the Uniform Commercial Code as promulgated by the National Conference of Commissioners on Uniform State Laws.
- p. "Value of the Collateral": (1) the amount obtained at a Commercially Reasonable Foreclosure Sale; or (2) if no Commercially Reasonable Foreclosure Sale is held, the value as estimated by any appraiser that regularly values such types of Collateral selected by agreement between the Insured Claimant and the Company.

Any capitalized term used in this policy that is not defined in this policy, shall have the meaning given to it in the Uniform Commercial Code. If a term is used in a different manner in an article of the Uniform Commercial Code other

than Article 9, then the usage in Article 9 shall control.

2. Continuance of Insurance.

The coverage of this policy shall continue in favor of the Insured so long as the Insured holds the Indebtedness or has liability by reason of any warranty based on the coverage of this policy made by the Insured regarding the Insured Security Interest upon a transfer of the Indebtedness; *provided, however*, that claims arising by virtue of any law, rule, or regulation enacted or promulgated after Date of Policy will not be paid.

3. Notice of Claim to be given by Insured Claimant.

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an Insured hereunder of any claim which is adverse to the Insured Security Interest, and which might cause Loss or Damage for which the Company may be liable by virtue of this policy. If prompt notice shall not be given to the Company, then as to the Insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; *provided, however*, that failure to notify the Company shall in no case prejudice the rights of any Insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. Defense and Prosecution of Actions; Duty of Insured Claimant to Cooperate.

- a. Upon written request by the Insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim adverse to the Insured Security Interest, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter Insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the Insured in the defense of those causes of action which allege matters not Insured against by this policy.
- b. The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act, which in its opinion, may be necessary or desirable to establish the Insured Security Interest, or to prevent or reduce Loss or Damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- c. Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.
- d. In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the Insured Security Interest. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. Proof of Loss or Damage.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided to the Company, a proof of Loss or Damage signed and sworn to by the Insured Claimant shall be furnished to the Company within 90 days after the Insured Claimant shall ascertain the facts giving rise to the Loss or Damage. The proof of Loss or Damage shall describe the matter Insured against by this policy, which constitutes the basis of Loss or Damage, and shall state, to the extent possible, the basis of calculating the amount of the Loss or Damage. If the Company is prejudiced by the failure of the Insured

Claimant to provide the required proof of Loss or Damage, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of Loss or Damage.

In addition, the Insured Claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the Loss or Damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the Loss or Damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

6. Options to Pay or Otherwise Settle Claims; Termination of Liability. In case of a claim under this policy, the Company shall have the following additional options:

- a. To Pay or Tender Payment of the amount of insurance 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, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or
 - (ii) to purchase the Indebtedness secured by the Insured Security Interest for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the Insured Claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the Indebtedness as herein provided, the owner of the Indebtedness shall transfer, assign, and convey the Indebtedness and the Insured Security Interest, together with any collateral security, to the Company upon payment therefor.

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

- b. To Pay or otherwise Settle With Parties other than the Insured or With the Insured Claimant.
 - (i) to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim Insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the Insured Claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or
 - (ii) to pay or otherwise settle with the Insured Claimant the Loss or Damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the Insured Claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

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

7. Determination 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 and only to the extent herein described.

- a. The liability of the Company under this policy shall not exceed the least of:
 - (i) the amount of insurance stated in Schedule A;
 - (ii) the Indebtedness outstanding at the time the Loss or Damage Insured against by this policy occurs, reduced by the amount the Insured can recover from the Collateral; or
 - (iii) the Value of the Collateral, reduced by the amount the Insured is

able to recover from Collateral.

- b. The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.
- c. The Insured Claimant shall not be deemed to have suffered a Loss or Damage under this policy unless and until the sum of the Value of the Collateral held by and the value of all other property pledged or mortgaged to the Insured Claimant as security for the repayment of the Indebtedness is or becomes less than the amount of the Indebtedness or the Insured Claimant has otherwise suffered loss of principal or interest on the Indebtedness.

8. Limitation of Liability.

- a. If the Company removes the alleged defect, lien or encumbrance, or otherwise establishes the Insured Security Interest, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any Loss or Damage caused thereby.
- b. In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for Loss or Damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to Insured Security Interest.
- c. The Company shall not be liable for Loss or Damage to any Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.
- d. The coverages of this policy shall not apply to advances made under the Insured Security Agreement subsequent to the Date of Policy except for advances included within the definition of Indebtedness herein.

9. 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 the insurance pro tanto.
- b. Payment in part by any person of the principal of the Indebtedness, or any other obligation secured by the Insured Security Interest, or any voluntary partial satisfaction or release of the Insured Security Interest, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the Insured Security Interest with interest thereon, provided in no event shall the amount of insurance be greater than the amount of insurance stated in Schedule A.
- c. Payment in full by any person or the voluntary satisfaction or release of the Debtor Security Agreement shall terminate all liability of the Company.

