

GENERAL BACKGROUND INFORMATION

*(As available on (2/22/2008)
(Updated 3/17/2008 with Final Judicial)*

Cherry Farms Apartments 40 Apartment Units

Real Property Located in Painesville Township, Ohio
Lake County



Materials Presented by:

Ag Real Estate Group, Inc.

Receiver for:

Cherry Farms LTD and Peppertree LTD
Court of Common Pleas - Lake County, Ohio

Case:

07CF002859 FIRSTMERIT BANK, NA vs. CHERRY FARMS, LTD., et al

By: Eric M. Silver, President and Broker
3659 South Green Road, Suite 100
Beachwood, OH 44122
216-504-5000 - T
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info@agrealestategroup.com

CONSUMER GUIDE TO AGENCY RELATIONSHIPS

Ag Real Estate Group, Inc.



We are pleased you have selected Ag Real Estate Group, Inc. to help you with your real estate needs. Whether you are selling, buying or leasing real estate, Ag Real Estate Group, Inc. can provide you with expertise and assistance. Because this may be the largest financial transaction you will enter into, it is important to understand the role of the agents and brokers with whom you are working. Below is some information that explains the various services that agents can offer and their options for working with you:

Representing the Sellers

Most sellers of real estate choose to list their home for sale with a real estate brokerage. When they do so, they sign a listing agreement that authorizes the brokerage and the listing agent to represent their interests. As the seller's agent, the brokerage and listing agent must: follow the seller's lawful instructions, be loyal to the seller, promote the seller's best interests, disclose material facts to the seller, maintain confidential information, act with reasonable skill and care, and account for any money they handle in the transaction. In rare circumstances, a listing broker may offer "subagency" to other brokerages, which would also represent the seller's interests and owe the seller these same duties.

Representing Buyers

When purchasing real estate, buyers usually choose to work with a real estate agent as well. Often the buyers want to be represented in the transaction. This is referred to as buyer's agency. A brokerage and agent that agree to represent a buyer's interest in a transaction must: follow the buyer's lawful instructions, be loyal to the buyer, promote the buyer's best interests, disclose material facts to the buyer, maintain confidential information, and account for any money they handle in the transaction.

Dual Agency

Occasionally, the same agent and brokerage that represent the seller also represent the buyer. This is referred to as dual agency. When a brokerage and its agents become "dual agents," they must maintain a neutral position in the transaction. They may not advocate the position of one client over the best interests of the other client, or disclose any confidential information to the other party without written consent.

Representing Both the Buyer & Seller

On occasion, the buyer and seller will each be represented by two different agents from the same brokerage. In this case, the agents may each represent the best interest of their respective clients. Or, depending on company policy, the agents may both act as dual agents and remain neutral in the transaction. When either of the above occurs, the brokerage will be considered a dual agent. As a dual agent, the brokerage and its managers will maintain a neutral position and cannot advocate for the position of one client over another. The brokerage will also protect the confidentiality of all parties.

For more information on agency law in Ohio, contact the Ohio Division of Real Estate & Professional Licensing at (614) 466-4100, or online at www.com.ohio.gov/real.

Working With Ag Real Estate Group, Inc.

Ag Real Estate Group, Inc. does represent both buyers and sellers. When Ag Real Estate Group, Inc. lists property for sale, all agents in the brokerage represent the seller. Likewise, when a buyer is represented by a Ag Real Estate Group, Inc. agent, all of the agents represent that buyer. Therefore, when a buyer represented by a Ag Real Estate Group, Inc. agent wishes to purchase property listed by our company, the agent(s) involved act as dual agents. This is true whether one agent is representing both parties or two separate agents are involved.

In the event that both the buyer and seller are represented by Ag Real Estate Group, Inc. agents, these agents and Ag Real Estate Group, Inc. will act as a dual agent but only if both parties agree. As a dual agent, they will treat both parties honestly, prepare and present offers at the direction of the parties, and help the parties fulfill the terms of any contract. They will not, however, disclose any confidential information that will place one party at an advantage over the other or advocate or negotiate to the detriment of either party.

If dual agency occurs, you will be asked to consent to that in writing. If you do not agree to your agent acting as a dual agent, you can seek representation from another brokerage.

As a buyer, you may also choose to represent yourself on properties Ag Real Estate Group, Inc. has listed. In that instance, Ag Real Estate Group, Inc. will represent the seller and you would represent your own best interests. Because the listing agent has a duty of full disclosure to the seller, you should not share any information with the listing agent that you would not want the seller to know.

Working With Other Brokerages

Ag Real Estate Group, Inc. does offer representation to both buyers and sellers. When Ag Real Estate Group, Inc. lists property for sale, it also cooperates with, and offers compensation to, other brokerages that represent buyers. Ag Real Estate Group, Inc. does reserve the right, in some instances, to vary the compensation it offers to other brokerages. As a seller, you should understand that just because Ag Real Estate Group, Inc. shares a fee with a brokerage representing the buyer, it does not mean that you will be represented by that buyer's brokerage. Instead, that company will be looking out for the buyer and Ag Real Estate Group, Inc. will be representing your interests.

When acting as a buyer's agent, Ag Real Estate Group, Inc. also accepts compensation offered by the listing broker. If the property is not listed with any broker, or the listing broker does not offer compensation, we will attempt to negotiate for a seller-paid fee.

Fair Housing Statement

It is illegal, pursuant to the Ohio Fair Housing Law, division (H) of Section 4112.02 of the Revised Code and the Federal Fair Housing Law, 42 U.S.C.A. 3601, to refuse to sell, transfer, assign, rent, lease, sublease or finance housing accommodations, refuse to negotiate for the sale or rental of housing accommodations, or otherwise deny or make unavailable housing accommodations because of race, color, religion, sex, familial status as defined in Section 4112.01 of the Revised Code, ancestry, military status as defined in that section, disability as defined in that section, or national origin or to so discriminate in advertising the sale or rental of housing, in the financing of housing, or in the provision of real estate brokerage services. It is also illegal, for profit, to induce or attempt to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons belonging to one of the protected classes. (Effective: 3/25/08)

We hope you find this information to be helpful to you as you begin your real estate transaction. When you are ready to enter into a transaction, you will be given an Agency Disclosure Statement that specifically identifies the role of the agents and brokerages. Please ask questions if there is anything you do not understand.

Because it is important that you have this information, Ohio law requires that we ask you to sign below to acknowledge receipt of this pamphlet. Your signature will not obligate you to work with our company if you do not choose to do so.

Name (Please Print)

Name (Please Print)

Signature Date

Signature Date

GENERAL BACKGROUND INFORMATION

(Included as of (2/22/2008))

- Introduction
- Area Overview
- Zoning Information
- Location Map
- Aerial Photos
- Appraisal completed for FirstMerit Bank as of August, 2007
- Rent Roll as of March 1, 2008
- Real Estate Tax Information
- Preliminary Judicial Report - as of August 31, 2007
- 1st and 2nd Mortgage Payoff Figures as of February 20, 2008

Introduction

Cherry Farms LTD. and Peppertree LTD. are in Receivership via orders signed by Judge Lucci and Judge Culotta. Both orders are available for review upon request. The orders direct the Receiver to, among other tasks, market the properties for sale.

The sole purpose of *The General Background Information* included herein is to provide *general and not specific* information regarding the properties described. The Receiver has operated the properties since late in January, 2008 and therefore has very limited information about the properties and their historical operations.

The information contained herein shall not constitute an offer to sell nor a request or solicitation of an offer to buy. No person or entity shall have any right whatsoever to rely on this information or any other information received unless there is a mutually executed document specifically creating such right of reliance.

The information included herein has been secured from sources that are usually reliable however the accuracy of the information has not been verified by any of the following: The Receiver, its Principals, the Broker, its agents, employees or consultants. All parties are encouraged and directed to initiate and complete (at their own expense) any and all due diligence studies that may be required in order to evaluate the quality, condition, and potential value of the properties.

THE RECEIVER, BROKER, MANAGER (and any parties related in any way to them) MAKE NO WARRANTY (expressed or implied) WHATSOEVER REGARDING THE PROPERTY, ANY LITIGATION RELATED TO THE PROPERTY OR THE OWNER(S), OR ANY ACTION(S) OR FAILURE OF OTHERS TO TAKE ANY ACTION(S).

TOURS OR INSPECTIONS OF THE PROPERTY ARE BY PRIOR ARRANGEMENT WITH THE RECEIVER. NO PARTY HAS AUTHORIZATION TO ENTER UPON THE PROPERTY WITHOUT SPECIFIC PERMISSION OF THE RECEIVER. ANY AND ALL CONTEMPLATED TRANSACTIONS WILL BE COMPLETED ONLY BY APPROVAL OF THE COURT.

Area Overview



Facts about Painesville Township Lake County, Ohio

Population: U.S. census 1990 - 16, 493 (unincorporated); over 17,000 including villages of Fairport Harbor and Grand River.

Location: 25 miles northeast of Cleveland. Latitude 41'43"N, longitude 81'16"W

Area: 17 1/2 square miles.

Altitude: 676 feet above mean sea level.

Climate: Mean annual temperature 48 degrees F. Average annual rainfall, 35 inches.

Assessed valuation: Over \$234, 000, 000.00

Tax Rate: Is one of the lowest property tax rates in Lake County.

Income Tax Rate: No local income tax in Painesville Township.

Fire Insurance Rate: Class 5.

Administration: Township Government. Three elected Trustees, elected Clerk (four year terms) and appointed Administrator. Five member Zoning Commission and five member Board of Zoning Appeals (boards are five-year terms).

Public Meetings: Trustees, first and third Tuesdays (check for schedule changes.) Zoning Commission second Monday; Board of Zoning Appeals second Tuesday.

Public Parks: 39 acre Painesville Township Park, under the direction of Lake Metroparks. Pavilion, concession stand,

picnicking, ball diamonds, camping, more.

Headlands State Park: 130 acres (100 acres within Painesville Township). Lake Erie public beach, with bathhouses and lifeguards. Extensive parking, picnic and concession facilities. Fishing. Open daily Memorial Day to Labor Day. Headlands Nature Preserve.

Wyman Park: At the foot of Route 86 in Painesville Township. Picnicking. Operated by Lake Metroparks.

Other Lake County Metropolitan and State Parks within three to fifteen miles.

Fairgrounds: Permanent buildings, year-round stables, race track, 70 plus acres owned by Lake County, administered by Lake County Fair Board. County fair in August. Special Events all year, including horse and dog shows.

Township Statistics: Over 47 miles of Township Roads, all surfaced. Lake County Sanitary Sewer districts throughout Painesville Township. Utilities furnished by East Ohio Gas, Ameritech, Cleveland Electric Illuminating, Consumers Ohio Water Service, Painesville City Municipal Water and Electric, Lake County Utilities.

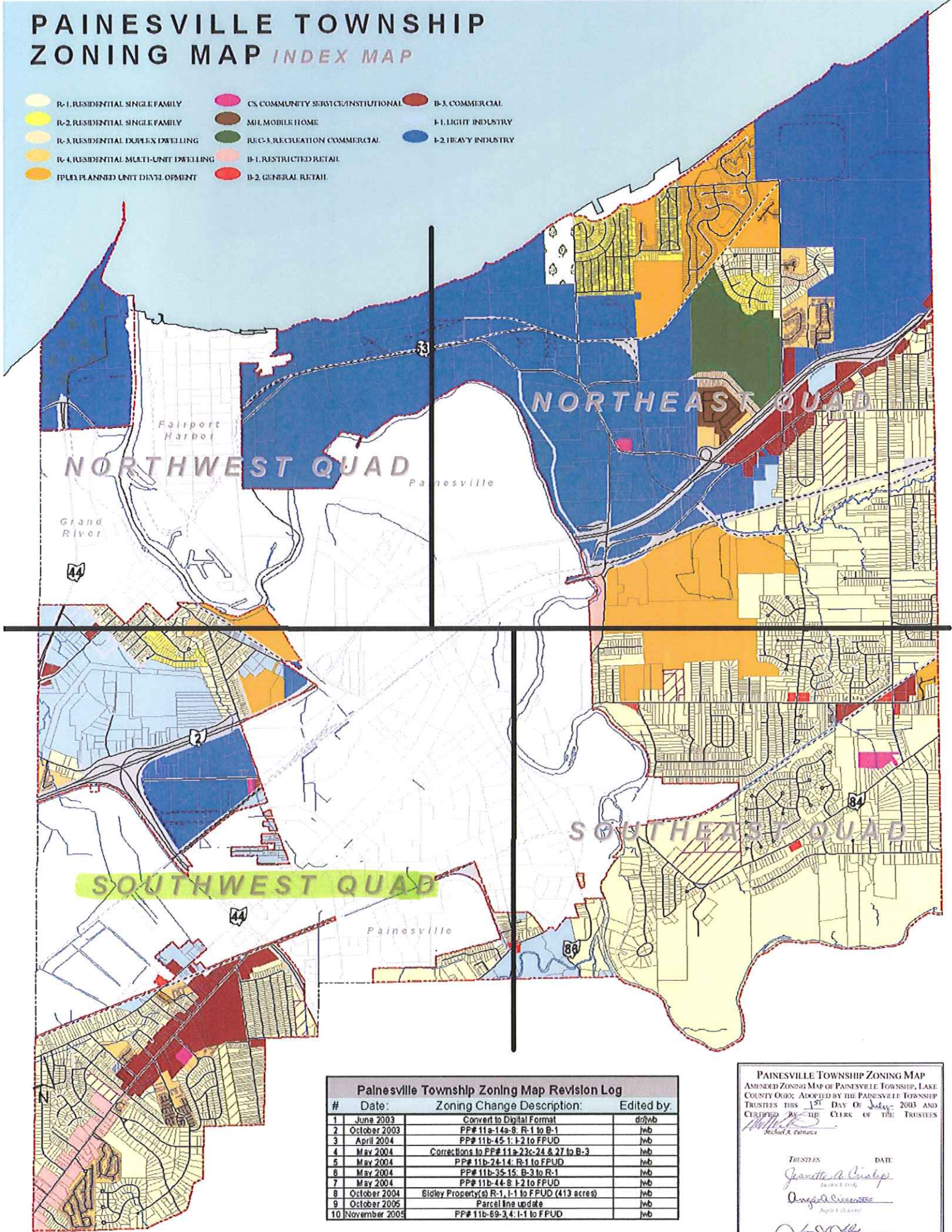
([About Us](#)) ([What's Happening](#)) ([Zoning & Applications](#))
([Fire Dept.](#)) ([Road Dept.](#)) ([Contact Us](#)) ([Links](#)) ([Home](#))

