

Endorsement Guide

A brief overview of TLTA Title Insurance Endorsements



First American Title™
NATIONAL COMMERCIAL SERVICES

TEXAS TITLE INSURANCE COMMERCIAL ENDORSEMENT FORMS

Policies, Endorsements, Binders, and Certificates are not to be filed with the Texas Department of Insurance for approval as the responsibility rests upon the title underwriting companies to see that only standard forms are used by themselves and their authorized agents.

The following forms promulgated by the Texas Department of Insurance in accordance with the Texas Title Insurance Act are the only forms permissible for use in the writing of Title Insurance in the State of Texas, at the time of this publication.

The most recent versions of these Forms, and the Rules and Procedures for their, use may be found on the Texas Department of Insurance website:

<http://www.tdi.texas.gov/title/titlemm2.html>

The references and information that follow are an educational aid for understanding the forms. This aid is neither a standard nor statement of the elements and procedures necessary to underwrite each form. Just as each parcel of Land is distinct, each transaction has its own unique characteristics. Each form requires appropriate underwriting authority and approval to issue with a First American policy.

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FOREWORD

The basic coverages provided by the standard Texas Land Title Association (“TLTA”) title insurance policies address many common title insurance needs. Often, however, certain insureds or certain aspects of a specific real estate transaction raise special concerns. By requesting an endorsement to the title insurance policy, an insured owner or lender may be able to receive insurance against the risk of a particular matter that is beyond the coverage of the standard policy jacket.

Over the years, various endorsements have been drafted in an effort to address many common concerns. TLTA has standardized and adopted many endorsement forms that are available for use generally by the title insurance industry. This guide is intended to serve as an introduction for our customers to the most commonly requested TLTA title insurance endorsements in today’s market. It contains the text of each such endorsement as adopted by TLTA and is followed by a brief explanation and commentary. You can also speak with your underwriter about other non-TLTA endorsements that may be available to meet your needs and concerns.

As you review this guide, please keep in mind that – due to matters such as governmental regulatory standards and local practices – First American’s ability to approve and issue any of the endorsements contained in this guide may vary by locality. In addition, particular transactions may present special risks that might require additional clearance or requirements other than those that are contemplated herein. Also, remember that this guide – by attempting to describe various coverages using non-legal terminology whenever possible – is not and cannot be a determinative explanation or interpretation of the coverages provided. Nor can this guide be an authoritative compilation of the underwriting requirements for issuing any particular endorsement; underwriting requirements frequently vary by transaction, and your underwriter can help explain the appropriate issuing criteria for endorsements in any particular transaction. It’s also important to remember that an endorsement becomes part of the title insurance policy, and the coverage provided by an endorsement must be read together with the other terms and provisions contained in the policy jacket.

In short, please remember that the language of each endorsement must speak for itself, and each transaction must be underwritten on its own facts.

First American Title thanks you for your interest and welcomes the opportunity to serve your real estate needs. If you have any questions about the material in this guide, or about our real estate services, please contact your local First American Title representative for more information.

Thank You!

For additional copies of this guide, please contact your local First American Title sales representative.

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 First American Title	<h2>Owner's Policy of Title Insurance T-1</h2>
	ISSUED BY First American Title Insurance Company
<h1>Owner's Policy</h1>	POLICY NUMBER

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

COVERED RISKS

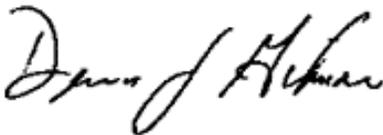
SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a Nebraska corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against 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.
 - (d) Any statutory or constitutional mechanic's, contractor's, or materialman's lien for labor or materials having its inception on or before Date of Policy.
3. Lack of good and indefeasible Title.
4. No right of access to and from the Land.

(Covered Risks Continued on Page 2)

In Witness Whereof, First American Title Insurance Company has caused its corporate name to be hereunto affixed by its authorized officers as of Date of Policy shown in Schedule A.

First American Title Insurance Company



Dennis J. Gilmore
President



Jeffrey S. Robinson
Secretary

COVERED RISKS (Continued)

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) 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 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.

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) 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

- (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.
6. The refusal of any person to purchase, lease or lend money on the estate or interest covered hereby in the land described in Schedule A because of Unmarketable Title.

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 10 and 11 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company or other similar legal entity.
- (d) "Insured": the Insured named in Schedule A.
 - (i) The term "Insured" also includes:
 - (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives or next of kin;
 - (B) successors to an Insured by dissolution, merger, consolidation, distribution or reorganization;
 - (C) successors to an Insured by its conversion to another kind of Entity;
 - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title:
 - (1) If the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
 - (2) If the grantee wholly owns the named Insured,
 - (3) If the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
 - (4) If the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
 - (ii) With regard to (A), (B), (C) and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
- (e) "Insured Claimant": an Insured claiming loss or damage.
- (f) "Knowledge" or "Known": actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (g) "Land": the land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- (h) "Mortgage": mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

- (i) "Public Records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
- (j) "Title": the estate or interest described in Schedule A.
- (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE.

