

SCHEDULE C

Title Report

OWNER'S POLICY OF TITLE INSURANCE

Issued by **Commonwealth Land Title Insurance Company**



Commonwealth Land Title Insurance Company is a member of the LandAmerica family of title insurance underwriters.

POLICY NUMBER

C 30 0045646

SPECIMEN

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

COVERED RISKS

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

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protectionif a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other Instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

IN WITNESS WHEREOF, the Company has caused this Policy to be signed with the facsimile signatures of its President and Secretary and sealed as required by its By-Laws.

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Attest:

Secretary



By:

President

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10; or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1 DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 11 and 12 of these Conditions.

(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(d) "Insured": The Insured named in Schedule A.

(i) The term "Insured" also includes

(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;

(B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;

(C) successors to an Insured by its conversion to another kind of Entity;

(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,

(2) if the grantee wholly owns the named Insured,

(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or

(4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.

(ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": An Insured claiming loss or damage.

(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart

constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

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

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable

Title No. 07NYK10894
Policy No. C30-0045646

SCHEDULE A

Amount of Insurance: \$10,000,000.00 **Policy No.:** C30-0045646
Date of Policy: August_____, 2007 **File No.:** 07NYK10894
Name of Insured: SEE SCHEDULE OF INSUREDS ATTACHED HEREIN

1. The estate or interest in the land which is covered by this policy is:

Fee Simple

2. Title to the estate or interest in the land is vested in:

SEE SCHEDULE A VESTING SCHEDULE ATTACHED HEREIN

3. The land referred to in this policy is described in said instrument, is situated in the County of Kings, State of New York, and is identified as follows:

SEE SCHEDULE A DESCRIPTION ATTACHED HEREIN

Countersigned:

New York Land Services,
A Land America Company
630 Third Avenue, 12th Floor
New York, NY 10017
Telephone: (212) 490-2277
Facsimile: (212) 490-8012