Designed by [Marinar](#)

Zoning Information

PAINESVILLE TOWNSHIP ZONING MAP INDEX MAP

- R-1, RESIDENTIAL SINGLE FAMILY
- R-2, RESIDENTIAL SINGLE FAMILY
- R-3, RESIDENTIAL DUPLEX DWELLING
- R-4, RESIDENTIAL MULTI-UNIT DWELLING
- FPUD, PLANNED UNIT DEVELOPMENT
- CS, COMMUNITY SERVICE/INSTITUTIONAL
- MH, MOBILE HOME
- REC-3, RECREATION COMMERCIAL
- B-1, RESTRICTED RETAIL
- B-2, GENERAL RETAIL
- B-3, COMMERCIAL
- I-1, LIGHT INDUSTRY
- I-2, HEAVY INDUSTRY



Painesville Township Zoning Map Revision Log			
#	Date:	Zoning Change Description:	Edited by:
1	June 2003	Convert to Digital Format	drt/jb
2	October 2003	PP# 11a-14a-9: R-1 to B-1	jwb
3	April 2004	PP# 11b-45-1: I-2 to FPUD	jwb
4	May 2004	Corrections to PP# 11a-23c-24 & 27 to B-3	jwb
5	May 2004	PP# 11b-24-14: R-1 to FPUD	jwb
6	May 2004	PP# 11b-35-15: B-3 to R-1	jwb
7	May 2004	PP# 11b-44-8: I-2 to FPUD	jwb
8	October 2004	Sidley Property(s) R-1, I-1 to FPUD (413 acres)	jwb
9	October 2005	Parcel line update	jwb
10	November 2005	PP# 11b-69-34, I-1 to FPUD	jwb

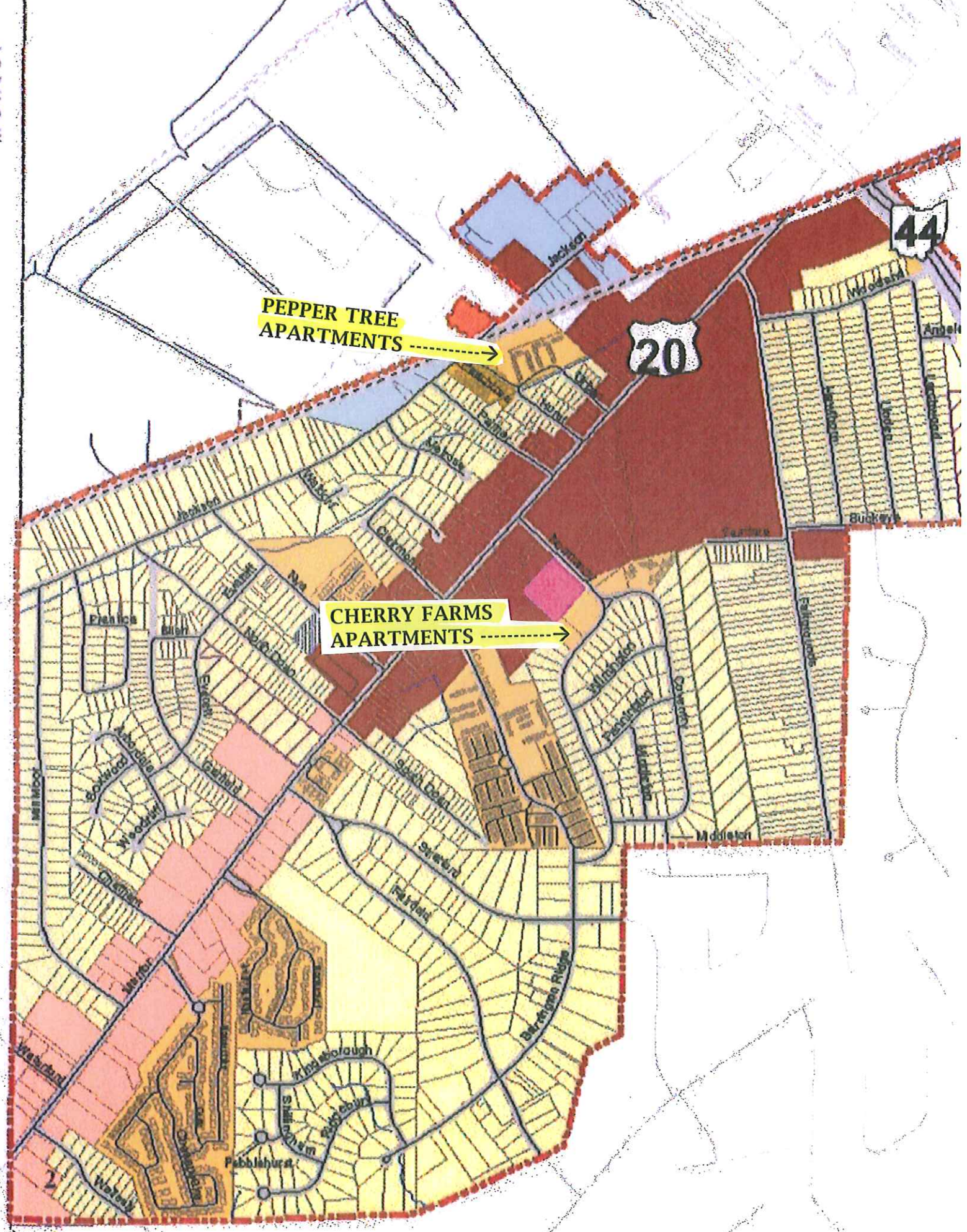
PAINESVILLE TOWNSHIP ZONING MAP
 AMENDED ZONING MAP OF PAINESVILLE TOWNSHIP, LAKE COUNTY OHIO; ADOPTED BY THE PAINESVILLE TOWNSHIP TRUSTEES THIS 1ST DAY OF JULY, 2003 AND CERTIFIED BY THE CLERK OF THE TRUSTEES

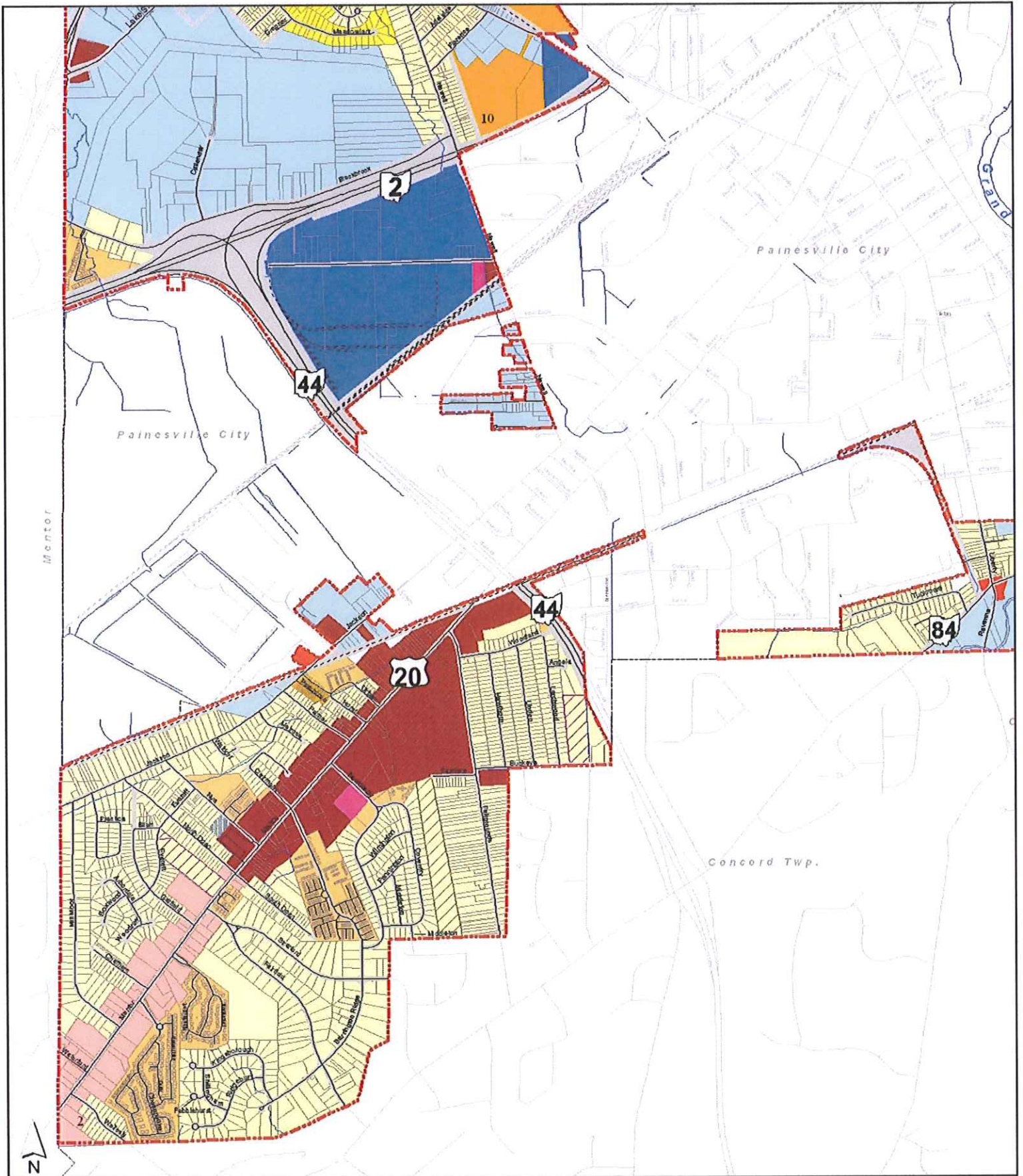
Michael R. Patricia
 Michael R. Patricia
 Clerk of the Trustees

TRUSTEES DATE
Juanette M. Conley
 Juanette M. Conley
Dorothy A. Cavanaugh
 Dorothy A. Cavanaugh
John J. O'Leary
 John J. O'Leary

PEPPER TREE APARTMENTS

CHERRY FARMS APARTMENTS





- | | | | |
|--|------------------------------------|---------------------|--------------------------|
| R-1, RESIDENTIAL SINGLE FAMILY | CS, COMMUNITY SERVICE/INSTIUTIONAL | B-3, COMMERCIAL | 1 inch equals 2,000 feet |
| R-2, RESIDENTIAL SINGLE FAMILY | MH, MOBILE HOME | I-1, LIGHT INDUSTRY | |
| R-3, RESIDENTIAL DUPLEX DWELLING | REC-3, RECREATION COMMERCIAL | I-2, HEAVY INDUSTRY | |
| R-4, RESIDENTIAL MULTI-UNIT DWELLING * | B-1, RESTRICTED RETAIL | | |
| FPUD, PLANNED UNIT DEVELOPMENT | B-2, GENERAL RETAIL | | |

SOUTHWEST QUAD

Location Map



Scale 1 : 200,000

1" = 3.16 mi

0 1 2 3 4 5
mi
0 1 2 3 4 5
km

North Arrow

MN (N.A.T.S.)

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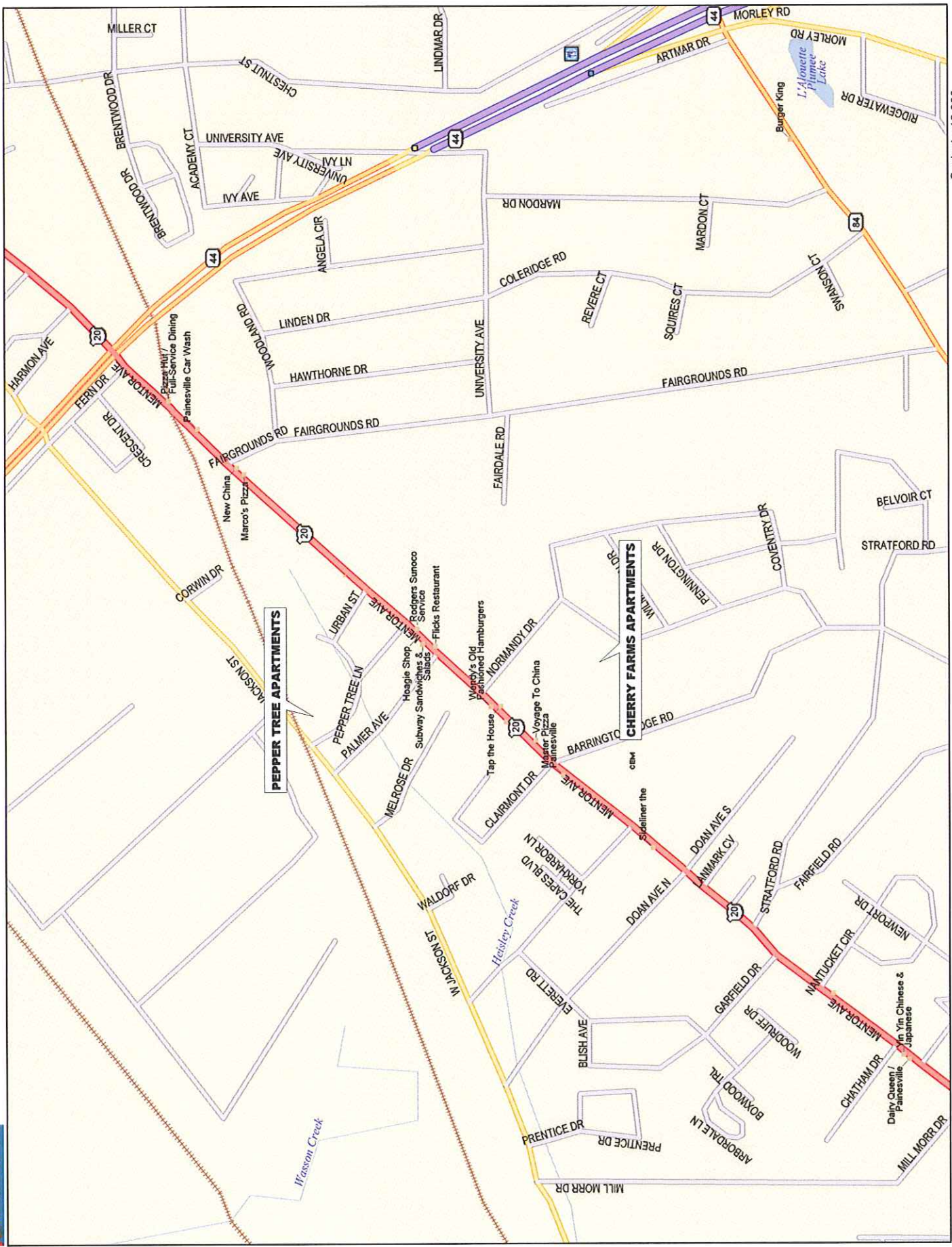
Scale 1 : 50,000