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

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

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

When, after the Date of the Policy, the Insured notifies the Company as required herein of a lien, encumbrance, adverse claim or other defect in Title insured by this policy that is not excluded or excepted from the coverage of this policy, the Company shall promptly investigate the charge to determine whether the lien, encumbrance, adverse claim or defect or other matter is valid and not barred by law or statute. The Company shall notify the Insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the Insured's claim or charge under the policy. If the Company concludes that the lien, encumbrance, adverse claim or defect is not covered by this policy, or was otherwise addressed in the closing of the transaction in connection with which this policy was issued, the Company shall specifically advise the Insured of the reasons for its determination. If the Company concludes that the lien, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (i) institute the necessary proceedings to clear the lien, encumbrance, adverse claim or defect from the Title as insured; (ii) indemnify the Insured as provided in this policy; (iii) upon payment of appropriate premium and charges therefor, issue to the Insured Claimant or to a subsequent owner, mortgagee or holder of the estate or interest in the Land insured by this policy, a policy of

CONDITIONS (Continued)

title insurance without exception for the lien, encumbrance, adverse claim or defect, said policy to be in an amount equal to the current value of the Land or, if a loan policy, the amount of the loan; (iv) indemnify another title insurance company in connection with its issuance of a policy(ies) of title insurance without exception for the lien, encumbrance, adverse claim or defect; (v) secure a release or other document discharging the lien, encumbrance, adverse claim or defect; or (vi) undertake a combination of (i) through (v) herein.

4. PROOF OF LOSS.

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS.

(a) Upon written request by the Insured, and subject to the options contained in Sections 3 and 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Sections 3 and 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.

Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all

aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

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

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

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is reasonable

CONDITIONS (Continued)

obligated to pay; or

- (ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay. Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY.

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

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of:
 - (i) the Amount of Insurance; or
 - (ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.
- (b) If the Company pursues its rights under Section 3 or 5 and is unsuccessful in establishing the Title, as insured,
 - (i) the Amount of Insurance shall be increased by 10%, and
 - (ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.
- (c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY.

- (a) If the Company establishes the Title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the Land, all as insured, or takes action in accordance with Section 3 or 7, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.
- (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

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

11. LIABILITY NONCUMULATIVE.

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

12. PAYMENT OF LOSS.

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

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT.

- (a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.
- (b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION.

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

CONDITIONS (Continued)

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim, shall be restricted to this policy.
- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
- (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance. Each Commitment, endorsement or other form, or provision in the Schedules to this policy that refers to a term defined in Section 1 of the Conditions shall be deemed to refer to the term regardless of whether the term is capitalized in the Commitment, endorsement or other form, or Schedule. Each Commitment, endorsement or other form, or provision in the Schedules that refers to the Conditions and Stipulations shall be deemed to refer to the Conditions of this policy.

16. SEVERABILITY.

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

17. CHOICE OF LAW; FORUM.

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured, and in interpreting and enforcing the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of laws principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at **First American Title Insurance Company, Attn: Claims National Intake Center, 1 First American Way, Santa Ana, California 92707. Phone: 888-632-1642.**



First American Title



First American

Schedule A

Owner Policy of Title Insurance (T-1)

ISSUED BY

First American Title Insurance Company

POLICY NUMBER

Name and Address of Title Insurance Company:
**First American Title Insurance Company,
1 First American Way, Santa Ana, CA 92707.**

File No.: N

Date of Policy:

Address for Reference only:

Amount of Insurance: \$

Premium: \$

1. Name of Insured:

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

3. Title is insured as vested in:

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

 <p>First American</p> <p>Schedule B</p>	<p>Owner Policy of Title Insurance (T-1)</p> <p>ISSUED BY First American Title Insurance Company</p> <p>POLICY NUMBER</p>
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File No.

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) that arise by reason of the terms and conditions of the leases and easements, if any, shown in Schedule A and the following matters:

1. The following restrictive covenants of record itemized below:
(the Company must either insert specific recording data or delete this exception)
 - Any covenants, conditions or restrictions indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin are hereby deleted to the extent such covenants, conditions or restrictions violate 42 USC 3604 {c}.
2. Any discrepancies, conflicts, or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any, of any spouse of any Insured.
4. Any titles or rights asserted by anyone, including but not limited to, persons, the public, corporations, governments or other entities,
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the right of access to that area or easement along and across that area.
5. Standby fees, taxes and assessments by any taxing authority for the year , and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year.
6. The following matters and all terms of the documents creating or offering evidence of the matters:
(the Company must insert matters or delete this exception)
 - a. Rights of Parties in Possession.
 - b. Any portion of subject property lying within the boundaries of a public or private roadway whether dedicated or not.
 - c. All encumbrances, violations, variations, or adverse circumstances affecting Title that would be disclosed by an accurate and complete land survey of the Land, including, without limitation, all visible and apparent easements or uses and all underground easements or uses, the existence of which may arise by unrecorded grant or by use. (May be amended or deleted upon approval of survey.)
 - d. Rights of tenants, as tenants only, under unrecorded leases or rental agreements.