Title No. 03 NY 10894
Policy No. C30-0045048

SCHEDULE OF INSUREDS

As to Parcel A: Arena Nominee Sub B, LLC

As to Parcel B: Arena Nominee Sub C, LLC

As to Parcel C: Arena Nominee Sub E, LLC

As to Parcel D: Arena Nominee Sub F, LLC

As to Parcel E: Atlantic Yards Nominee Sub A, LLC

As to Parcel F: Atlantic Yards Nominee Sub A, LLC

As to Parcel G: Brooklyn Arena Sub A, LLC

As to Parcel H: Atlantic Arts Development Company, LLC

As to Parcel I, JJ and OO: Seagoing Development Company, LLC

As to Parcel J: Arena Nominee Sub B, LLC

As to Parcel K: AY 185 Flatbush, LLC

As to Parcel L: AY 185 Flatbush, LLC

As to Parcel M: AY 185 Flatbush, LLC

As to Parcel N: Atlantic Yards Nominee Sub B, LLC

As to Parcel O: Atlantic Yards Nominee Sub B, LLC

As to Parcel P: AY 644 Pacific II, LLC

As to Parcel Q: AY 814 Pacific, LLC

As to Parcel R: Atlantic Yards Development Sub C, LLC

As to Parcel S: AY 485 Dean, LLC

As to Parcel T: AY 622 Pacific, LLC

As to Parcel U: AY 195 Flatbush, LLC

As to Parcel V: AY 608-620 Atlantic, LLC

As to Parcel W: AY 608-620 Atlantic, LLC

Title No. 07NYK10894
Policy No. 030004566

SPECIMEN

**SCHEDULE OF INSUREDS
CONTINUED**

<u>As to Parcel X:</u>	AY 608-620 Atlantic, LLC
<u>As to Parcel Y:</u>	AY 608-620 Atlantic, LLC
<u>As to Parcel Z:</u>	AY 608-620 Atlantic, LLC
<u>As to Parcel AA:</u>	AY 608-620 Atlantic, LLC
<u>As to Parcel BB:</u>	Pacific Vanderbilt Development Company, LLC
<u>As to Parcel CC:</u>	Pacific Vanderbilt Development Company, LLC
<u>As to Parcel DD:</u>	AY 177 Flatbush, LLC
<u>As to Parcel EE:</u>	AY 620 Pacific, LLC
<u>As to Parcel FF:</u>	Chest Realty Corp.
<u>As to Parcel GG:</u>	Atlantic Yards Development Sub A, LLC
<u>As to Parcel HH:</u>	AY 818 Pacific, LLC
<u>As to Parcel II:</u>	AY 473 Dean, LLC
<u>As to Parcel JJ:</u>	AY 542 Vanderbilt, LLC
<u>As to Parcel KK:</u>	AY 489 Dean, LLC
<u>As to Parcel MM:</u>	AY 622 Atlantic, LLC
<u>As to Parcel NN:</u>	AY 524 Vanderbilt, LLC
<u>As to Parcel PP & QQ:</u>	AY 35-37 Sixth, LLC
<u>As to Parcel RR:</u>	AY 645 Dean, LLC
<u>As to Parcel SS:</u>	AY 618 Pacific, LLC
<u>As to Parcel TT:</u>	AY 487 Dean, LLC

END OF SCHEDULE OF INSUREDS

Title No. 077NYK10894
Policy No. C30-004564

SCHEDULE A VESTING SCHEDULE

SPECIMEN

<u>As to Parcel A:</u>	Arena Nominee Sub B, LLC
<u>As to Parcel B:</u>	Arena Nominee Sub C, LLC
<u>As to Parcel C:</u>	Arena Nominee Sub E, LLC
<u>As to Parcel D:</u>	Arena Nominee Sub F, LLC
<u>As to Parcel E:</u>	Atlantic Yards Nominee Sub A, LLC
<u>As to Parcel F:</u>	Atlantic Yards Nominee Sub A, LLC
<u>As to Parcel G:</u>	Brooklyn Arena Sub A, LLC
<u>As to Parcel H:</u>	Atlantic Arts Development Company, LLC
<u>As to Parcel I, JJ and OO:</u>	Seagoing Development Company, LLC
<u>As to Parcel J:</u>	Arena Nominee Sub B, LLC
<u>As to Parcel K:</u>	AY 185 Flatbush, LLC
<u>As to Parcel L:</u>	AY 185 Flatbush, LLC
<u>As to Parcel M:</u>	AY 185 Flatbush, LLC
<u>As to Parcel N:</u>	Atlantic Yards Nominee Sub B, LLC
<u>As to Parcel O:</u>	Atlantic Yards Nominee Sub B, LLC
<u>As to Parcel P:</u>	AY 644 Pacific II, LLC
<u>As to Parcel Q:</u>	AY 814 Pacific, LLC
<u>As to Parcel R:</u>	Atlantic Yards Development Sub C, LLC
<u>As to Parcel S:</u>	AY 485 Dean, LLC
<u>As to Parcel T:</u>	AY 622 Pacific, LLC
<u>As to Parcel U:</u>	AY 195 Flatbush, LLC
<u>As to Parcel V:</u>	AY 608-620 Atlantic, LLC
<u>As to Parcel W:</u>	AY 608-620 Atlantic, LLC

Title No. 07NYKT0894
Policy No. 3300045646

**SCHEDULE A VESTING SCHEDULE
CONTINUED**

As to Parcel X: AY 608-620 Atlantic, LLC

As to Parcel Y: AY 608-620 Atlantic, LLC

As to Parcel Z: AY 608-620 Atlantic, LLC

As to Parcel AA: AY 608-620 Atlantic, LLC

As to Parcel BB: Pacific Vanderbilt Development Company, LLC

As to Parcel CC: Pacific Vanderbilt Development Company, LLC

As to Parcel DD: AY 177 Flatbush, LLC

As to Parcel EE: AY 620 Pacific, LLC

As to Parcel FF: Chest Realty Corp.