1" = 4,166.7 ft Data Zoom 12-0

TN





Scale 1 : 12,800



1" = 1,066.7 ft Data Zoom 14-0

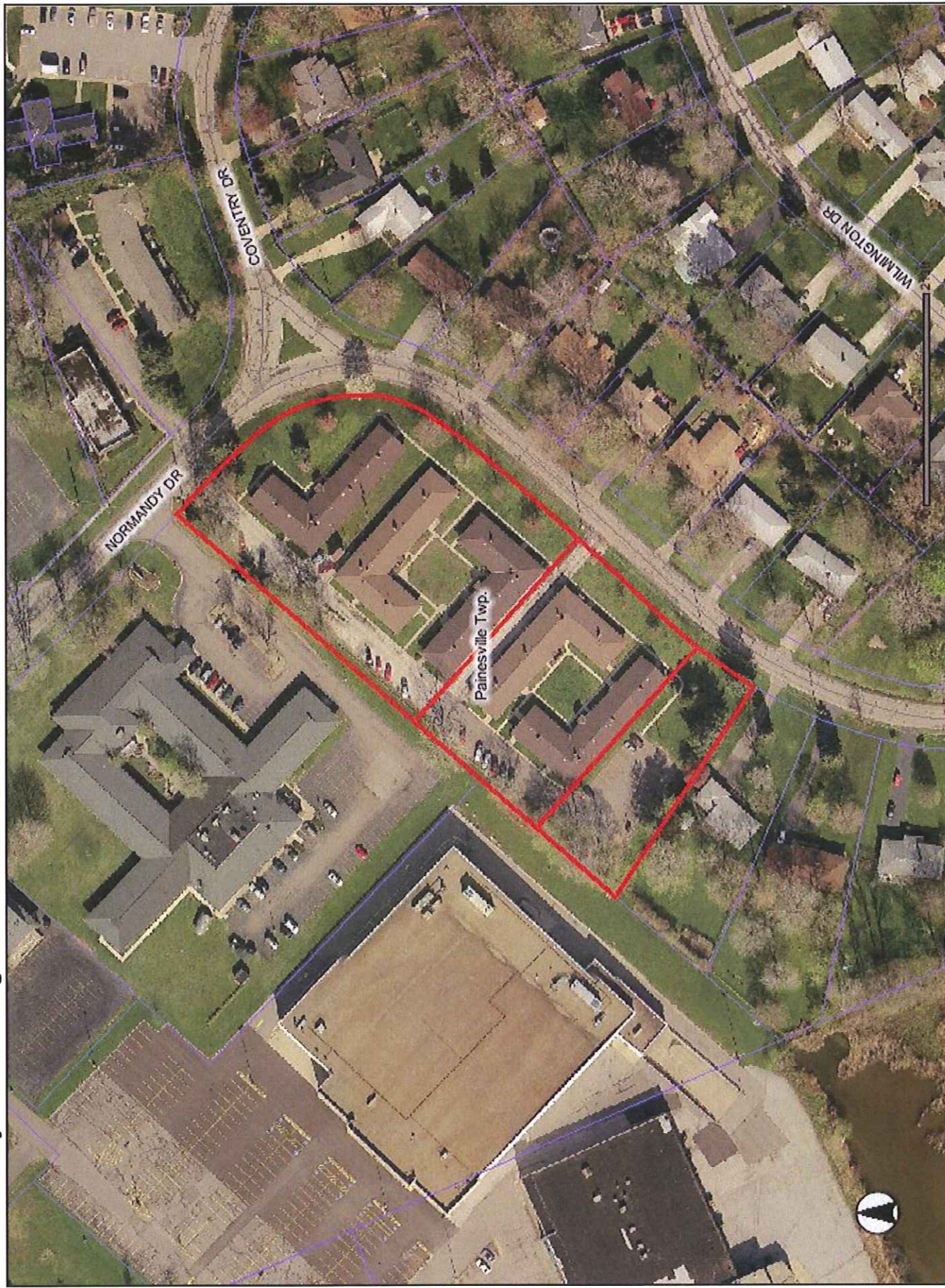


MN (N.T.V)

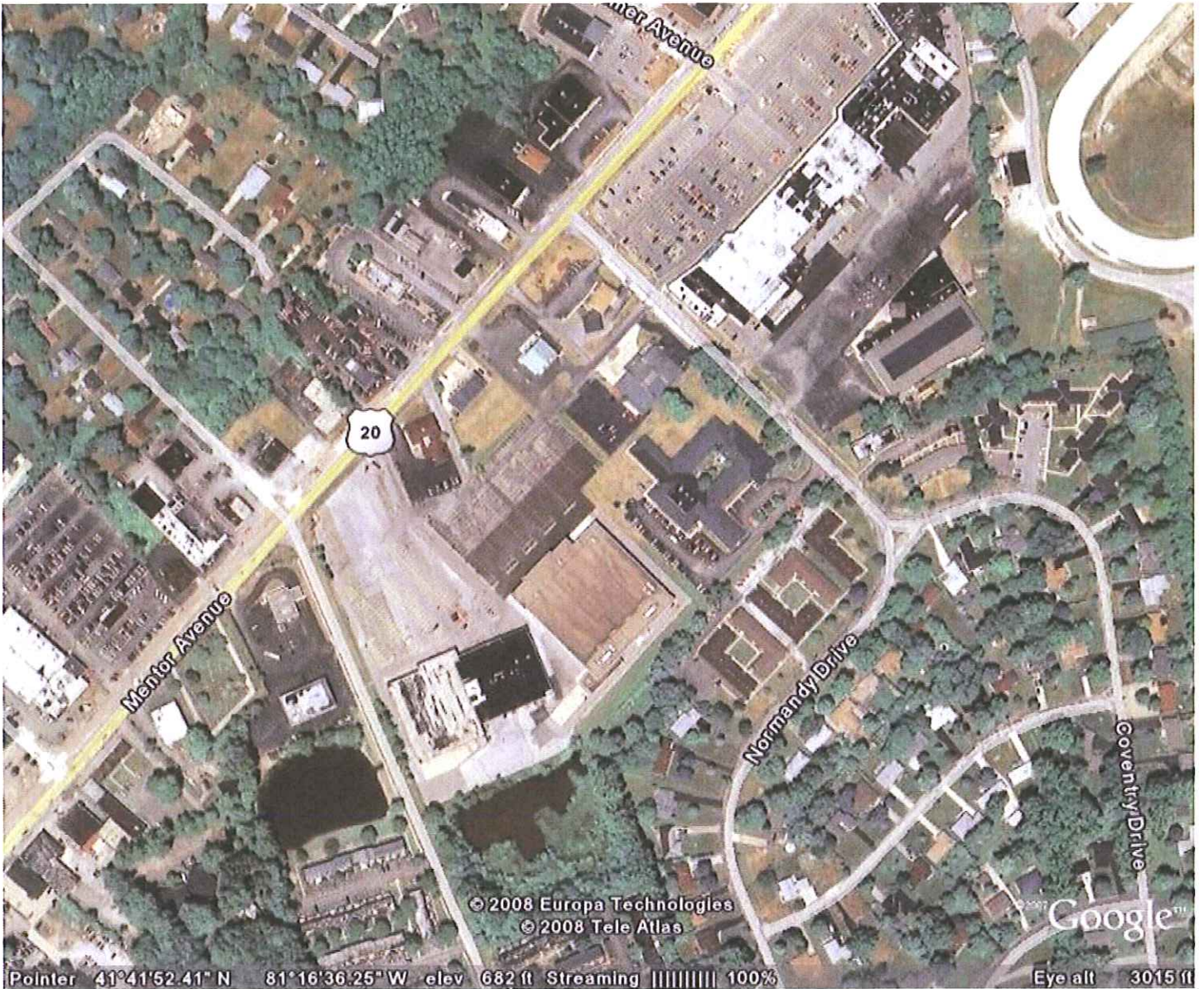
Aerial Photos

Lake County - LakeNavigator

Scale: no scale specified



Property lines are graphic representations and are not survey accurate. Lake County assumes no responsibility for the information contained on this page. Questions may be directed to the Tax Map Office (440) 350-2501.





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Google™

Pointer 41°41'50.11" N 81°16'30.62" W elev 686 ft Streaming ||||| 100%

Eye alt 1469 ft

Appraisals completed for FirstMerit
Bank as of August, 2007

Prepared for

FirstMerit Bank, NA



*Mr. Kenneth Shillingburg
FirstMerit Credit Quality
III Cascade Plaza
Akron, Ohio 44308*

*Prepared By
Evaluations Limited
100 North Miller Road
Fairlawn, Ohio 44333*

Evaluations Limited

100 N. Miller Road
Fairlawn, Ohio 44333
330-864-4763

August 28, 2007

Mr. Kenneth R. Schillingburg
FirstMerit Credit Quality Dept. CAS 61
III Cascade Plaza
Akron, Ohio 44308

Re: Permanent Parcel Number: 11-A-011-A-03-001-0, -002-0, & -003-0
Property Address: 100-140 Normandy Ln, Painesville, Ohio 44077-
Client: FirstMerit Bank, NA
Job Number: 8-59390

Dear Mr. Schillingburg:

Please be advised that according to your request, we have completed our analysis of the above-captioned property. The various value indications are reconciled as follows:

The Cost Approach to Value:	Not Applicable
The Market Approach to Value:	\$ 1,400,000.00
The Income Approach to Value:	\$ 1,415,000.00

The cost approach to value is not applicable due to the age of the property and the difficulty in accurately estimating accrued depreciation from all sources. Typically, the cost approach to value would not be a consideration of potential purchasers for property with existing improvements similar in age to the subject.

The market approach to value is a good indicator of value for the subject because it reflects the actions of willing buyers and sellers in the marketplace and assumes that a potential purchaser would pay no more for a property than the cost of acquiring a similar, equally desirable property.

The income approach to value is indicative of the subject value due to its long-term income-producing capabilities as an apartment facility. Additionally, current market rental information was available to further enhance the reliability of this approach.

The market approach and the income approach were utilized with the greatest weight given to the income approach in the subject's overall evaluation. As of August 26, 2007, our analysis indicates the property to be evaluated at:

\$1,410,000.00
(ONE MILLION FOUR HUNDRED TEN THOUSAND DOLLARS)

Mr. Shillingburg

August 28, 2007

Page 2

The evaluator notes that the value estimate suggested in the report is neither the highest or lowest estimate but that value which is most supportable based upon the current market data available and applicable to the subject property.

Enclosed is the documentation that is part of the findings resulting in our conclusions. We are appreciative of the opportunity to be of service. Please contact us in the event you have any questions.