First American

Important Notice

ISSUED BY

First American Title Insurance Company

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call First American Title Insurance Company's toll-free telephone number for information or to make a complaint at:

1-888-632-1642

You may also write to First American Title Insurance Company at:

**1 First American Way
Santa Ana, California 92707**

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

**P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us**

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact First American Title Insurance Company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

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Santa Ana, California 92707**

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DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el First American Title Insurance Company primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.



Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.



First American Title

Loan Policy of Title Insurance (T-2)

ISSUED BY

First American Title Insurance Company

POLICY NUMBER

Loan Policy

Any notice of claim and any other notice or statement in writing required to be given the Company under this policy must be given to the Company at the address shown in Section 17 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, **FIRST AMERICAN TITLE INSURANCE COMPANY**, a Nebraska corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 11, 13 and 14, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:
 - (a) A defect in the Title caused by:
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Lack of good and indefeasible Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to:
 - (a) the occupancy, use or enjoyment of the Land;
 - (b) the character, dimensions or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protection
 if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

(Covered Risks Continued on Page 2)

In Witness Whereof, First American Title Insurance Company has caused its corporate name to be hereunto affixed by its authorized officers as of Date of Policy shown in Schedule A

First American Title Insurance Company

Dennis J. Gilmore
President

Jeffrey S. Robinson
Secretary

(This Policy is valid only when Schedules A and B are attached)

If this jacket was created electronically, it constitutes an original document.



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CONDITIONS

1. Definition of Terms.

1. "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 Section 10 of these Conditions.
2. "Date of Policy": The date designated as "Date of Policy" in Schedule A.
3. "Entity": A corporation, partnership, trust, limited liability company or other similar legal entity.
4. "Indebtedness": The obligation secured by the Insured Mortgage including one evidenced by electronic means authorized by law, and if that obligation is the payment of a debt, the Indebtedness is the sum of:
 - (i) the amount of the principal disbursed as of Date of Policy;
 - (ii) the amount of the principal disbursed subsequent to Date of Policy;
 - (iii) the 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 or related to the Land that the Insured was and continued to be obligated to advance at Date of Policy and at the date of the advance;
 - (iv) interest on the loan;
 - (v) prepayment premiums, exit fees, and other similar fees or penalties allowed by law;
 - (vi) expenses of foreclosure and any other costs of enforcement;
 - (vii) amounts advanced to assure compliance with laws or to protect the lien or the priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title;
 - (viii) amounts to pay taxes and insurance; and,
 - (ix) reasonable amounts expended to prevent deterioration of improvements; but reduced by the total of all payments and by any amount forgiven by an Insured.
- (f) "Insured": the Insured named in Schedule A.
 - (i) The term "Insured" also includes:
 - (A) the owner of the Indebtedness and each successor in ownership of the Indebtedness, whether the owner or successor owns the Indebtedness for its own account or as a trustee or other fiduciary, except a successor who is obligor under the provisions of Section 12(c) of these Conditions;
 - (B) if the Indebtedness is evidenced by a "transferable record," the person or Entity who has "control" of the "transferable record," as these terms are defined by applicable electronic transactions law;
 - (C) successors to an Insured by dissolution, merger, consolidation, distribution or reorganization;
 - (D) successors to an Insured by its conversion to another kind of Entity;
 - (E) 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, or
 - (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;
 - (F) any government agency or instrumentality that is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness secured by the Insured Mortgage, or any part of it, whether named as an Insured or not;
 - (ii) With regard to (A), (B), (C), (D) and (E) 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 or other matter insured against by this policy.
- (g) "Insured Claimant": an Insured claiming loss or damage.
- (h) "Insured Mortgage": the Mortgage described in paragraph 4 of Schedule A.
- (i) "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.

- (f) "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.
- (g) "Mortgage": mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (h) "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), the "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.
- (i) "Title": the estate or interest described in Schedule A.
- (j) "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 or a prospective purchaser of the Insured Mortgage to be released from the obligation to purchase, lease or lend if there is a contractual condition requiring the delivery of marketable title.

5. CONTINUATION OF INSURANCE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured after acquisition of the Title by an Insured or after conveyance by 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.

