

FIRST AMERICAN TITLE INSURANCE COMPANY

LOAN POLICY
SCHEDULE A

AGENT FILE NO.: TOYT45

LOAN POLICY NO.: MELe.270042359

Owner Policy No.: 100037123

DATE & TIME OF POLICY: July 10, 2009 at 11:05 a.m.

AMOUNT OF INSURANCE: \$3,675,000.00

PREMIUM: \$50.00

Owner's Amount of Insurance: \$3,408,000.00

Please complete the requested information if the insured premises is covered by any prior FATIC Policy(ies): Policy No(s). 100174348 Amount of Insurance \$2,425,000

ADDRESS REFERENCE: Lancaster, Kennebec, Elm, Cedar and Oxford Street, Portland, Maine

1. Name of Insured:

GORHAM SAVINGS BANK, 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: **BAYSIDE II, LLC** by virtue of a Quitclaim Deed from October Corporation, dated January 26, 2000 and recorded on January 31, 2000 in the Cumberland County Registry of Deeds in Book 15298, Page 144.

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

Mortgage from BAYSIDE II, LLC to GORHAM SAVINGS BANK in the amount of \$3,675,000.00 dated July 10, 2009 and recorded at Book 27077, Page 231 of the Cumberland County Registry of Deeds.

5. The Land referred to in this policy is described as follows: **Lancaster, Kennebec, Elm, Cedar and Oxford Streets**, in the City of **Portland**, County of **Cumberland**, and State of **Maine**; and is described as set forth in Exhibit "A" attached hereto and made a part hereof.

6. This policy incorporates by reference those ALTA and/or First American endorsements selected below:

- FATIC (Secondary Mortgage Market)
- 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 Protection Lien - Residential) Paragraph b refers to the following state statute(s): MA, NH, CT, VT, RI - "None"; ME - Title 38 MRSA, Section 1370
- 9-06 (Restrictions, Encroachments, Minerals)
- 13.1-06 (Leasehold)
- 14-06 (Future Advance - Priority)
- 14.1-06 (Future Advance - Knowledge)
- 14.3-06 (Future Advance - Reverse Mortgage)
- 22-06 (Location) the type of improvement is a _____ and the street address is as shown above.

MURRAY, PLUMB & MURRAY

By 
Drew A. Anderson

FIRST AMERICAN TITLE INSURANCE COMPANY

LOAN POLICY

SCHEDULE B - PART I

Owner Policy No. **100037123**
Loan Policy No. **MELe.270042359**
Agent File No. **TOYT45**

EXCEPTIONS FROM COVERAGE

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. Any facts, rights, interests, or claims which are not shown in the public records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession of the Land.
2. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title, including discrepancies, conflicts in boundary lines, shortages in area, or any other facts that would be disclosed by an accurate and complete land survey of the Land, and that are not shown in the public records.
3. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown in the public records.
4. The mortgage, if any, referred to in Item 4 of Schedule A. (This exception does NOT apply to Loan Policies).
5. Liens for taxes and assessments which become due and payable subsequent to the date of policy.
6. IF THE INSURED PREMISES IS A CONDOMINIUM UNIT: Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney, and limitations on title, created by the laws of the State of the insured premises or set forth in the Master Deed or Declaration of Condominium, in the related By-Laws, in the Declaration of Trust, or Site Plans and Floor Plans as duly recorded in the appropriate land records office and as the same may have been lawfully amended, and in any instrument creating the estate or interest insured by this policy.

The following affects only Parcel 2 as described on attached Exhibit A.

7. Rights and easements granted to New England Telephone and Telegraph and Central Maine Power Company in instrument dated May 7, 1981, and recorded in Book 4811, Page 70.

The following affects only 100 Kennebec Street, which is a portion of Parcel 1 as described on attached Exhibit A.

8. Subject to a railroad right of way over a two and one-half foot strip adjoining Kennebec Street as set forth in a deed from Portland Terminal Company to Arrow Rentals (n/k/a Arrow Realty) dated June 10, 1974, recorded in Book 3744, Page 343.