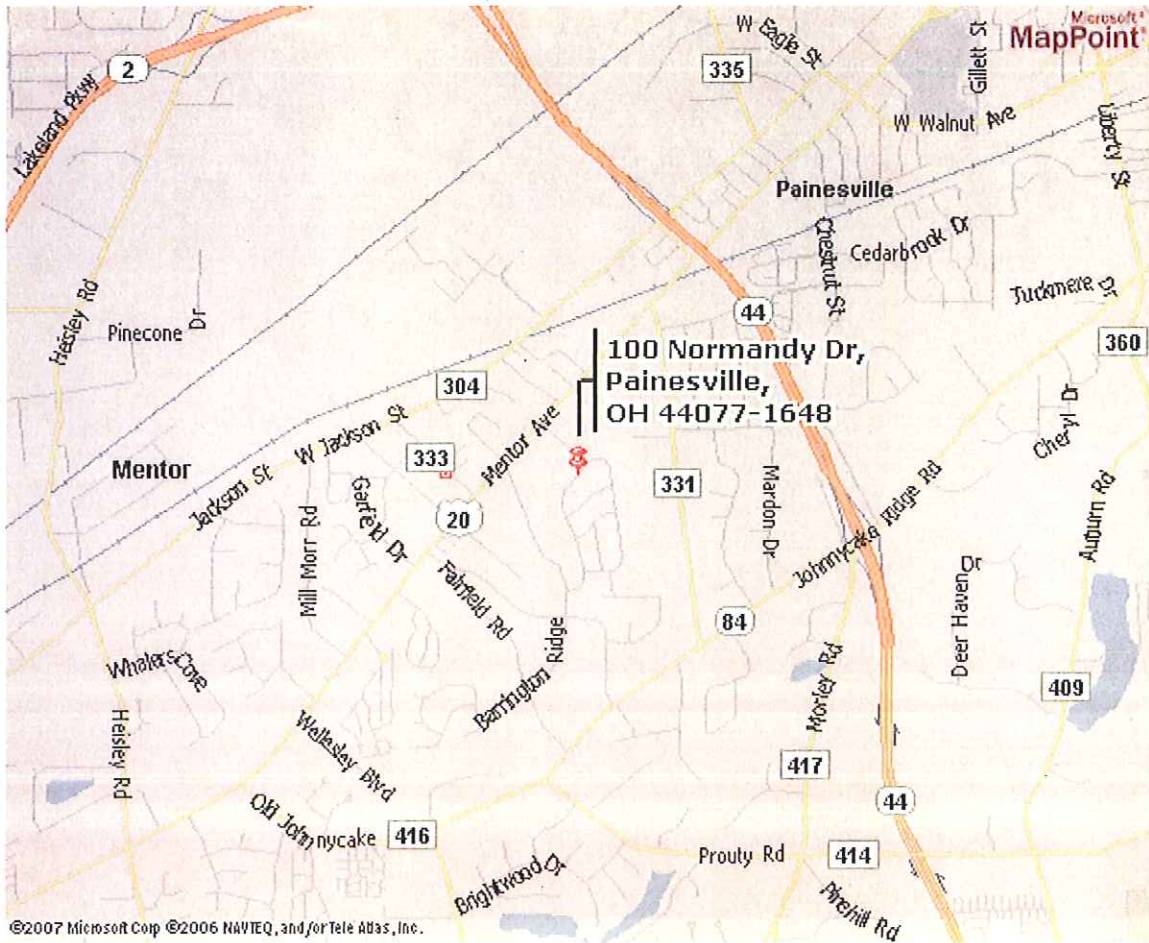
Sincerely,

EVALUATIONS LIMITED

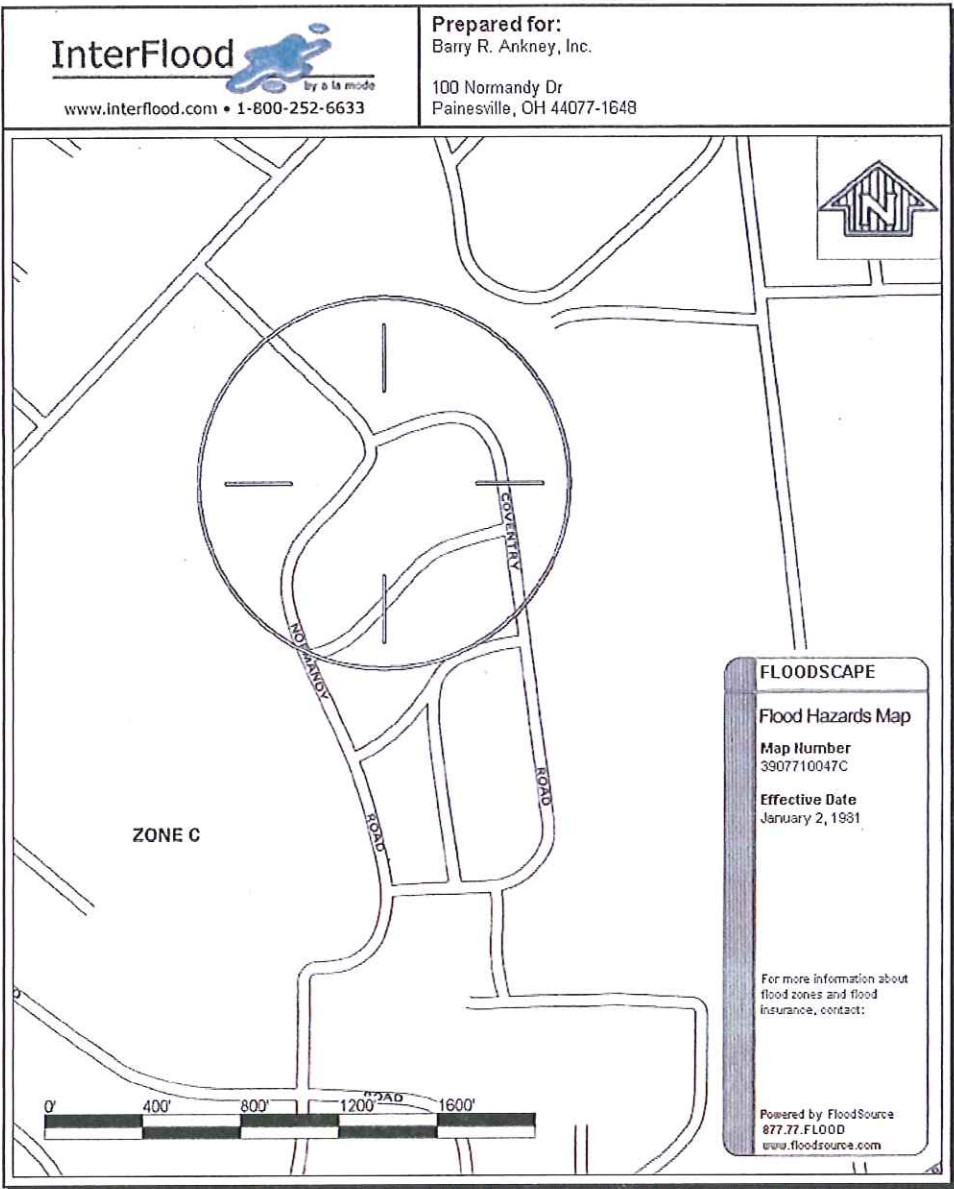


Peter Zepalo
Vice President

LOCATION MAP OF THE SUBJECT PROPERTY



FLOOD ZONE MAP OF THE SUBJECT PROPERTY



EXPLANATION OF FLOOD ZONE DESIGNATIONS:

- ZONE A: AREAS OF 100-YEAR FLOOD; BASE FLOOD ELEVATIONS, AND FLOOD HAZARD FACTORS NOT DETERMINED.
- ZONE B: AREAS BETWEEN LIMITS OF THE 100-YEAR FLOOD AND 500-YEAR FLOOD OR CERTAIN AREAS SUBJECT TO 100-YEAR FLOODING WITH AVERAGE DEPTHS LESS THAN ONE FOOT FROM WHERE THE CONTRIBUTING DRAINAGE AREA IS LESS THAN ONE SQUARE MILE, OR AREAS PROTECTED BY LEVIES FROM THE BASE FLOOD.
- ZONE C: AREAS OF MINIMAL FLOODING (NO SHADING).

PLATE No. 3907710047C, ZONE C, DATE: JANUARY 2, 1981

SITE SKETCH OF SUBJECT PROPERTY

Lake County - LakeNavigator

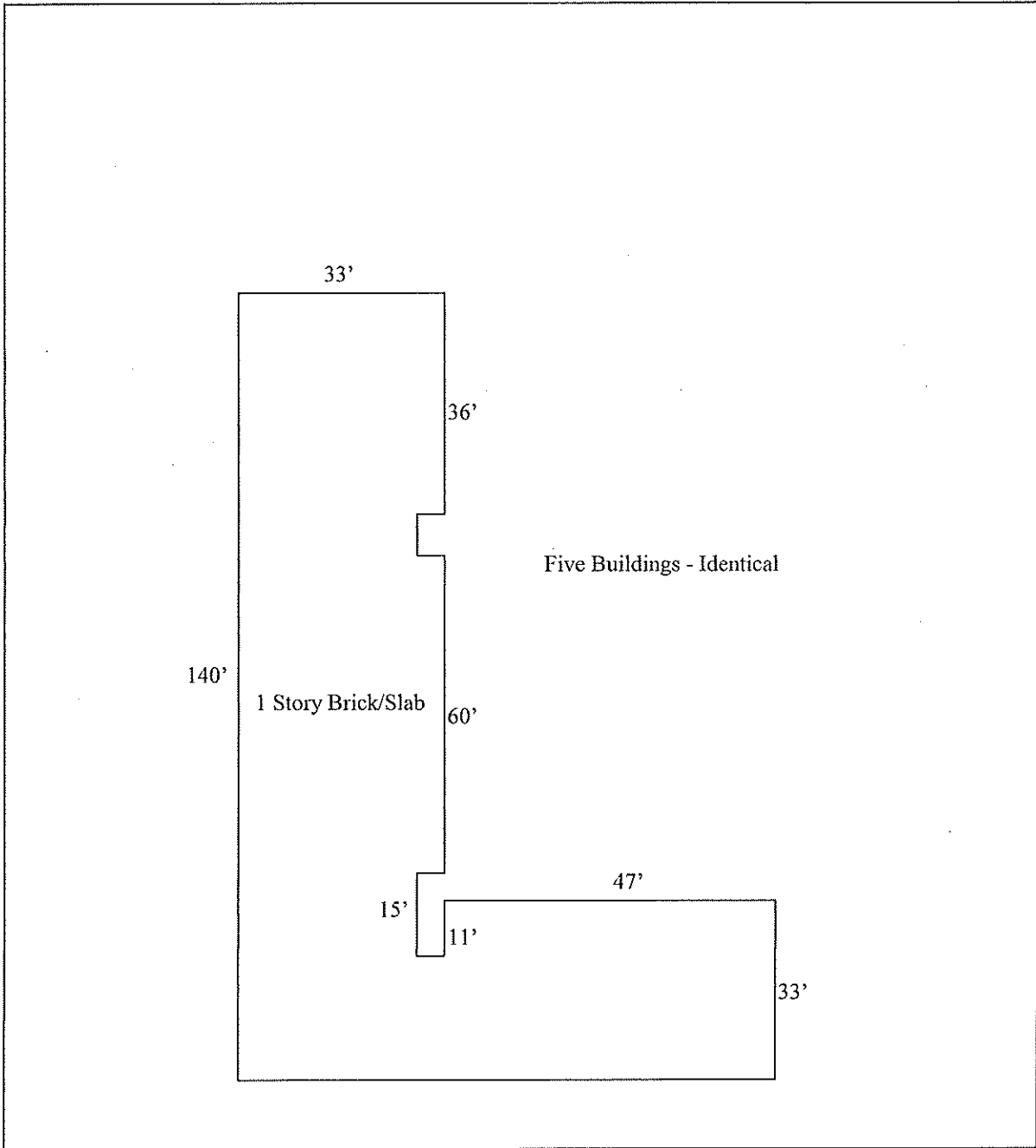
Scale: 1 inch = 150 feet



Property lines are graphic representations and are not survey accurate. Lake County assumes no responsibility for the information contained on this page. Questions may be directed to the Tax Map Office (440) 350-2501.

BUILDING SKETCH OF SUBJECT PROPERTY

**Not To Scale*



PHOTOGRAPHS OF SUBJECT PROPERTY



Intersection of Normandy and Coventry Looking Towards Subject



Street Scene Looking North on Normandy Dr

PHOTOGRAPHS OF SUBJECT PROPERTY



Subject West Side – Third Fourth & Fifth Buildings



South Side of Second Building

PHOTOGRAPHS OF SUBJECT PROPERTY



West Side of Third Building



North And West Side of Fourth Building

PHOTOGRAPHS OF SUBJECT PROPERTY



Side View

SITE DESCRIPTION

LAND AREA:	2.89 +/- Acres
BUILDING SQUARE FOOTAGE:	30,415 Square Feet for Six Buildings
CURRENT USE:	40 Unit Apartment Complex
PROJECTED USE:	Continued As Improved
SITE IMPROVEMENTS:	Asphalt Paving, Concrete Walks, Landscaping, Exterior Lighting
STREET IMPROVEMENTS:	Two Lane Hard Surface
EGRESS:	Average
SURROUNDING USES:	Residential Condos Multi-family
CURRENT TAXES:	\$24,398.50 Per Year 2006 \$1,316.04 Special Assessment
CENSUS TRACT:	2047.00
UTILITIES:	All Available
ZONING:	R-4 Residential Multiple Unit Dwelling

IMPROVEMENTS ANALYSIS

CONDITION OF IMPROVEMENTS

PLUMBING:	Assumed To Be Adequate
ELECTRICAL:	Assumed To Be Adequate
SUBSTRUCTURE:	Concrete Floor
SUPERSTRUCTURE:	One Story Masonry
EXTERIOR:	Brick Facing Some Stone Veneer
INTERIOR:	Drywall/Walls/Ceilings Assumed Wood Doors/Trim Assumed Carpet/Vinyl/Flooring Assumed
ROOF:	Hip and Gable with Asphalt Shingles

Subject improvements consist of (five) one story masonry buildings on slabs with hip and gable roofs covered with composition shingles built about 1959. Each building appears to contain 6 apartment units. An interior viewing was not part of this assignment. The appraiser makes the extraordinary assumption that the interiors of all units are in average condition that all mechanicals are in good working order, have an efficient room layout, and do not suffer from any types of obsolescence. There are two ancillary structures of concrete block that are for storage. These ancillary structures are small and are of no significant contributory market value. Site improvements include landscaping, concrete walks, paved parking and exterior lighting.

MARKET APPROACH

Comparable Sales:

The following comparable sales reflect the recent market actions of typical buyers and sellers of properties similar to the subject:

- 1) 564 Water St, Chardon, Sold 11/30/06 for \$1,875,000.00
 - a) Sale Price Per Living Unit, Land and Building: \$21,306.82
 - b) Use: (88) Apartment Units Built 1967
 - c) Condition of Improvements: Average

- 2) 96 Pearl St., Painesville, Sold 9/15/06 for \$425,000.00
 - a) Sale Price Per Living Unit, Land and Building: \$32,692.31
 - b) Use: (12) Apartment Units Built 1984 + 1,142 Sq Ft. Dwelling Built 1910
 - c) Condition of Improvements: Average

- 3) 1001 Main St., Conneaut, Sold 4/30/07 for \$695,000.00
 - a) Sale Price Per Living Unit, Land and Building: \$34,750.00
 - b) Use: (20) Apartment Units Built 1945
 - c) Condition of Improvements: Average

- 4) 24305 Lakeshore Blvd, Euclid, Sold 5/16/07 for \$865,000.00
 - a) Sale Price Per Living Unit, Land and Building: \$48,055.56
 - b) Use: (18) Apartment Units Built 1962
 - c) Condition of Improvements: Average

- 5) 818, 842, 850 South Green Rd., South Euclid, Sold 6/5/07 for \$975,000.00
 - a) Sale Price Per Square Foot, Land and Building: \$40,625
 - b) Use: (24) Apartment Units Built 1963
 - c) Condition of Improvements: Average

In order to determine a supportable estimate of market value for the subject, the evaluator has reviewed over twenty similar apartment sales. Of the available sales data, the preceding sales or offerings were determined to be the most comparable and were analyzed and summarized. In weighing these comparable properties, the indicated, unadjusted unit values range from \$21,306.82 to \$48,055.56 per living unit, land and building. After adjustments, which gave consideration to the subject property's location, condition, site size, and overall utility, an estimated value of \$35,000 per living unit is utilized and calculated to provide an indication of value for the subject property as follows:

Subject—40 Apartment Units at \$35,000 Per Unit	\$1,400,000.00
Rounded to:	\$1,400,000.00

INCOME APPROACH

Income Data:

Typical market rental rates for similar apartment facilities indicate a range of \$525 to \$600 per unit on a monthly basis. Individual rental rates are influenced by location, gross leasable area, condition of improvements, and other amenities. The estimated gross income assumes adequate market exposure by qualified commercial/industrial leasing agents and a normal absorption/lease-up period. Typical overall expense ratios for similar properties range from 35 percent to 45 percent of potential gross income and include such items as vacancy/credit loss, real estate taxes, property insurance, and miscellaneous expenses. Using available information, the income approach is calculated as follows:

40 Apartment Units at \$525 Per Month x 12 Months	\$ 252,000.00
Potential Gross Income	\$ 252,000.00
Overall Expense Ratio Applied at 45%	\$ 113,400.00
Net Operating Income	\$ 138,600.00
Capitalized at the Current Anticipated Overall Rate of 10%	\$1,414,286.00
Rounded to:	\$1,415,000.00

Marketing Period:

The marketing period of the subject is estimated to be six to eighteen months, with the likelihood that the property would sell within twelve months, provided that economic conditions at the offering point are similar to those occurring during the date of this value estimate. This estimate is based on discussions with local brokers and real estate practitioners in the local market. This estimate also assumes adequate market exposure and the exercise of due diligence by a knowledgeable commercial real estate brokerage firm that is experienced with this type of property.