6. 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) below, or (ii) in case Knowledge shall come to an Insured of any claim of title or interest that is adverse to the Title or the lien of the Insured Mortgage, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice. Subject to the provisions of this policy, upon acquisition of all or any part of the Title pursuant to the provisions of Section 2 of these Conditions, when, after the Date of the Policy, the Insured notifies the Company as required herein of a lien, encumbrance, adverse claim or other defect in Title insured by this policy that is not excluded or excepted from the coverage of this policy, the Company shall promptly investigate the charge to determine whether the lien, encumbrance, adverse claim or defect or other matter is valid and not barred by law or statute. The Company shall notify the Insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the Insured's claim or charge under the policy. If the Company concludes that the lien, encumbrance, adverse claim or defect is not covered by this policy, or was otherwise addressed in the closing of the transaction in connection with which this policy was issued, the Company shall specifically advise the Insured of the reasons for its determination. If the Company concludes that the lien, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (i) institute the necessary proceedings to clear the lien, encumbrance, adverse claim or defect from the Title as insured; (ii) indemnify the Insured as provided in this policy; (iii) upon payment of appropriate premium and charges therefor, issue to the Insured Claimant or to a subsequent owner, mortgagee or holder of the estate or interest in the Land insured by this policy; a policy of title insurance without exception for the lien, encumbrance, adverse claim or defect, said policy to be in an amount equal to the current value of the Land or, if a loan policy, the amount of the loan; (iv) indemnify another title insurance company in connection with its issuance of a policy(ies) of title insurance without exception for the lien, encumbrance, adverse claim or defect; (v) secure a release or other document discharging the lien, encumbrance, adverse claim or defect; or (vi) undertake a combination of (i) through (v) herein.

4. PROOF OF LOSS.

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS.

(a) Upon written request by the Insured, and subject to the options contained in Sections 3 and 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Sections 3 and 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title 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 to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title, the lien of the Insured Mortgage, or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection and copying, at such reasonable times representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

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

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

(a) To Pay or Tender Payment of the Amount of Insurance 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 that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or

(ii) to purchase the Indebtedness for the amount of the Indebtedness on the date of purchase, together with any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

When the Company purchases the Indebtedness, the Insured shall transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

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

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

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

8. DETERMINATION AND EXTENT OF LIABILITY.

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

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the least of:

(i) the Amount of Insurance;

(ii) the Indebtedness;

(iii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy; or

(iv) if a government agency or instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage in satisfaction of its insurance contract or guaranty.

(b) If the Company pursues its rights under Section 3 or 5 and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In the event the Insured has acquired the Title in the manner described in Section 2 of these Conditions or has conveyed the Title, then the extent of liability of the Company shall continue as set forth in Section 8(a) of these Conditions.

(d) In addition to the extent of liability under (a), (b) and (c), the Company will also pay those costs, attorneys' fees and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

CONDITIONS (Continued)

9. LIMITATION OF LIABILITY.

- (a) If the Company establishes the Title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the Land, or establishes the lien of the Insured Mortgage, all as insured, or takes action in accordance with Section 3 or 7, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title or to the lien of the Insured Mortgage, as insured.
- (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

- (a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the Amount of Insurance by the amount of the payment. However, any payments made prior to the acquisition of Title as provided in Section 2 of these Conditions shall not reduce the Amount of Insurance afforded under this policy except to the extent that the payments reduce the Indebtedness.
- (b) The voluntary satisfaction or release of the Insured Mortgage shall terminate all liability of the Company except as provided in Section 2 of these Conditions.

11. PAYMENT OF LOSS.

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

12. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT.

- (a) **The Company's Right to Recover.**
Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title or Insured Mortgage and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.
If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.
- (b) **The Insured's Rights and Limitations.**
 - (i) The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Insured Mortgage, or release any collateral security for the Indebtedness, if it does not affect the enforceability or priority of the lien of the Insured Mortgage.
 - (ii) If the Insured exercises a right provided in (b)(i), but has Knowledge of any claim adverse to the Title or the lien of the Insured Mortgage insured against by this policy, the Company shall be required to pay only that part of any losses insured against by this policy that 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 includes the Insured's rights against non-insured obligors including the rights of the Insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights. 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(e)(i)(F) of these Conditions) 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.

13. ARBITRATION.

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

14. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or lien of the Insured Mortgage or by any action asserting such claim, shall be restricted to this policy.
- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
- (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. Each Commitment, endorsement or other form, or provision in the Schedules to this policy that refers to a term defined in Section 1 of the Conditions shall be deemed to refer to the term regardless of whether the term is capitalized in the Commitment, endorsement or other form, or Schedule. Each Commitment, endorsement or other form, or provision in the Schedules that refers to the Conditions and Stipulations shall be deemed to refer to the Conditions of this Policy.

15. SEVERABILITY.

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

16. CHOICE OF LAW; FORUM.

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

17. NOTICES, WHERE SENT.

- (c) Any notice of claim and any other notice or statement in writing required to be given the Company under this policy must be given to the Company at **First American Title Insurance Company, Attn: Claims National Intake Center, 1 First American Way, Santa Ana, California 92707. Phone: 888-632-1642.**

 <p>First American</p> <p>Schedule A</p>	<p>Loan Policy of Title Insurance (T-2)</p> <p>ISSUED BY First American Title Insurance Company</p> <p>POLICY NUMBER _____</p>
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Name and Address of Title Insurance Company:
First American Title Insurance Company, 1 First American Way, Santa Ana, CA 92707.