10. Payment of Loss.

- a. No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
- b. When liability and the extent of Loss or Damage has been definitely fixed in accordance with these Conditions and Stipulations, the Loss or Damage shall be payable within 30 days thereafter.

11. Subrogation upon Payment or Settlement.

- a. The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the Insured Claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Insured Claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the Insured Claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Insured Claimant shall permit the Company to sue, compromise or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights or remedies. Anything that may be contained herein to the contrary notwithstanding, the Company will not seek subrogation against any attorney of any Insured under this policy for liability other than fraud.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall be subrogated to all rights and remedies of the Insured Claimant after the Insured Claimant shall have recovered the Indebtedness.

- b. The Company's Rights Against Non-Insured Obligors.

The Company's right of subrogation against Non-Insured Obligors shall exist and shall include, without limitation, the rights of the Insured to indemnities, guaranties, letters of credit, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy. The Company's right of subrogation shall not be avoided by acquisition of the Insured Security Interest by an obligor who acquires the Insured Security Interest as a result of an indemnity, guarantee, letter of credit, other policy of insurance, or bond and the obligor will not be an Insured under this policy.

12. Liability Limited to this Policy; Policy Entire Contract.

- a. This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- b. Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the Insured Security Interest covered hereby or by any action asserting such claim, shall be restricted to this policy.
- c. No amendment or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

13. Severability.

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

14. Notices, Where Sent, and Inquiries.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at the issuing office or to:

Mailing Address and Telephone Number:

Inquiries regarding policy coverage and assistance in resolving complaints should be directed to the Company at telephone number:

Name of Insurer

SCHEDULE A

Policy No.: _____

Premium: \$ _____

Amount of Insurance: \$ _____

Date of Policy: _____

1. Name of Insured:

2. Exact legal name of Debtor:

3. Debtor's type of legal status or entity:

4. Mailing address of Debtor:

5. Debtor's Location:

- (a) The State of Residence, Sole Place of Business, or (if the Debtor has more than one Place of Business) Chief Executive Office of the Debtor:
- (b) The State of the Debtor's legal formation:
- (c) During the four months prior to Date of Policy, Debtor's State of Residence, Sole Place of Business, or (if the Debtor has more than one Place of Business) Chief Executive Office of the Debtor, and the State of the Debtor's legal formation, have been:

6. The Collateral that is covered by this Policy is stated on Exhibit 1 (Personal Property) and Exhibit 2 (Fixtures) to this Schedule A.

7. The Debtor Security Agreement and assignments of the Debtor Security Agreement, if any, are described as follows: Mezzanine Loan and Security Agreement dated _____, 20__; Pledge and Security Agreement dated _____, 20__

8. Location of Collateral

- (a) Goods are located only in the following states:
- (b) Except as stated in paragraph 6 of this Schedule A, during the four months prior to Date of Policy, Certificated Securities, Documents, Instruments, Goods, Letters of Credit and Tangible Chattel Paper have been (to the extent then owned by Debtor), located only in the following states:

9. Fixtures.

- (a) Fixtures are located only at the following addresses:
- (b) During the four months prior to Date of Policy, Fixtures have been (to the extent then owned by Debtor) located only at the following addresses:

10. The Financing Statements, and assignments, if any, referred to in this Policy will be filed in the States identified below and are described as follows: [UCC Financing Statement filed _____, 20__ with the _____ Secretary of State on behalf of _____, secured party and against _____, debtor, Instrument # _____.] OR [Perfection is taken by means of certification and possession of the same by the Insured pursuant to Article 8 of the Uniform Commercial Code.]

Authorized Signature

Date

Name of Insurer

Schedule B – Part I

Policy No.

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

Schedule B – Part II

In addition to the matters set forth in Part I of this Schedule B, the Collateral is subject to the following matters, if any be shown, but the Company insures that these matters are subordinate to the Insured Security Interest:

Authorized Signature

Date

**Rates for Florida Approved UCC
Lender's Policy - 01/01/2006**

Amount of Insurance by Layer	Rate per \$1000 per Layer of Insurance
0 - 100,000	\$1.750
100,001 - 200,000	\$1.600
200,001 - 300,000	\$1.350
300,001 - 500,000	\$0.900
500,001 - 1,000,000	\$0.690
1,000,001 - 3,000,000	\$0.485
3,000,001 - 5,000,000	\$0.455
5,000,001 - 10,000,000	\$0.425
10,000,001 - 20,000,000	\$0.420
20,000,001 - 30,000,000	\$0.415
30,000,001 - 40,000,000	\$0.365
40,000,001 - 50,000,000	\$0.350
50,000,001 - 100,000,000	\$0.350
100,000,001 - 300,000,000	\$0.350
300,000,001 - 500,000,000	\$0.210
Over 500,000,000	\$0.300