Recent Ownership:

The subject property has been owned long term by the current owner, Cherry Farms Apartments Limited according to public records.

The subject property has not transferred in the past three years.

LEGAL SUMMARY

L 58 A CENTER PK EST 70
L PARCEL A CENTER PK EST 160.91
L PARCEL A CENTER PK EST 315.09

ASSUMPTIONS AND CONDITIONS

- 1) The evaluation provided herein is provided as an independent third party analysis.
- 2) The evaluation provided is based upon the evaluator's independent analysis of relevant market data as deemed applicable on the date of inspection of the property. The estimated market value stated herein is not based upon a requested minimum value.
- 3) The evaluation provided herein is for the unencumbered fee simple interest.
- 4) The evaluation provided herein is intended for use only by the addressee. Possession of this report or a copy thereof does not carry with it the right of publication. Further distribution is prohibited.
- 5) The evaluation provided is exclusive of personalty, equipment, or business value. Responsible ownership is assumed neither inefficient or superefficient. There is no accountability or liability to any third party.
- 6) Sources of information utilized in the preparation of this evaluation may include public records, local realtors and third party data services.
- 7) The evaluator will attempt to identify contaminants, if any, on the property. However, no warranties or guarantees are expressed or implied for exposing same. The evaluator assumes the property is free of on and off-site contaminants unless so stated in the report.
- 8) Acceptance of, and/or use of, the evaluation constitutes acceptance of the above conditions.

Rent Rolls as of March 1, 2008

CHERRY FARMS
RENT ROLL - MARCH 2008

UNIT #	TENANT	RENT		UTILITY
		RENT	Rent Change	
#101 100	VACANT			
#102 100	Mary C. Nasca	510		22.40
#103 100	George Kostelnik	520		22.40
#104 100	VACANT			
#105 100	Westley Crouch	575		22.40
#106 100	Connie Smith	525		22.40
#107 100	Sherry Smith	455		22.40
#108 100	Mary Irwin	545		22.40
#201 110	VACANT			
#202 110	VACANT			
#203 110	VACANT			
#204 110	VACANT			
#205 110	VACANT			
#206 110	Mary C. Podlaski & Robert M. Podlaski	525		22.40
#207 110	Raymond Reese	475		22.40
#208 110	VACANT			
#301 120	Linda M. West	560		22.40
#302 120	Heidi Shafer	535		22.40
#303 120	Cleon P. Conley III	535		22.40
#304 20	Samantha Spellman & Ryan Thornhill	525		22.40
#305 120	VACANT			
#306 120	VACANT			
#307 120	Albert Spicer	500		22.40
#308 120	William Daffner & Anthony Monferdini	575		22.40
#401 130	Milton & Sylvia Debelak	575		22.40
#402 130	Aaron Peter Henkel	525		22.40
#403 130	Alice Caudell	475		22.40
#404 130	VACANT			
#405 130	Clarice M. Gebeau	535		22.40
#406 130	Sarah Buchanan & Kelly Buchanan	575		22.40
#407 130	VACANT			
#408 130	Mary Sockloskie Signed Lease MI 3/15			
#501 140	Brian Scully	475		22.40
#502 140	VACANT			
#503 140	VACANT			
#504 140	VACANT			
#505 140	Pauline Steffens	510		22.40
#506 140	Patricia K. Dowling	535		22.40
#507 140	Barbara Bishop	460		22.40
#508 140	Irma Enredy	535		22.40
S402	Patricia Cummings - V 1/31			
		\$12,560.00		\$537.60

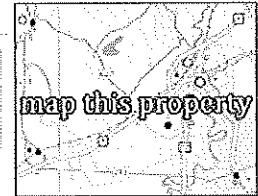
Real Estate Tax Information

Data For Parcel 11A011A030010

Base Land Valuation Sales Sketch Tax Improvements Permit Residential Agricultural Commercial

Tax Data

Parcel: 11A011A030010
 Owner: CHERRY FARMS APARTMENTS LTD
 Address: 100 NORMANDY DR



Property Tax

	Tax Year 2007 Payable 2008	
	First Half	Second Half
Gross Charge:	\$11,468.44	\$11,468.44
Reduction Factor:	(\$4,386.85)	(\$4,386.85)
10% Rollback:	\$0.00	\$0.00
2.5% Homesite Rollback:	\$0.00	\$0.00
Homestead Reduction:	\$0.00	\$0.00
Special Assessments:	\$379.34	\$379.34
Penalties And Adjustments:	\$0.00	\$0.00
Subtotals:	\$7,460.93	\$7,460.93
Prior Delinquency:		\$17,639.86
Full Year Total:		\$32,561.72
Payments:		\$0.00
Half Year Due:		\$25,100.79
Full Year Due:		\$32,561.72

Special Assessments

Assessment:	1 of 4		
Project Number:	19901	Project Name:	
Beginning Year:	0	Ending Year:	0
First Half Taxes Fee:	\$1,191.60	Second Half Taxes Fee:	\$1,191.60
Assessors Fee First Half:	\$0.00	Assessors Fee Second Half:	\$0.00
Amount Charged:	\$1,551.60		

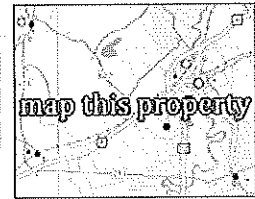
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Data For Parcel 11A011A030020

Base Land Valuation Sales Sketch Tax Improvements Permit Residential Agricultural Commercial

Tax Data

Parcel: 11A011A030020
 Owner: CHERRY FARMS APARTMENTS LTD
 Address: NORMANDY



Property Tax

Tax Year 2007 Payable 2008

	First Half	Second Half
Gross Charge:	\$7,016.36	\$7,016.36
Reduction Factor:	(\$2,683.86)	(\$2,683.86)
10% Rollback:	\$0.00	\$0.00
2.5% Homesite Rollback:	\$0.00	\$0.00
Homestead Reduction:	\$0.00	\$0.00
Special Assessments:	\$259.34	\$259.34
Penalties And Adjustments:	\$0.00	\$0.00
Subtotals:	\$4,591.84	\$4,591.84
Prior Delinquency:		\$10,287.47
Full Year Total:		\$19,471.15
Payments:		\$0.00
Half Year Due:		\$14,879.31
Full Year Due:		\$19,471.15

Special Assessments

Assessment:	1 of 3		
Project Number:	19901	Project Name:	
Beginning Year:	0	Ending Year:	0
First Half Taxes Fee:	\$240.00	Second Half Taxes Fee:	\$240.00
Assessors Fee First Half:	\$0.00	Assessors Fee Second Half:	\$0.00
Amount Charged:	\$480.00		

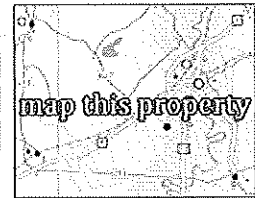
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Data For Parcel 11A011A030030

Base Land Valuation Sales Sketch Tax Improvements Permit Residential Agricultural Commercial

Tax Data

Parcel: 11A011A030030
 Owner: CHERRY FARMS APARTMENTS LTD
 Address: NORMANDY



Property Tax

Tax Year 2007 Payable 2008

	First Half	Second Half
Gross Charge:	\$392.63	\$392.63
Reduction Factor:	(\$150.19)	(\$150.19)
10% Rollback:	\$0.00	\$0.00
2.5% Homesite Rollback:	\$0.00	\$0.00
Homestead Reduction:	\$0.00	\$0.00
Special Assessments:	\$19.34	\$19.34
Penalties And Adjustments:	\$0.00	\$0.00
Subtotals:	\$261.78	\$261.78
Prior Delinquency:		\$1,188.18
Full Year Total:		\$1,711.74
Payments:		\$0.00
Half Year Due:		\$1,449.96
Full Year Due:		\$1,711.74

Special Assessments

Assessment:	1 of 4		
Project Number:	19901	Project Name:	
Beginning Year:	0	Ending Year:	0
First Half Taxes Fee:	\$554.40	Second Half Taxes Fee:	\$554.40
Assessors Fee First Half:	\$0.00	Assessors Fee Second Half:	\$0.00
Amount Charged:	\$554.40		

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Preliminary Judicial Reports - as of
August 31, 2007

IN THE COURT OF COMMON PLEAS
LAKE COUNTY, OHIO

FIRSTMERIT BANK, NA
vs
CHERRY FARMS, LTD., et al.

FILED

CASE NO.

2003 SEP 21 2 11 01
Chicago Title Insurance Company

168 N. ST. CLAIR STREET, SUITE 1000
PAINESVILLE, OHIO 44079
Phone: (440)354-3585, Fax: (440)354-6472

PRELIMINARY JUDICIAL REPORT

Order Number: 27330818 PAI

Pursuant to your request for a report for use in judicial proceedings, we have made an examination of the records of LAKE, County, Ohio, and CHICAGO TITLE INSURANCE COMPANY, for a valuable consideration, here by guarantees, in an amount not to exceed \$249,947.57 that the title to the premises hereinafter described, as appears from said records, is at the date hereof good in CHERRY FARMS APARTMENTS, LTD., AN OHIO LIMITED LIABILITY COMPANY by virtue of deed(s) of record in LAKE County, Ohio, and free from all encumbrances, liens or defects, except as shown in the following.

07CF002859
VINCENT A CULOTTA

LEGAL DESCRIPTION

PARCEL NO. 1

SITUATED IN THE TOWNSHIP OF PAINESVILLE, COUNTY OF LAKE AND STATE OF OHIO: AND KNOWN AS BEING A PART OF PARCEL A IN CENTER PARK ESTATES SUBDIVISION OF A PART OF ORIGINAL PAINESVILLE TOWNSHIP LOT NO. 45, 46 AND 51 TRACT NO. 4 AND LOT 62 IN CHERRY FARMS ALLOTMENT AS SHOWN BY THE RECORDED PLAT OF SAID SUBDIVISION IN VOLUME K OF MAPS, PAGE 46 OF LAKE COUNTY RECORDS; BEGINNING AT A POINT IN THE NORTHWESTERLY LINE OF NORMANDY DRIVE AT THE SOUTHEASTERLY CORNER OF SUBLLOT NO. 58 IN SAID SUBDIVISION; THENCE N. 41 DEG. 30' EAST ALONG THE NORTHWESTERLY LINE OF SAID DRIVE 160.91 FEET TO THE PLACE OF BEGINNING; THENCE CONTINUING ALONG THE NORTHWESTERLY LINE OF SAID DRIVE A DISTANCE OF 159.09 FEET TO A POINT OF CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 154.98 FEET AND A CHORD THAT BEARS N. 2 DEG. 31' W. 2 DEG. 31' 2. 215.38 FEET A DISTANCE OF 238.12 FEET TO A POINT OF TANGENCY; THENCE N. 46 DEG. 32' W. ALONG THE SOUTHWESTERLY SIDE OF SAID NORMANDY DRIVE 87.78 FEET TO A POINT IN A NORTHWESTERLY LINE OF SAID SUBDIVISION; THENCE S. 41 DEG. 30' W. ALONG THE NORTHWESTERLY LINE OF SAID SUBDIVISION A DISTANCE OF 317 FEET TO A POINT; THENCE S. 8 DEG. 30' E. AND PARALLEL TO THE SOUTHEASTERLY LINE OF SAID SUBLLOT NO. 58 A DISTANCE OF 237.39 FEET TO THE PLACE OF BEGINNING, BE THE SAME MORE OR LESS, BUT SUBJECT TO ALL LEGAL HIGHWAYS.

(Legal Description Continued on Next Page)

CHICAGO TITLE INSURANCE COMPANY
PRELIMINARY JUDICIAL REPORT
(Description, Continued)

Order No. 27330818 PAI

PARCEL NO. 2

SITUATED IN THE TOWNSHIP OF PAINESVILLE, COUNTY OF LAKE AND STATE OF OHIO: AND KNOWN AS BEING A PART OF PARCEL A AND ALL OF SUBLLOT NO. 58 IN THE CENTER PARK ESTATES SUBDIVISION OF A PART OF ORIGINAL PAINESVILLE TOWNSHIP LOT NOS. 45, 46, AND 51, TRACT NO. 4 AS SHOWN BY THE RECORDED PLAT OF SAID SUBDIVISION IN VOLUME K OF MAPS, PAGE 46 OF LAKE COUNTY RECORDS, AND BEING FURTHER BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHWESTERLY LINE OF NORMANDY DRIVE AT THE SOUTHEASTERLY CORNER OF SUBLLOT NO. 57 IN SAID SUBDIVISION; THENCE N. 55 DEG. 38'30" W. ALONG THE NORTHEASTERLY LINE OF SAID SUBLLOT NO. 57 A DISTANCE OF 242.48 FEET TO A POINT IN THE NORTHWESTERLY LINE OF SAID SUBDIVISION; THENCE N. 41 DEG. 30' E. ALONG SAID LINE 260.91 FEET TO A POINT; THENCE S. 48 DEG. 30' E. PARALLEL TO THE NORTHEASTERLY LINE OF SAID SUBLLOT NO. 58 A DISTANCE OF 237.39 FEET TO A POINT IN THE NORTHWESTERLY LINE OF SAID NORMANDY DRIVE; THENCE S. 41 DEG. 30' W. ALONG THE NORTHWESTERLY LINE OF SAID DRIVE 182.05 FEET TO A POINT OF CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 370 FEET AND A CHORD THAT BEARS S. 37 DEG. 43'01" W. 48.82 FEET AND HAVING AN ARC LENGTH OF 48.86 FEET TO THE PLACE OF BEGINNING, BE THE SAME MORE OR LESS, BUT SUBJECT TO ALL LEGAL HIGHWAYS.