File No.: _____ Loan No.: _____
Address for Reference only: 5th & Lavaca, Austin, Texas

Amount of Insurance: \$ _____ .00 Premium: \$ _____
Date of Policy: _____

1. Name of Insured:
2. The estate or interest in the Land that is encumbered by the Insured Mortgage is:
3. Title is insured as vested in
4. The Insured Mortgage, and its assignments, if any, are described as follows:
5. The Land referred to in this policy is described as follows:
6. This policy incorporates by reference those endorsements selected below:
 - T-5 (Leasehold Mortgagee Policy Endorsement)
 - T-17 (Planned Unit Development)
 - T-19 (Restrictions, Encroachments, Minerals)
 - T-19.2 (Minerals and Surface Damage)
 - T-19.3 (Minerals and Surface Damage)
 - T-28 (Condominium)
 - T-31 (Manufactured Housing) referring to manufactured housing unit serial number
 - T-31.1 (Supplemental Coverage Manufactured Housing Unit)
 - T-33 (Variable Rate)
 - T-33.1 (Variable Rate Mortgage-Negative Amortization)
 - T-35 (Revolving Credit/Future Advance)
 - T-36 (Environmental Protection Lien) Paragraph b refers to the following state statute(s):
 - T-39 (Balloon Mortgage)
 - T-42 (Equity Loan Mortgage) and subparagraph 2 (f) of the Equity Loan Mortgage Endorsement set forth in Procedural Rule P-44.C (2) is is not added.
 - T-42.1 (Supplemental Coverage Equity Loan Mortgage)
 - T-43 (Texas Reverse Mortgage)
 - Section 13 of the Conditions of this policy, which relates to Arbitration is hereby deleted.

 <p>First American</p> <p>Schedule B</p>	<p>Loan Policy of Title Insurance (T-2)</p> <p>ISSUED BY First American Title Insurance Company</p> <p>POLICY NUMBER _____</p>
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EXCEPTIONS FROM COVERAGE

File No. _____

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) that arise by reason of the terms and conditions of leases and easements, if any, shown in Schedule A, and the following matters:

1. The following restrictive covenants of record itemized below, but the Company insures that any such restrictive covenants have not been violated so as to affect, and that future violation thereof will not affect, the validity or priority of the Insured Mortgage (insert specific recording data or delete this exception):

Any covenants, conditions or restrictions indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin are hereby deleted to the extent such covenants, conditions or restrictions violate 42 USC 3604 {c}.

See item 5(a) Below

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
 - [] Item 2 of Schedule B is hereby amended to read: "shortages in area".

3. Standby fees, taxes and assessments by any taxing authority for the year , and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year.
 - [] Item 3 of Schedule B is hereby amended to delete: "and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership,"
 - [] Item 3 of Schedule B is hereby amended to add the following: "Company insures that standby fees, taxes and assessments by any taxing authority for the year are not yet due and payable."

4. Liens and leases that affect the Title, but that are subordinate to the lien of the Insured Mortgage.

5. (Insert here all other specific exceptions as to superior liens, easements, outstanding mineral and royalty interest, etc.)
 - a. Rights of Parties in Possession.
 - b. Any portion of subject property lying within the boundaries of a public or private roadway whether dedicated or not.
 - c. All encumbrances, violations, variations, or adverse circumstances affecting Title that would be disclosed by an accurate and complete land survey of the Land, including, without limitation, all visible and apparent easements or uses and all underground easements or uses, the existence of which may arise by unrecorded grant or by use. (May be amended or deleted upon approval of survey.)
 - d. Rights of tenants, as tenants only, under unrecorded leases or rental agreements.



Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.



First American

Commitment

Commitment For Title Insurance T-7

ISSUED BY

First American Title Insurance Company

THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN SCHEDULE A, AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

We FIRST AMERICAN TITLE INSURANCE COMPANY will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, and expedited delivery expenses.

This Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

First American Title Insurance Company

Dennis J. Gilmore
President

Jeffrey S. Robinson
Secretary

TEXAS TITLE INSURANCE INFORMATION

Title insurance insures you against loss resulting from certain risks to your title. The commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The commitment is a legal document. You should review it carefully to completely understand it before your closing date.

El seguro de título le asegura en relación a pérdidas resultantes de ciertos riesgos que pueden afectar el título de su propiedad. El Compromiso para Seguro de Título es la promesa de la compañía aseguradora de títulos de emitir la póliza de seguro de título. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y enterarlo completamente antes de la fecha para finalizar su transacción.

Your Commitment for Title Insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the Title Insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy. The Policy is not an abstract of title nor does a Company have an obligation to determine the ownership of any mineral interest.

- **MINERALS AND MINERAL RIGHTS** may not be covered by the Policy. The Company may be unwilling to insure title unless there is an exclusion or an exception as to Minerals and Mineral Rights in the Policy. Optional endorsements insuring certain risks involving minerals, and the use of improvements (excluding lawns, shrubbery and trees) and permanent buildings may be available for purchase. If the title insurer issues the title policy with an exclusion or exception to the minerals and mineral rights, neither this Policy, nor the optional endorsements, ensure that the purchaser has title to the mineral rights related to the surface estate.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your Policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

- **EXCEPTIONS** are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Conditions section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.
- **EXCLUSIONS** are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.
- **CONDITIONS** are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.