NOTE: This policy affirmatively insures the Insured that the above Exception 8 does not adversely affect the premises as currently improved.

9. Lease by and between Arrow Realty, Lessor, and State of Maine Department of Administrative & Financial Services, Bureau of General Services on behalf of the Department of Mental Health and Mental Retardation, Lessee, dated March 6, 1995, recorded in Book 11890, Page 277.

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3. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown in the public records.
4. The mortgage, if any, referred to in Item 4 of Schedule A. (This exception does NOT apply to Loan Policies).
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6. IF THE INSURED PREMISES IS A CONDOMINIUM UNIT: Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney, and limitations on title, created by the laws of the State of the insured premises or set forth in the Master Deed or Declaration of Condominium, in the related By-Laws, in the Declaration of Trust, or Site Plans and Floor Plans as duly recorded in the appropriate land records office and as the same may have been lawfully amended, and in any instrument creating the estate or interest insured by this policy.

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10. Such state of facts as disclosed on "ALTA/ACSM Land Title Survey on Kennebec Street, Lancaster Street East, Elm Street, Cedar Street and Oxford Street, Portland, Maine" made for Bayside II, LLC by Owen Haskell, Inc., dated January 26, 2000 (also referred to as being dated January 24, 2000) and recorded in Plan Book 200, Page 41, including those matters affecting the premises described as follows:

- (a) Encroachment of building into street;
- (b) Encroachment of buildings appurtenances into street;
- (c) Encroachment of gate post over 1.4'±;
- (d) Encroachment of guard rail over 2.1'±;
- (e) Encroachment of timber planter 0.4' into street;
- (f) Encroachment of fence or wall on or near property line – ownership unknown; and
- (g) Encroachment of guy wire 0.5'±.

11. Such state of facts as would be disclosed by an accurate survey of the premises subsequent to January 26, 2000.

12. The mortgage insured by this policy and the mortgage insured by the Loan Policy #MELe.270042417 on the Bayside I, LLC property and the mortgage insured by the Loan Policy #MELe.270042358 on the Merchants Plaza, LLC property are all in the original principal amount of \$3,675,000.00. However, as the insured lender has disbursed only a total of \$3,675,000.00 pursuant to all three mortgages, the total liability of the Company under all three policies is specifically limited to \$3,675,000.00. Accordingly, any payment of loss or claim on one policy will automatically reduce the liability of the Company, by an equal amount, on the other policies as well.

13. Rights of tenants in possession as shown on Exhibit B attached hereto.

Exception numbered 1, 2 and 3 are hereby omitted from the Loan Policy only.



Initial for identification

EXHIBIT A

PARCEL 1:

A certain lot or parcel of land, with the improvements thereon, situated in the block bounded by Elm, Kennebec, Chestnut and Lancaster Streets, in the City of Portland, County of Cumberland and State of Maine and shown as Parcel 1 on ALTA/ACSM Land Title Survey on Kennebec Street, Lancaster Street East, Elm Street, Cedar Street and Oxford Street, Portland, Maine made for Bayside II, LLC by Owen Haskell, Inc., dated January 24, 2000 and recorded in the Cumberland County Registry of Deeds in Plan Book 200, Page 41 (the "Plan"), being bounded and described as follows:

① 107 Elm St / 185 Lancaster / 100 Kennebec
② 169 Lancaster / 98 Chestnut

Beginning at the intersection marking the northwesterly side of Lancaster Street and the northeasterly side of Elm Street;

Thence by the northeasterly side of Elm Street N 43° 46' 33" W, a distance of 158.86', to an angle in said Street;

Thence N 40° 53' 33" W a distance of 31.49' to the southeasterly side of Kennebec Street, marking a non-tangent point on a curve, in said Street;

Thence northeasterly by the southeasterly side of said Kennebec Street and by a curve to the left whose radius is 695.00', an arc distance of 210.01', to a point of tangency;

Thence continuing by said Kennebec Street N 48° 56' 54" E, a distance of 251.30', to the southwesterly side of said Chestnut Street;

Thence by the southwesterly side of said Chestnut Street S 44° 38' 26" E, a distance of 164.71' to the northwesterly side of said Lancaster Street;

Thence by the northwesterly side of said Lancaster Street S 49° 39' 27" W, a distance of 461.02', to the point of beginning.