CHICAGO TITLE INSURANCE COMPANY
PRELIMINARY JUDICIAL REPORT
(ENCUMBRANCES, LIENS, AND DEFECTS)

Order No. 27330818 PAI

1. COVENANTS, RESTRICTIONS, RESERVATIONS, LIMITATIONS, CONDITIONS, AGREEMENTS, EASEMENTS AND RIGHTS-OF-WAY, IF ANY.
2. MORTGAGE FROM CHERRY FARMS LTD., FILED APRIL 19, 1990, IN THE ORIGINAL AMOUNT OF \$785,000.00, TO SECUTIRY FEDERAL SAVINGS AND LOAN ASSOCIATION OF CLEVELAND, OF RECORD IN VOLUME OR536, PAGE 554, RECORDER'S OFFICE, LAKE COUNTY, OHIO.

NOTE: THE PRESENT AMOUNT DUE SHOULD BE DETERMINED BY CONTACTING THE CURRENT OWNER OF THE DEBT.

3. ASSIGNMENT OF RENTS FROM CHERRY FARMS LTD., TO SECUTIRY FEDERAL SAVINGS AND LOAN ASSN. OF CLEVELAND, TO SECURE A MORTGAGE BETWEEN THE PARTIES IN THE AMOUNT OF \$785,000.00, FILED FOR RECORD ARPIL 19, 1990, OF RECORD IN VOLUME OR536, PAGE 560, RECORDER'S OFFICE, LAKE COUNTY, OHIO.
4. MORTGAGE FROM CHERRY FARMS APARTMENTS, LTD., FILED FEBRUARY 16, 2007, IN THE ORIGINAL AMOUNT OF \$300,000.00, TO FIRSTMERIT BANK, N.A., OF RECORD IN DOCUMENT NO. 2007R005568, RECORDER'S OFFICE, LAKE COUNTY, OHIO.

NOTE: THE PRESENT AMOUNT DUE SHOULD BE DETERMINED BY CONTACTING THE CURRENT OWNER OF THE DEBT.

5. ASSIGNMENT OF RENTS FROM CHERRY FARMS APARTMENTS, LTD., TO FIRSTMERIT BANK, N.A., TO SECURE A MORTGAGE BETWEEN THE PARTIES IN THE AMOUNT OF \$300,000.00, FILED FOR RECORD FEBRUARY 16, 2007, OF RECORD IN DOCUMENT NO. 2007R005569, RECORDER'S OFFICE, LAKE COUNTY, OHIO.
6. PROPERTY ADDRESS: 100 NORMANDY DRIVE, PAINESVILLE, OH 44077
7. THE COUNTY TREASURER'S 2006 GENERAL TAX DUPLICATE SHOWS:

TAXES FOR THE YEAR OF 2006, LISTED IN THE NAME OF CHERRY FARMS APARTMENTS LTD., (PARCEL NO. 11-A-011-A-03-001-0), AMOUNTING TO \$14,875.44 PLUS PENALTY ARE A LIEN.

TAXES FOR THE YEAR OF 2006, LISTED IN THE NAME OF CHERRY FARMS APARTMENTS LTD., (PARCEL NO. 11-A-011-A-03-002-0), AMOUNTING TO \$8,675.28 PLUS PENALTY ARE A LIEN.

TAXES FOR THE YEAR OF 2006, LISTED IN THE NAME OF CHERRY FARMS APARTMENTS LTD., (PARCEL NO. 11-A-011-A-03-003-0), AMOUNTING TO \$1,001.98 PLUS

NOTE: In addition to the items shown above, the premises herein described, are subject to Zoning Ordinances, if any.

This is a guarantee of the record title only and is made for the use and benefit of all parties to said proceedings, and the purchaser at judicial sale thereunder.

Dated: August 31, 2007
at 7:29 a.m.

Chicago Title Insurance Company

COPY

Authorized Signatory

CHICAGO TITLE INSURANCE COMPANY

Order No. 27330818 PAI

PRELIMINARY JUDICIAL REPORT SCHEDULE B CONTINUED

PENALTY ARE A LIEN.

TAXES FOR THE YEAR 2007, AMOUNT UNDETERMINED, ARE A LIEN, BUT ARE NOT YET DUE AND PAYABLE.

SPECIAL TAXES WHICH ARE INCLUDED IN THE GENERAL TAXES SET FORTH ABOVE ON PREMISES UNDER EXAMINATION, ARE AS FOLLOWS:

SPECIAL TAXES FOR STORMWATER, CODE NO. 19-901, PAYABLE ANNUALLY WITH THE GENERAL TAXES. THE INSTALLMENT(S) FOR THE YEAR OF 2006, AMOUNTING TO \$720.,00 ARE A LIEN. (PARCEL NO. 11-A-011-A-03-001-0)

SPECIAL TAXES FOR LIGHTS PAINESVILLE TOWNSHIP, CODE NO. 20-111, PAYABLE ANNUALLY WITH THE GENERAL TAXES. THE INSTALLMENT(S) FOR THE YEAR OF 2006, AMOUNTING TO \$38.68 ARE A LIEN. (PARCEL NO. 11-A-011-A-03-001-0)

SPECIAL TAXES FOR LIGHTS PAINESVILLE TOWNSHIP, CODE NO. 20-111, PAYABLE ANNUALLY WITH THE GENERAL TAXES. THE INSTALLMENT(S) FOR THE YEAR OF 2006, AMOUNTING TO \$38.68 ARE A LIEN. (PARCEL NO. 11-A-011-A-03-002-0)

SPECIAL TAXES FOR LIGHTS PAINESVILLE TOWNSHIP, CODE NO. 20-111, PAYABLE ANNUALLY WITH THE GENERAL TAXES. THE INSTALLMENT(S) FOR THE YEAR OF 2006, AMOUNTING TO \$38.68 ARE A LIEN. (PARCEL NO. 11-A-011-A-03-003-0)

SPECIAL TAXES FOR STORMWATER, CODE NO. 19-901, PAYABLE ANNUALLY WITH THE GENERAL TAXES. THE INSTALLMENT(S) FOR THE YEAR OF 2006, AMOUNTING TO \$480.00 ARE A LIEN. (PARCEL NO. 11-A-011-A-03-003-0)

ADDITIONS OR ABATEMENTS, IF ANY, WHICH MAY HEREAFTER BE MADE BY LEGALLY CONSTITUTED AUTHORITIES ON ACCOUNT OF ERRORS, OMISSIONS OR CHANGES IN THE VALUATION.

FIRSTMERIT TITLE AGENCY, LTD.

106 S. Main
Akron, OH 44308
(330) 252-8250
(330) 252-8253 (Fax)

LIEN REPORT

Information in the following report was taken from public records of the county in which the property is located. This report is intended solely for the use of our client. This is not an opinion of title or title insurance policy.

FMTA FILE NUMBER: LS640

EFFECTIVE DATE: 09/20/06

PROPERTY ADDRESS:

100-140 Normandy Dr.
Painesville OH

LEGAL DESCRIPTION: See Attached Exhibit A

PROPERTY VESTED AS FOLLOWS:

Cherry Farms Apartments, LTD., an Ohio Limited Liability Company, as evidenced in a deed recorded on December 17, 1998 in Instrument #980058277, of Lake County, Ohio Records.

TAXES FOR SUBJECT PROPERTY:

County Treasurer's General Tax Duplicate shows:

Taxes and Assessments for the 2nd half of 2005 on Parcel No. 11A-011-A-03-001-0 in the name (s) of Cherry Farms Apartment LTD. on caption premises in the amount of \$7,840.14 are PAID.

Taxes for the 1st half of the year 2006 are a lien, not yet due and payable.

Land Value:

Land	\$58,050.00
Improvements	\$196,070.00
Total	\$254,120.00

Special taxes and assessments of any kind, if any.

Assessment, Homestead Exemption or Delinquency included in the above amount as follows:

Special Assessment for Stormwater in the amount of \$360.00
 Special Assessment for Lights Painesville Twp. \$19.40

Taxes and Assessments for the 2nd half of 2005 on Parcel No. 11A-011-A-03-002-0 in the name (s) of Cherry Farms Apartment LTD. on caption premises in the amount of \$508.59 are PAID.

Taxes for the 1st half of the year 2006 are a lien, not yet due and payable.

Land Value:

Land	\$27,710.00
Improvements	\$127,760.00
Total	\$155,470.00

Special taxes and assessments of any kind, if any.

Assessment, Homestead Exemption or Delinquency included in the above amount as follows:

Special Assessment for Lights Painesville Twp. \$19.34

LIENS OF RECORD:

A.) Mortgage from Cherry Farms Apts. to Security Federal Savings & Loan Association of Cleveland, dated March 29, 1990, filed April 19, 1990 and recorded in Volume 535, Page 554 of the Lake County, Ohio Records, in the amount of \$785,000.00.

Assignment of Rents from Cherry Farms Apts. to Security Federal Savings & Loan Association of Cleveland dated March 29, 1990, filed April 19, 1990 and recorded in Volume 535, Page 560 of the Lake County, Ohio Records.

EXHIBIT A

Situated in the Township of Painesville, County of Lake and State of Ohio: and known as being a part of Parcel A in Center Park Estates Subdivision of a part of Original Painesville Township Lot No. 45, 46 and 51 Tract No. 4 and Lot 62 Cherry Farms Allotment as shown by the recorded plat of said subdivision in Volume K of Maps, Page 46 of Lake County Records; Beginning at a point in the northwesterly line of Normandy drive at the southeasterly corner of Sublot No. 58 in said Subdivision; Thence N. 41 deg. 30' East along the northwesterly line of said Drive 160.91 feet to the place of beginning, thence continuing along the northwesterly line of said drive a distance of 159.09 feet to a point of curve to the left, said curve having a radius of 154.98 feet and a chord that bears N. 2 deg. 31' W. 215.38 feet a distance of 238.12 feet to a point of tangency; thence N. 46 deg. 32' W. along the southwesterly side of said Normandy Drive 87.78 feet to a point in a northwesterly line of said Subdivision; thence S. 41 deg. 30' W. along the northwesterly line of said Subdivision a distance of 317 feet to a point; thence S. 48 deg. 30' E. and parallel to the southeasterly line of said Sublot No. 58 a distance of 237.39 feet to the place of beginning, be the same more or less, but subject to all legal highways.

PARCEL NO. 2 Situated in the Township of Painesville, County of Lake and State of Ohio: and known as being a part of Parcel A and all of Sublot No. 58 in the Center Park Estates Subdivision of a part of Original Painesville Township Lot Nos. 45, 46, and 51, Tract No. 4 as shown by the recorded plat of said Subdivision in Volume K of Maps, Page 46 of Lake County Records, and being further bounded and described as follows: Beginning at a point in the northwesterly line of Normandy Drive at the southeasterly corner of Sublot No. 57 in said Subdivision; thence N. 55 deg. 38' 30" W. along the northeasterly line of said Sublot No. 57 a distance of 242.48 feet to a point in the northwesterly line of said Subdivision; thence N. 41 deg. 30' E. along said line 260.91 feet to a point; thence S. 48 deg. 30' E. parallel to the northeasterly line of said Sublot No. 58 a distance of 237.39 feet to a point in the northwesterly line of said Normandy Drive; thence S. 41 deg. 30' W. along the northwesterly line of said Drive 182.05 feet to a point of curve to the left, said curve having a radius of 370 feet and a chord that bears S. 37 deg. 43' 01" W. 48.82 feet and having an arc length of 48.86 feet to the place of beginning.



TICOR TITLE INSURANCE

Ticor Title Insurance Company
6300 Wilshire Boulevard
P.O. Box 92792
Los Angeles, CA 90009

L5 072507

Policy of Title Insurance

American Land Title Association Loan Policy

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, TICOR TITLE INSURANCE COMPANY, a California corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage;
7. Lack of priority of the lien of the insured mortgage over any statutory lien for services, labor or material:

(a) arising from an improvement or work related to the land which is contracted for or commenced prior to Date of Policy; or

(b) arising from an improvement or work related to the land which is contracted for or commenced subsequent to Date of Policy and which is financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance;

8. 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

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

This policy shall not be valid or binding until countersigned below by a validating signatory of the Company.

TICOR TITLE INSURANCE COMPANY

By *Ernest L. Appel* President

Attest *Erich E. Eversbach* Secretary

Countersigned: STATE TITLE COMPANY
by *Robert M. [Signature]*
Validating Signatory

Exclusions from Coverage

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.

Conditions and Stipulations

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A. The term "insured" also includes

(i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12(c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land);

(ii) any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not;

(iii) the parties designated in Section 2(a) of these Conditions and Stipulations.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, or in Schedule C if not provided for in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in the applicable Schedule, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to

include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A or the insured mortgage to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE.

(a) **After Acquisition of Title.** The coverage of this policy shall continue in force as of Date of Policy in favor of (i) an insured who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage; (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds; and (iii) any governmental agency or governmental instrumentality which acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage.

(b) **After Conveyance of Title.** The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness 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 covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. 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 indebtedness secured by a purchase money mortgage given to the insured.

(c) **Amount of Insurance.** The amount of insurance after the acquisition or after the conveyance shall in neither event exceed the least of:

(i) the Amount of Insurance stated in Schedule A;

(ii) the amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure

Schedule A

Agent's Order No.:

-11149

Number	Amount of Insurance	Date of Policy
LOAN L 5 972537	\$ 785,000.00	April 19, 1990 at 1:17 p.m.