You can get a copy of the policy form approved by the Texas Department of Insurance by calling the Title Insurance Company at 1-888-632-1642 or by calling the title insurance agent that issued the Commitment. The Texas Department of Insurance may revise the policy form from time to time.

You can also get a brochure that explains the policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the policy. Some of the changes to consider are:

- Request amendment of the "area and boundary" exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey and comply with other requirements of the Company. On the Owner's Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company and if the Company's other requirements are met, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy. Whether or not you request amendment of the "area and boundary" exception, you should determine whether you want to purchase and review a survey if a survey is not being provided to you.
- Allow the Company to add an exception to "rights of parties in possession." If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.

CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment, that is not shown in Schedule B, you must notify us in writing. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.
2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this Commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, and Exclusions.

 <p>First American</p> <p>SCHEDULE A</p>	<p>Commitment For Title Insurance T-7</p> <p>ISSUED BY</p> <p>First American Title Insurance Company</p>
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Effective Date: _____ at 8:00 a.m.

GF No.

Commitment No. _____, issued _____, **20**_____, at 8:00 a.m.

1. The policy or policies to be issued are:

- (a) OWNER'S POLICY OF TITLE INSURANCE (Form T-1)
 (Not applicable for improved one-to-four family residential real estate)
 Policy Amount: \$0.00
 PROPOSED INSURED: X

- (b) TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE
 ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
 Policy Amount: \$
 PROPOSED INSURED:

- (c) LOAN POLICY OF TITLE INSURANCE (Form T-2) Policy
 Amount: \$
 PROPOSED INSURED:
 Proposed Borrower:

- (d) TEXAS SHORT FORM RESIDENTIAL LOAN POLICY OF TITLE
 INSURANCE (Form T-2R)
 Policy Amount \$
 PROPOSED INSURED:
 Proposed Borrower:

- (e) LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION
 LOAN (Form T-13)
 Binder Amount: \$
 PROPOSED INSURED:
 Proposed Borrower:

- (f) OTHER
 Policy Amount:
 PROPOSED INSURED:

2. The interest in the land covered by this Commitment is:

3. Record title to the land on the Effective Date appears to be vested in: _____

4. Legal description of land: _____

 <p><i>First American</i></p> <p>SCHEDULE B</p>	<p>Commitment For Title Insurance T-7</p> <p>ISSUED BY</p> <p>First American Title Insurance Company</p>
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G.F. No. or File No.

EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):

See Item 10 (a) below.

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any of any spouse of any insured. (Applies to the Owner's Policy only.)
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.

(Applies to the Owner's Policy only.)

5. Standby fees, taxes and assessments by any taxing authority for the year 2018, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year. (If Texas Short Form Residential Loan Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year 2018 and subsequent years.")
6. The terms and conditions of the documents creating your interest in the land.

7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Loan Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)
8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Loan Policy (T-2) only.)
9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Loan Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Loan Policy of Title Insurance (T-2R) only). Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Loan Policy of Title Insurance (T-2R).
10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception):
 - a. Rights of Parties in Possession. 2018
 - b. Any portion of subject property lying within the boundaries of a public or private roadway whether dedicated or not.
 - c. All encumbrances, violations, variations, or adverse circumstances affecting Title that would be disclosed by an accurate and complete land survey of the Land, including, without limitation, all visible and apparent easements or uses and all underground easements or uses, the existence of which may arise by unrecorded grant or by use. (May be amended or deleted upon approval of survey.)
 - d. Rights of tenants, as tenants only, under unrecorded leases or rental agreements.
 - e. Any claim that the Title is subject to a trust or lien created under The Perishable Agricultural Commodities Act, 1930 (7 U.S.C. §§499a, et seq.) or the Packers and Stockyards Act (7 U.S.C. §§181 et seq.) or under similar state laws.

 <p><i>First American</i></p> <p>SCHEDULE C</p>	<p>Commitment For Title Insurance T-7</p> <p>ISSUED BY</p> <p>First American Title Insurance Company</p>
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G.F. No. or File No.

Your Policy will not cover loss, costs, attorney's fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - all standby fees, taxes, assessments and charges against the property have been paid,
 - all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers, and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,
 - there is legal right of access to and from the land,
 - (on a Loan Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.



First American

SCHEDULE D

Commitment For Title Insurance T-7

ISSUED BY

First American Title Insurance Company

The following Disclosures are made pursuant to Procedural Rule P-21 promulgated by the Texas Department of Insurance.

1. The following individuals are directors and/or officers, as indicated, of the Title Insurance Company issuing this Commitment

UNDERWRITER: First American Title Insurance Company, a Nebraska Corporation.

Shareholder owning or controlling, directly or indirectly, ten percent or more of the shares of the Underwriter: First American Title Insurance Company is a wholly owned subsidiary of First American Financial Corporation, a public company formed in Delaware.