PARCEL 2:

A certain lot or parcel of land, with the improvements thereon situated on the northwesterly sideline of Oxford Street, the northeasterly sideline of Elm Street, the southwesterly sideline of Cedar Street and the southeasterly sideline of Lancaster Street East in the City of Portland, County of Cumberland and State of Maine and shown as Parcel 2 on the Plan, bounded and described as follows:

Beginning at the point of intersection of the northwesterly sideline of Oxford Street and the northeasterly sideline of Elm Street;

Thence N 43° 45' 13" W along said sideline of Elm Street 327.06 feet to the southeasterly sideline of Lancaster Street East;

Thence N 49° 39' 27" E along said sideline of Lancaster Street East 210.57 feet to the southwesterly sideline of Cedar Street;

Thence S 43° 29' 51" E along said sideline of Cedar Street 40.00 feet to the northeasterly corner of land now or formerly of Archie and Margaret Tevanian;

Thence by the following courses and distances along said Tevanian land:

S 49° 39' 26" W 117.00 feet to a point;

S 42° 13' 00" E 39.96 feet to a point;

N 49° 39' 26" E 117.89 feet to a point on said sideline of Cedar Street;

Thence S 43° 29' 51" E along said sideline of Cedar Street 39.34 feet to the northeasterly corner of land now or formerly of Leon and Mary Tevanian;

Thence by the following courses and distances along said Tevanian land:

S 48° 42' 12" W 118.73 feet to a point;
S 42° 13' 00" E 40.00 feet to a point;
N 48° 41' 30" E 119.62 feet to a point on said sideline of Cedar Street;

Thence S 43° 29' 51" E along said sideline of Cedar Street 80.62 feet to the northeasterly corner of land now or formerly of Francis F. Buck;

Thence S 48° 41' 30" W along said Buck land 63.30 feet to a point;

Thence S 42° 36' 35" E along said Buck land 83.34 feet to a point on the northwesterly sideline of said Oxford Street;

Thence S 48° 38' 53" W along said sideline of Oxford Street 144.34 feet to the point of beginning.

PARCEL 3:

A certain parcel of land, with the improvements thereon, situated on the southeasterly side of Lancaster Street, in the City of Portland, County of Cumberland, State of Maine and shown as Parcel 3 on the Plan, bounded and described as follows:

Beginning at the intersection of the southeasterly sideline of Lancaster Street and the southwesterly sideline of Chestnut Street;

Thence S 44° 38' 26" E along the sideline of Chestnut Street 88.08 feet;

Thence S 49° 39' 27" W 107.40;

Thence N 45° 57' 49" W 3.67 feet;

Thence S 31° 29' 21" W 4.67 feet;

Thence N 43° 29' 51" W 23.77 feet;

Thence S 49° 39' 27" W 35.69 feet;

Thence N 43° 29' 51" W 28.00 feet;

Thence S 49° 39' 27" W 72.00 feet to the northeasterly sideline of Cedar Street;

Thence N 43° 29' 51" W along said sideline 34.00 feet to the southeasterly sideline of Lancaster Street;

Thence N 49° 39' 27" E along said sideline 219.00 feet to the point of beginning.



MELe - 270042359

File # TOYT45

Lancaster, Kennebec, Elm, Cedar and Oxford Streets
Portland ME



LOAN 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 17 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 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
 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.

First American Title Insurance Company

BY:  PRESIDENT

ATTEST:  SECRETARY