As to Parcel GG: Atlantic Yards Development Sub A, LLC

As to Parcel HH: AY 818 Pacific, LLC

As to Parcel II: AY 473 Dean, LLC

As to Parcel JJ: AY 542 Vanderbilt, LLC

As to Parcel KK: AY 489 Dean, LLC

As to Parcel MM: AY 622 Atlantic, LLC

As to Parcel NN: AY 524 Vanderbilt, LLC

As to Parcel PP & QQ: AY 35-37 Sixth, LLC

As to Parcel RR: AY 645 Dean, LLC

As to Parcel SS: AY 618 Pacific, LLC

As to Parcel TT: AY 487 Dean, LLC

END OF SCHEDULE A VESTING SCHEDULE

Title No. 07NYK10894
Policy No. C30-0045646

**SCHEDULE A
DESCRIPTION**

Parcel A (For information only – Block 1127 Lots 55 and 56)

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly side of Dean Street distant 68 feet 6 inches easterly from the northeasterly side of Flatbush Avenue;

RUNNING THENCE northerly at right angles to Dean Street and parallel with Sixth Avenue, 110 feet;

THENCE easterly and parallel with Dean Street, 50 feet;

THENCE southerly again at right angles with Dean Street, 110 feet to the northerly side of Dean Street;

THENCE westerly along the northerly side of Dean Street, 50 feet to the point or place of BEGINNING.

Parcel B (For information only – Block 1127 Lot 22)

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, known and designated on the Tax Map of the City of New York for the Borough of Brooklyn as Lot 22, Block 1127, Section 4 as the Tax Map was as of February 10, 1940, more particularly bounded and described as follows:

BEGINNING at the point on the southerly side of Pacific Street, distant 325 feet westerly from the southwesterly corner of Pacific Street and 6th Avenue;

RUNNING THENCE southerly at right angles to Pacific Street, 110 feet;

THENCE westerly at right angles to last above course, 31 feet;

THENCE northwesterly on a line forming an interior angle with the last course of 141 degrees 46 minutes 18 seconds, 24 feet 2-1/4 inches;

THENCE northwesterly on a line forming an interior angle with the last course of 195 degrees 14 minutes and 00 seconds, 27 feet 1-7/8 inches;

THENCE northerly on a line drawn at right angles to Pacific Street, 84 feet 4 inches to the southerly side of Pacific Street;

Title No. 07NYK10894
Policy No. C30-0045646

SCHEDULE A
(Continued)

THENCE easterly along the southerly side of Pacific Street, 75 feet to the point or place of BEGINNING.

Parcel C (For information only – Block 1127 Lot 54)

ALL that certain plot, piece or parcel of land situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, being bounded and described as follows:

BEGINNING at a point on the northerly side of Dean Street, distant 250 feet westerly from the corner formed by the intersection of the northerly side of Dean Street with the westerly side of Sixth Avenue;

RUNNING THENCE northerly parallel with Sixth Avenue, 110 feet to the center line of the block;

THENCE westerly along the center line of the block, 25 feet;

THENCE southerly parallel with Sixth Avenue, 110 feet to the northerly side of Dean Street;

THENCE easterly along the northerly side of Dean Street, 25 feet to the point or place of BEGINNING.

Parcel D (For information only – Block 1127 Lot 21)

ALL that certain plot, piece or parcel of land situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, being bounded and described as follows:

BEGINNING at a point on the southerly side of Pacific Street, distant 152 feet 2 inches more or less easterly from the corner formed by the intersection of the southerly side of Pacific Street and the easterly side of Fifth Avenue;

RUNNING THENCE easterly along the southerly side of Pacific Street, 25 feet 0 inches;

THENCE southerly at right angles with the last mentioned course of a distance of 84 feet 4 inches;

THENCE northwesterly along a line forming an interior angle of 67 degrees 03 minutes 20 seconds, 27 feet 1 inch;

THENCE northerly along a line forming an interior angle of 112 degrees 56 minutes 40 seconds, 73 feet 9 inches to the southerly side of Pacific Street at the point or place of BEGINNING.