Directors: Dennis J. Gilmore, Christopher M. Leavell, Jeffrey S. Robinson, Mark E. Seaton, Ellen C. Albrecht

Officers: President, Chief Executive Officer: Dennis J. Gilmore; Senior Vice President, Secretary: Jeffrey S. Robinson; and Chief Financial Officer: Mark E. Seaton

2. The following disclosures are made by the Title Insurance Agent issuing this Commitment:

AGENT: First American Title Insurance Company (Direct Operation)

Shareholder, owner, partner or other person having, owning or controlling one percent (1%) or more of the Title Insurance Agent: First American Financial Corporation 100%

Shareholder, owner, partner or other person having, owning or controlling ten percent (10%) or more of an entity that has, owns or controls one percent (1%) or more of the Title Insurance Agent:
NONE

If the Title Insurance Agent is a corporation, the following is a list of the members of the Board of Directors:

If the Title Insurance Agent is a corporation, the following is a list of its officers:

Justin Taylor, Vice President; Brian J. Watts, Vice President

3. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving a portion of the premium from the settlement of this transaction will be disclosed on the closing or settlement statement.

You are further advised that the estimated title premium* is:

Owner's Policy	\$ _____
Loan Policy	\$ _____
Endorsement Charges	\$ _____
Other	\$ _____
Total	\$ _____

Of this total amount \$ _____ (or ____ %) will be paid to the policy issuing Title Insurance Company;
\$ _____ (or ____ %) will be retained by the Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows:

Amount	To Whom	For Service
\$ _____ (or ____ %)	_____	_____
\$ _____ (or ____ %)	_____	_____
\$ _____ (or ____ %)	_____	_____

"* The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the Commissioner of Insurance."



Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.



First American

ENDORSEMENT T-3

COMPLETION OF IMPROVEMENTS LOAN POLICY

Issued by

First American Title Insurance Company

Attached to Policy NO.: _____

File No.:

Attached to and made a part of FIRST AMERICAN TITLE INSURANCE COMPANY Policy or Interim Construction Binder Number _____, this ___ day of _____, 20__.

1. The exceptions no. shown in Schedule B and the Pending Disbursement Clause in said policy are hereby deleted.
2. Said policy is hereby amended so that its coverage as to all loss or damage against mechanics' and materialmen's liens shall relate to the date of this Endorsement instead of the date of said policy
3. Only in the event there is a specific request that the exception as to area and boundaries, etc. be amended and when a current, acceptable survey, showing all completed improvements is furnished to the Company, the following language contained in the applicable subdivision below may be inserted and shown as No. 3 of the Endorsement form. In the event no amendment is to take place, No. 3 should read "No survey coverage requested." The types of exceptions and the correct wording to be inserted are as follows:
 - (a) Area and boundaries exception previously amended:
"The company affirms the amendment of the exception as to area and boundaries of the above numbered policy, such amendment to be effective as of the date of this Endorsement."
 - (b) Area and boundaries exception NOT previously amended-
Exception as to area and boundaries of the above numbered policy is hereby eliminated save and except any shortages in area.
 - (c) In the event a review of the survey shows additional matters to be excepted from coverage -
"The following exceptions are added to Schedule B of the policy: (List specific exceptions regarding matters shown by the survey)."
4. Only in the event there is a specific request that the T-19 Endorsement issued and when the Company's underwriting requirements have been met, the following language contained in the applicable subdivision below may be inserted and shown as No. 4 of the T-3 Endorsement form. In the event the endorsement is not to be issued or the coverage affirmed, No. 4 should read "T-19 not requested." The correct wording to be inserted is as follows:
 - (a) T-19 Endorsement previously issued:
"The Company affirms the coverage provided in the T-19 Endorsement issued in connection with the above numbered policy, such coverage to be effective as of the date of this Endorsement. The following subparagraph(s) of this endorsement are deleted:
 - (b) T-19 Endorsement NOT previously issued –
"T-19 Endorsement in the form attached hereto is made a part of the above numbered policy." "The following subparagraph(s) of this endorsement are deleted:

In Witness Whereof, First American Title Insurance Company has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.



First American

ENDORSEMENT T-3

COMPLETION OF IMPROVEMENTS OWNER'S POLICY

Issued by

First American Title Insurance Company

Attached to Policy No.:

File No.:

Attached to and made a part of FIRST AMERICAN TITLE INSURANCE COMPANY Policy or Interim Construction Binder Number _____, this _____ day of _____, 20____.