1. Name of Insured: Security Federal Savings and Loan Association of Cleveland and/or its successors and assigns.

2. The title to the Fee Simple estate in said land is at the date hereof vested in:

Cherry Farms Ltd., an Ohio General Partnership

3. The mortgage and assignments, if any, covered by this policy are described as follows:

Open-End Mortgage from Cherry Farms Ltd, an Ohio Partnership, to Security Federal Savings and Loan Association of Cleveland, in the amount of \$785,000.00, dated March 29, 1990, filed April 19, 1990 at 1:17 p.m. and recorded in Volume 535, Page 554 of Lake County Records.

4. The land referred to in this policy is located in the county of Lake
State of OHIO and described as follows:
Situating in the Township of Painesville, County of Lake and State
of Ohio:

and known as being part of Parcel A in Center Park Estates
Subdivision of a part of Original Painesville Township Lot No.
45, 46 and 51 Tract No. 4 and Lot 62 Cherry Farms Allotment as
shown by the recorded plat of said Subdivision in Volume K of
Maps, Page 46 of Lake County Records; Beginning at a point in the
northwesterly line of Normandy Drive at the northeasterly corner

continued

Schedule A (Continued)

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of Sublot No. 58 in said Subdivision; Thence N. 41 deg. 30' East along the northwesterly line of said Drive 160.91 feet to the place of beginning, thence continuing along the northwesterly line of said drive a distance of 159.09 feet to a point of curve to the left, said curve having a radius of 154.98 feet and a chord that bears N. 2 deg. 31' W. 215.38 feet a distance of 238.12 feet to a point of tangency; thence N. 46 deg. 32' W. along the southwesterly side of said Normandy Drive 87.78 feet to a point in a northwesterly line of said Subdivision; thence S. 41 deg. 30' W. along the northwesterly line of said Subdivision a distance of 317 feet to a point; thence S. 48 deg. 30' E. and parallel to the southeasterly line of said Sublot No. 58 a distance of 237.39 feet to the place of beginning, be the same more or less, but subject to all legal highways.

PARCEL NO. 2 Situated in the Township of Painesville, County of Lake and State of Ohio and known as being a part of Parcel A and all of Sublot No. 58 in the Center Park Estates Subdivision of a part of Original Painesville Township Lot Nos. 45, 46 and 51, Tract No. 4 as shown by the recorded plat of said Subdivision in Volume K of Maps, Page 46 of Lake County Records, and being further bounded and described as follows: Beginning at a point in the northwesterly line of Normandy Drive at the northeasterly corner of Sublot No. 57 in said Subdivision; thence N. 55 deg. 38' 30" W. along the northeasterly line of said Sublot No. 57 a distance of 242.48 feet to a point in the northwesterly line of said Subdivision; thence N. 41 deg. 30' E. along said line 260.91 feet to a point; thence S. 48 deg 30' E. parallel to the northeasterly line of said Sublot No. 58 a distance of 237.39 feet to a point in the northwesterly line of said Normandy Drive; thence S. 41 deg. 30' W. along the northwesterly line of said Drive 182.05 feet to a point of curve to the left, said curve having a radius of 370 feet and a chord that bears S. 37 deg. 43' 01" W. 48.82 feet and having an arc length of 48.86 feet to the place of beginning, be the same more or less, but subject to all legal highways.

END OF SCHEDULE A

Schedule B

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

Part I

1. Taxes and Assessments for the Last Half 1989 and thereafter, not yet due and payable.
Taxes and Assessments for the First Half 1989 are paid.
2. Declaration of Restrictions by Painesville Shopping Center, Inc. by M. E. Glass, President and Joseph Brover, Assistant Secretary, dated May 23, 1955 and recorded in Volume 340, Page 456 of Lake County Records, on premises in caption and more land, as follows:

PART A. PREAMBLE

Know all men by these presents this 23rd day of May, 1955, that Painesville Shopping Center, Inc. an Ohio Corporation, with its business address being 1018 National City Bank Building, Cleveland, Ohio, being the owner of and being the only party interested in the Center Park Estates, being a Subdivision of Property in part of Lots 45, 46 and 51, Tract 4 and Lot 62 Cherry Farm Allotment located in Painesville Township, Lake County, Ohio, the plat of which Subdivision has been recorded in the records of the County Recorded in Lake County, Ohio, on May 16, 1955 in Volume K, Page 46, for itself, its successors and assigns, in consideration of Ten Dollars (\$10.00) and other valuable consideration received to its complete satisfaction hereby covenant and agree with and for the benefit of itself, its successors and assigns to hold said real estate upon the following conditions, covenants and restrictions which are imposed as a general plan for the uniform development of the land involved.

Part II

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

NONE

Schedule B (Continued)

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PART B. AREA OF APPLICATION

B-1. Fully-Protected Residential Area. The residential area covenants in Part C in their entirety shall apply to Sub Lots Nos. 1 to 133 inclusive in said Center Park Estates Subdivision. Parcels "A" and "B" are hereby restricted to Garden Style Apartments.

PART C. RESIDENTIAL AREA COVENANTS

C-1. Land Use and Building Type. No lot shall be used except for residential purposes. No building shall be erected, altered, placed, or permitted to remain on any lot, with the exception of Sublot No. 124, other than one single-story, single-family Ranch Type dwelling and a private garage for not more than two cars. Sublot No. 124 shall be treated as two Sublots, one fronting on Middelton Drive and the other fronting on Pennington Drive. No retaining walls or other obstructions to prevent the free flow of drainage water shall be erected on any lots.

C-2. Architectural Control. No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the architectural control committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. No fence or wall shall be erected, placed or altered on any lot nearer to any street than a minimum building setback line unless similarly approved. Approval shall be as provided in part G.

C-3. Dwelling Cost, Quality and Size. No dwelling shall be permitted on any lot at a cost of less than \$12,500.00 based upon cost levels prevailing on the date these covenants are recorded, it being the intention and purpose of the covenant to assure that all dwellings shall be of a quality of workmanship and materials substantially the same or better than that which can be produced on the date these covenants are recorded at the minimum cost stated herein for the minimum permitted dwelling size. The ground floor area of the main structure, exclusive of one-story open porches and garages, shall be not less than 1000 square feet on Sublots Nos. 1 to 10 inclusive, 53 to 58 inclusive, and 59 to 80 inclusive, nor less than 1100 square feet on Sublots No. 11 to 15 inclusive, 46 to 52 inclusive, and 81 to 101 inclusive, nor less than 1200 square feet on Sublots Nos. 16 to 24 inclusive, 102 to 110 inclusive, 115 to 127 inclusive, 131 to 133 inclusive, 42 to 45 inclusive, 25 to 41 inclusive, 111 to 114 inclusive, and 128 to 130 inclusive.

Schedule B (Continued)

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C-4. Building Location. No building shall be located on any lot nearer to the front lot line or nearer to the side street line than the minimum building setback lines shown on the recorded plat. In the event no building shall be located on any lot nearer than 60 feet to the front lot line, except for Sublot No. 38 which shall have a setback of 40 feet, Sublot No. 39 which shall have a setback of 45 feet, Sublot No. 40 which shall have a setback of 50 feet, and Sublot No. 41 which shall have a setback of 55 feet; nor shall any building be located on any lot nearer than 15 feet to any side street line. No building shall be located nearer than 5 feet to an interior lot line, except that no side yard shall be required for a garage or other permitted accessory building located 55 feet or more from the minimum building setback line. For the purpose of this covenant, eaves, steps, and open porches shall not be considered as a part of a building, provided, however, that this shall not be construed to permit any portion of a building, on a lot to encroach upon another lot.

C-5. Lot Area and Width. No dwelling shall be erected or placed on any lot having a width of less than 70 feet at the minimum building setback line nor shall any dwelling be erected or placed on any lot having an area of less than 12,000 square feet, except that a dwelling may be erected or placed on lots numbered 1 to 133 inclusive as shown on the recorded plat with the exception of Sublot No. 124 on which two dwellings may be erected or placed.

C-6. Easements. Easements for installation and maintenance of telephone and electric line poles or utilities and drainage facilities are reserved in, over and across each lot, provided, however, that no electric light or telephone pole shall be installed or erected except upon the rear or side lines of said lots or within the street limits of said subdivision or allotment.

C-7. Nuisances. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

C-8. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

PART G. ARCHITECTURAL CONTROL COMMITTEE

G-1. Membership. The architectural control committee is composed of Milton J. Ludwig, 75 Fairfield Road, Painesville, Ohio; M. E. Glass, 32750 Cedar Road, Pepper Pike, Ohio and Joseph Brover, 1901 Forest View Drive, Cleveland Heights, Ohio. A majority of the committee may designate a representative to act for it. In the event of death or

Schedule B (Continued)

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resignation of any member of the committee, the remaining members shall have full authority to designate a successor. Neither the members of the committee, nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. At any time, the then record owners of a majority of the lots shall have the power through a duly recorded written instrument to change the membership of the committee or to withdraw from the committee or restore to it any of its powers and duties. G-2. Procedure. The committee's approval or disapproval as required, or its designated representative, failed to approve or disapprove within 30 days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

PART H. GENERAL PROVISIONS

H-1. Term. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of 10 years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreement to change said covenants in whole or in part.

H-2. Enforcement. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant to restrain violation or to recover damages.

H-3. Severability. Invalidation of any one of these covenants by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

3. In Declaration of Restrictions by Painesville Shopping Center, Inc., by M. E. Glass, President and Joseph Brover, Assistant Secretary, dated May 23, 1955 and recorded in Volume 340, Page 456 of Lake County Records, affecting premises in caption and more land, the following appears:

Easements for installation and maintenance of telephone and electric line poles or utilities and drainage facilities are reserved in, over and across each lot, provided, however, that no electric light or telephone pole shall be installed or erected except upon the rear or side lines of said lots or within the street limits of said subdivision or allotment.

Schedule B (Continued)

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4. Amendment of Restrictions of Center Park Estates of Painesville Township, dated November 5, 1960, filed January 30, 1961 at 9:14 am, and recorded in Volume 516, Page 460 of Lake County Records of Mortgages, amending and modifying a certain Agreement and Declaration as to Real Estate Restrictions, being Volume 340, Page 456, Lake County Miscellaneous Mortgage Records, as follows:

We the undersigned, who constitute a majority of the owners of the lots in Center Park Estates, do hereby appoint Rev. William Hull, 275 Normandy Drive, Painesville, Ohio; Steve A. Kalman, 37 Middleton Drive, Painesville, Ohio; and R. C. Bowden, 29 Middleton Drive, Painesville, Ohio; as members of the Architectural Control Committee of Center Park Estates, which is provided for in Part G, Item G-1 of the Protective Covenants Agreement of Center Park Estates and recorded under instrument No. 273, 298 at Volume 340, Page 456 of Lake County Records.

Said amendment, appointment, and change is made in accordance with the provision set forth in Part G, Item 1, of the Restrictive Covenants, which provides the proper manner in which new personnel can be appointed to the Architectural Control Committee.

The new members are to replace the present existing Committee, but the duties of the Committee are in no way altered, changed, or expanded.

The witness whereof, we hereunto subscribe our names to this instrument and appoint the above named men to serve as the Architectural Control Committee of Center Park Estates.

NOTE: The Company insures that the mortgage shown in Schedule A will not suffer loss of priority or validity by reason of any past, present or future violation of restrictive covenants shown herein, and that the title to premises shown in Schedule A is not subject to forfeiture or reversion by reason of any future violation of said restrictions.

5. In the Deed from Painesville Shopping Center, Inc. a corporation, to the Coventry Apartment, Inc., an Ohio Corporation dated July 30, 1958 and recorded in Volume 461, Page 374 of Lake County Records, conveying part of premises in caption and more land, the following appears:

Schedule B (Continued)

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Reserving to the grantor, its successors and assigns, a perpetual easement on, over, across and through a strip of land 10 feet in width for the existing filter bed outlet sewers, from the beds as relocated to the main drainage ditch, into which the outlet sewers now empty or to said ditch as it may be relocated and enclosed; together with the right to enter upon said premises for the purpose of maintaining, repairing, cleaning and replacing said sewer line.

The grantee herein covenants for itself, and its successors and assigns that it will not erect any structure upon the right of way of said easement without providing adequate means of access to said sewer.

This easement and the other rights reserved in connection with said easement shall cease and determine one (1) year after a sanitary sewer has been installed, and is in operation, in Normandy Drive.

6. Certificate of Partnership by and between Donald A. Horn, Charles Bencin and Robert Akers under the name of Cherry Farms, Ltd., dated June 6, 1979, filed June 7, 1979 at 4:03 pm, recorded in Volume 6, Page 74 of Lake County Records.
7. Amended Certificate of Partnership by and between Donald A. Horn, Charles Bencin and Robert Akers under the name of Cherry Farms, Ltd., dated November 5, 1985, filed December 17, 1985 at 8:07 am, recorded in Volume 183, Page 1065 of Lake County Records.
8. The Mortgage Identification Survey performed by Ralph Kempke Surveying on April 9, 1990 at 11:00 a.m. shows the following:

"Neighbor's Chain Link Fence encroaches .70 feet +/- over the Northwesterly property line".
9. Assignment of Rents and Leases dated March 29, 1990, filed April 19, 1990 at 1:18 p.m. and recorded in Volume 535, Page 560 of Lake County Records.

END OF SCHEDULE B

thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or

(iii) the amount paid by any governmental agency or governmental instrumentality, if the agency or instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

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 of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. 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 title or interest as insured, 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 title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable 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 title to the estate or interest or the lien of the insured mortgage, 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.

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 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 defect in, or lien or encumbrance on the title, or other 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.

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 mortgage 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 mortgage, 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, or, if applicable, the amount of insurance as defined in Section 2(c) of these Conditions and Stipulations;

(ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or

(iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the

(b) In the event the insured has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. 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 unmarketability of title, or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals 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 the title or to the lien of the insured mortgage, as insured.

(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 Company shall not be liable for: (i) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

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. However, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of the insurance afforded under this policy except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.

(b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, 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 lien of the insured mortgage and secured thereby, 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 insured mortgage shall terminate all liability of the Company except as provided in Section 2(a) of these Conditions and Stipulations.

10. LIABILITY NONCUMULATIVE.

If the insured acquires title to the estate or interest in satisfaction of the indebtedness secured by the insured mortgage, or any part thereof, it is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay 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 hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy.

11. 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.

12. 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

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.

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 its principal, interest, and costs of collection.

(b) The Insured's Rights and Limitations.

Notwithstanding the foregoing, the owner of the indebtedness secured by the insured mortgage, provided the priority of the lien of the insured mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness.

When the permitted acts of the insured claimant occur and the insured has knowledge of any claim of title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of the insured mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(c) The Company's Rights Against 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, 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 mortgage by an obligor (except an obligor described in Section 1(a)(ii) of these Conditions and Stipulations) who acquires the insured mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an insured under this policy, notwithstanding Section 1(a)(i) of these Conditions and Stipulations.

13. ARBITRATION.

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. 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 of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 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 \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

14. 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 lien of the insured mortgage or of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of 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

15. 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.

16. NOTICES, WHERE SENT.

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 its Principal Office, Claims Department, 6300 Wilshire Boulevard, P.O. Box 92792, Los Angeles, California 90009.

FINAL JUDICIAL REPORT

Issued by Chicago Title Insurance Company

An examination of the record title from the Effective Date of the Preliminary Judicial Report, any supplemental judicial report or Final Judicial Report dated August 31, 2007, ORDER NO. 027330818 has been made to the date hereof and the Company finds the following matters of record:

1. CASE NO. 07CF002859 MENTIONED ABOVE:

NOTE: THE FILES IN THE ABOVE CASE SHOW THE FOLLOWING FACTS AS TO SERVICE:

(SEE ATTACHED PAGES FOR COPIES OF THE ENTRIES APPEARING ON THE APPEARANCE DOCKET OF SAID CASE.)

This examination is made for the use and benefit of the Guaranteed Party to said proceedings and the purchaser at judicial sale thereunder and is further subject to the Exclusions from coverage, the Exceptions contained in Schedule B and the Conditions and Stipulations of the Preliminary Judicial Report and any supplements related hereto.

Authorized Signature

Effective Date February 25, 2008 at 7:59 a.m.

COPY

CHICAGO TITLE INSURANCE COMPANY
FINAL JUDICIAL REPORT
(Continued)

Order No. 27330818 PAI

2. JUDGMENT LIEN DOCKET 07L004532; CERTIFICATE FILED DECEMBER 19, 2007, BY FIRSTMERIT BANK, NA, PLAINTIFF, VERSUS CHERRY FARMS, LTD, ETAL, DEFENDANT(S), RENDERED BY CUYAHOGA COUNTY, CASE NO. CV07644396; AMOUNT OF JUDGMENT \$349,230.43, INTEREST AT 5.83% FROM NOVEMBER 2, 2007, PLUS COST.

3. PROPERTY ADDRESS: 100 NORMANDY DRIVE, PAINESVILLE, OH 44077

4. THE COUNTY TREASURER'S 2007 GENERAL TAX DUPLICATE SHOWS:

TAXES FOR THE YEAR OF 2007, LISTED IN THE NAME OF CHERRY FARMS APARTMENTS, LTD., (PARCEL NO. 11-A-011-A-03-001-0), AMOUNTING TO \$32,561.72 (WHICH INCLUDES DELINQUENCIES, PENALTIES AND INTEREST) AMOUNTING TO \$17,639.86, ARE A LIEN.

TAXES FOR THE YEAR OF 2007, LISTED IN THE NAME OF CHERRY FARMS APARTMENTS, LTD., (PARCEL NO. 11-A-011-A-03-002-0), AMOUNTING TO \$19,471.15 (WHICH INCLUDES DELINQUENCIES, PENALTIES AND INTEREST) AMOUNTING TO \$10,287.47, ARE A LIEN.

TAXES FOR THE YEAR OF 2007, LISTED IN THE NAME OF CHERRY FARMS APARTMENTS, LTD., (PARCEL NO. 11-A-011-A-03-003-0), AMOUNTING TO \$1,711.74 (WHICH INCLUDES DELINQUENCIES, PENALTIES AND INTEREST) AMOUNTING TO \$1,188.18, ARE A LIEN.

SPECIAL TAXES FOR STORMWATER, CODE NO. 19-901, PAYABLE ANNUALLY WITH THE GENERAL TAXES. THE INSTALLMENT(S) FOR THE YEAR OF 2007, AMOUNTING TO \$720.00 ARE A LIEN. (AS TO PPN# 11-A-011-A-03-001-0)

SPECIAL TAXES FOR LIGHTS PAINESVILLE TOWNSHIP, CODE NO. 20-111, PAYABLE ANNUALLY WITH THE GENERAL TAXES. THE INSTALLMENT(S) FOR THE YEAR OF 2007, AMOUNTING TO \$38.64 ARE A LIEN. (AS TO PPN# 11-A-011-A-03-001-0)

SPECIAL TAXES FOR STORMWATER, CODE NO. 19-901, PAYABLE ANNUALLY WITH THE GENERAL TAXES. THE INSTALLMENT(S) FOR THE YEAR OF 2007, AMOUNTING TO \$480.00 ARE A LIEN. (AS TO PPN# 11-A-011-A-03-002-0)

SPECIAL TAXES FOR LIGHTS PAINESVILLE TOWNSHIP, CODE NO. 20-111, PAYABLE ANNUALLY WITH THE GENERAL TAXES. THE INSTALLMENT(S) FOR THE YEAR OF 2007, AMOUNTING TO \$38.64 ARE A LIEN. (AS TO PPN# 11-A-011-A-03-002-0)

SPECIAL TAXES FOR LIGHTS PAINESVILLE TOWNSHIP, CODE NO. 20-111, PAYABLE ANNUALLY WITH THE GENERAL TAXES. THE INSTALLMENT(S) FOR THE YEAR OF 2007, AMOUNTING TO \$38.64 ARE A LIEN. (AS TO PPN# 11-A-011-A-03-003-0)

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New Case
9/21/2007

General Inquiry



New Search...

- Summary
- Parties
- Events
- Dockets
- Fields
- Notes
- Disposition
- Costs

FORECLOSURE - Summary

07CF002859 FIRSTMERIT BANK NA vs . CHERRY FARMS LTD et al VAC

Prelim Case Nbr

Defendant

Full Name

CHERRY FARMS LTD

D.O.B

Address

C/O PATRICIA A HORN STAT
1908 MENTOR AVENUE

City/State/Zip

PAINESVILLE OH 44077

Attorney(s)

LABOVITZ, HARVEY

Jurisdiction

Case Information

Degree of Off.

Offense Date

Arrest Date

Officer

Complainant

Prosecutor

Judge

CULOTTA, VINCENT A

Case Comments

Case Attributes

Number 07CF002859

Filed 09/21/2007

Status Open

Incomplete

Charge(s)

Charge	Action Code	Indict Charge	Amd Charge	Disposition Code	Counts
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General Inquiry



New Search...

- Summary
- Parties
- Events
- Dockets
- Fields
- Notes
- Disposition
- Costs

Case Parties

07CF002859 FIRSTMERIT BANK NA vs . CHERRY FARMS LTD et al VAC

Name	Type	Disposition	Special
<u>FIRSTMERIT BANK NA</u>	Plaintiff	111 CASCADE PLAZA , AKRON, OHIO	44308-
A.) <u>CHERRY FARMS LTD</u>	Defendant		1103
B.) <u>CROCKER JOHN S/LAKE COUNTY TREASURER</u>	Defendant	HOWARD S. RABB , ATTY	

A.) C/O PATRICIA A. HORN, STATUTORY AGENT
 1908 MENTOR AVE., PAINESVILLE, Ohio 44077
 HARVEY LEBOWITZ, ATTY

B.) P.O. BOX 490
 105 MAIN ST., PAINESVILLE, Ohio 44077
 ROBERT A. GAMBOL, ATTY

General Inquiry



New Search...

- Summary
- Parties
- Events
- Dockets
- Fields
- Notes
- Disposition
- Costs

Docket Search

07CF002859 FIRSTMERIT BANK NA vs . CHERRY FARMS LTD et al VAC

Search Criteria

Docket Desc. ALL

Begin Date

Sort

End Date

Ascending
Descending

Search

Search Results 22 Docket(s) found matching search criteria.

Docket Date	Docket Text	Amount	Amount Due	Images
09/21/2007	Civil foreclosure action Receipt: 53527 Date: 09/21/2007	91.00	0.00	
09/21/2007	Complaint in foreclosure, case designation sheet, pre-trial order, filed. Receipt: 53527 Date: 09/21/2007	309.00	0.00	
09/21/2007	Preliminary judicial report order # 27330818, filed. (PPN ### 11-A-011-A-03-001-0 & 11-A-011-A-03-002-0 & 11-A-011-A-03-003-0)	0.00	0.00	
09/25/2007	Issue Date: 09/25/2007 Service: Summons and all pleadings listed - certified mail Method: CERTIFIED MAIL Cost Per: Writs \$4.00 Postage \$12.90 CHERRY FARMS LTD C/O PATRICIA A HORN STATUTORY AGENT 1908 MENTOR AVENUE PAINESVILLE, OH 44077 Tracking No: 71603901984513029547 CROCKER JOHN S/LAKE COUNTY TREASURER P O BOX 490 105 MAIN ST PAINESVILLE, OH 44077 Tracking No: 71603901984513029554	16.90	16.90	
09/26/2007	Certified RR# 7160 3901 9845 1302 9554 to Crocker John S /Lake County Treasurer returned and filed. Service date 9/26/07	0.00	0.00	
09/28/2007	Motion to Consolidate Cases, certificate of service, filed. Attorney: RABB,	0.00	0.00	

HOWARD S (0034685)

10/02/2007	Certified RR# 7160 3901 9845 1302 9547 to Cherry Farms Ltd returned and filed. Service date 10-1-07	0.00	0.00
10/03/2007	Answer of John S. Crocker, Proof of Service, filed.	0.00	0.00
10/10/2007	Brief in Opposition to Plaintiff's Motion to Consolidate, Certificate of Service, filed. Attorney: LABOVITZ, HARVEY (0021851)	0.00	0.00
10/30/2007	Stipulated Motion for Enlargement of Time, Certificate of Service, filed. Attorney: LABOVITZ, HARVEY (0021851)	0.00	0.00
11/27/2007	COPY OF JOURNAL ENTRY FILED: Copy of Order Denying in Part and Granting in Part Motion to Consolidate Cases. IT IS SO ORDERED. Vol 1726 Page 483-484	2.00	0.00
11/27/2007	Motion for the Appointment of a Receiver (Request for Immediate Hearing), Brief in Support, Certificate of Service, Exhibits A-G, filed. Attorney: RABB, HOWARD S (0034685)	0.00	0.00
11/27/2007	Amended Complaint for Foreclosure and Other Equitable Relief (with Notice Pursuant to the Fair Debt Collection Practices Act attached), Certificate of service, Exhibits A-D, filed. Attorney: RABB, HOWARD S (0034685)	0.00	0.00
11/28/2007	Scheduled Event: ORAL HEARING ON MOTION/APPLICATION Date: 12/17/2007 Time: 9:00 am Judge: CULOTTA, VINCENT A Location: Result: Re-scheduled	0.00	0.00
12/10/2007	Separate Answer of Defendant Cherry Farms Apartments Ltd. to Amended Complaint, Certificate of Service, filed Attorney: LABOVITZ, HARVEY (0021851)	0.00	0.00
12/13/2007	Motion to Continue Hearing for Appointment of Receiver, Certificate of Service, filed. Attorney: LABOVITZ, HARVEY (0021851)	0.00	0.00
12/17/2007	The following event: ORAL HEARING ON MOTION/APPLICATION scheduled for 12/17/2007 at 9:00 am has been re- scheduled Judge: CULOTTA, VINCENT A Location:	0.00	0.00
12/17/2007	Scheduled Event: ORAL HEARING Date: 01/14/2008 Time: 8:15 am Judge: CULOTTA, VINCENT A Location:	0.00	0.00
12/18/2007	Journal Entry Filed: Agreed order granting adjournment of hearing upon plaintiff's	6.00	6.00

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motion for the appointment of a receiver.
See Journal vol 1731 pg 566-568

01/16/2008	Journal Entry Filed: It is Ordered, Adjudged and Decreed that the assets, including but not limited to, the Cherry Farms Apartments, and continued operation of the Cherry Farms Apartments shall be placed in the hands of a Receiver for the protection of creditors, and that Ag Real Estate Group Inc of Beachwood Ohio be appointed Receiver with the authority to take such acts which are necessary to generate funds pursuant to the Order in these proceedings and to undertake all other actions necessary, including, but not limited to managing and marketing the Cherry Farms Apartments for lease, attaining a brokerage fee for its efforts and holding funds generated pursuant to further Order of this Court. For further see Journal vol 1736 pg 752-756	10.00	10.00
01/30/2008	Receiver's Initial Report of Inventory of Assets, Exhibit A, filed. (Eric M. Silver, President and Broker)	0.00	0.00
02/01/2008	Motion for Summary Judgment, Brief in Support of Motion, Certificate of Service, Exhibit A, filed. Attorney: RABB, HOWARD S (0034685)	0.00	0.00

**1st and 2nd Mortgage Payoff Figures
as of February 20, 2008**

Eric Silver

From: John Kohl [John.Kohl@firstmerit.com]
Sent: Wednesday, February 20, 2008 3:30 PM
To: Eric Silver
Cc: Howard Rabb
Subject: Pepper Tree/Cherry Farms

Eric, per our discussion, here are the payoffs as of today, February 20, 2008:

	Pepper Tree Note #001	Pepper Tree Note #378	Cherry Farms Note #001
Totals			
Principal	\$332,782.44	\$241,475.00	\$349,230.43
\$923,487.87			
Interest	9,112.14	28,426.97	9,562.51
47,101.62			
Late Fees	2,139.97	402.78	2,245.88
4,788.63			
Expenses (Est)	<u>12,500.00</u>		<u>12,500.00</u>
<u>25,000.00</u>			
Total	\$356,534.55	\$270,304.75	\$373,538.82
\$1,000,378.12			
Per diem	53.89	83.84	56.56
194.29			

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