1. The exceptions No. shown said Owner's Policy are hereby deleted.
2. Only in the event there is a specific request that the exception as to area and boundaries, etc. be amended and when a current, acceptable survey, showing all completed improvements, is furnished to the Company, the following language contained in the applicable subdivision below may be inserted and shown as No. 2 of the T-3 Endorsement form. In the event no amendment is to take place, No. 2 should read "Survey coverage not requested." The types of exception and the correct wording to be inserted are as follows:
 - (a) Area and boundaries exception previously amended:

"The company affirms the amendment of the exception as to area and boundaries of the above numbered policy, such amendment to be effective as of the date of this Endorsement."
 - (b) Area and boundaries exception NOT previously amended-

Exception as to area and boundaries of the above numbered policy is hereby eliminated save and except any shortages in area.
 - (c) In the event a review of the survey shows additional matters to be excepted from coverage -

"The following exceptions are added to Schedule B of the policy: (List specific exceptions regarding matters shown by the survey)."
3. Only in the event there is a specific request that the T-19.1 Endorsement issued and when the Company's underwriting requirements have been met, the following language contained in the applicable subdivision below may be inserted and shown as No. 3 of the T-3 Endorsement form. In the event the endorsement is not to be issued or the coverage affirmed, No. 3 should read "T-19.1 not requested." The correct wording to be inserted is as follows:
 - (a) T-19.1 Endorsement previously issued:

"The Company affirms the coverage provided in the T-19.1 Endorsement issued in connection with the above numbered policy, such coverage to be effective as of the date of this Endorsement. The following subparagraph(s) of this endorsement are deleted:
 - (b) T-19.1 Endorsement NOT previously issued –

"T-19.1 Endorsement in the form attached hereto is made a part of the above numbered policy." _____ "The following subparagraph(s) of this endorsement are deleted:

In Witness Whereof, First American Title Insurance Company has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.



First American

**ENDORSEMENT T-3
Owner's Title Policy Increase of Coverage
Issued by
First American Title Insurance Company**

Attached to Policy No.:

File No.:

Attached to and made a part of FIRST AMERICAN TITLE INSURANCE COMPANY Policy or Interim Construction Binder Number _____, this _____ day of _____, 20____ .

(a) Said Policy is hereby amended so that its coverage shall relate to the date of this Endorsement instead of the date of the Policy, subject to:

1. The exceptions shown in Schedule B of said Policy and in any prior Endorsement to said Policy,
2. Matters which would be shown by a correct survey and inspection of the premises subsequent to the date of said Policy,
3. Any and all liens arising by reason of unpaid bills or claims for work performed or material furnished in connection with the improvements being placed upon the subject land. The Company does, however, insure the insured against loss, if any, sustained by the insured under the terms of this policy, if any such liens have been filed with the County Clerk of the County in which such property is located prior to the date of this Endorsement except those liens set forth in Schedule B of said Policy or in any prior Endorsement to said Policy, and except: (Specify or delete the words "and except" immediately preceding.),
4. The following additions to Schedule B of said Policy: .

(b) The coverage under said Policy as of the date hereof is \$_____.

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

In Witness Whereof, First American Title Insurance Company has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.



First American

ENDORSEMENT T-3 [ASSIGNMENT OF LIEN]

Issued by

First American Title Insurance Company

Attached to Policy No.:

File No.:

Attached to and made a part of FIRST AMERICAN TITLE INSURANCE COMPANY Policy or Interim Construction Binder Number _____, this _____ day of _____, 20_____.

Said Mortgagee Policy is hereby amended to name as the Insured: . The lien described in Schedule A of said policy has been assigned to said named Insured by assignment dated the _____ day of _____, 20_____, in the Office of the County Clerk of County, Texas , and Schedule A of said policy is hereby amended to cover said assignment, and it is expressly stated that the effective date of said policy is changed to the date of this Endorsement.

As of the date of this Endorsement, Company insures the insured against loss, if any, sustained by the insured under the terms of the policy if said lien is not a valid lien against the property described in Schedule A of said policy, subject to the matters set forth in Schedule B, the terms and provisions of said policy and the following:

The Company insures that all standby fees, taxes and assessments by any taxing authority against the property described in Schedule A of said policy have been paid up to and including the year _____ except subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, and except: (specify or delete the immediately preceding words "and except".)

This Endorsement shall be effective when the note or notes secured by the lien insured have been delivered to the Insured named herein.

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

In Witness Whereof, First American Title Insurance Company has caused this Endorsement to be executed by its President , but this Endorsement is to be valid only when it bears an authorized countersignature.



First American

FORM T-3: GENERAL ENDORSEMENT [CORRECTION]

Issued by

First American Title Insurance Company

Attached to Policy No.:

File No.:

Attached to and made a part of First American Title Insurance Company Policy or Interim Construction Binder Number _____, this ___ day of _____ 20__.

(See "Endorsement" Instructions for specific wording.)

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

In Witness Whereof, First American Title Insurance Company has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.



First American

ENDORSEMENT T-3 [LOAN POLICY DATE DOWN]

Issued by

First American Title Insurance Company

Attached to Policy No.:

File No.:

ENDORSEMENT T-3

Attached to and made a part of FIRST AMERICAN TITLE INSURANCE COMPANY Policy or Interim Construction Binder Number , this day of , 20.

- a. Said Policy is hereby amended so that its coverage shall relate to the date of this Endorsement instead of the date of the policy, subject to:
 1. The exceptions shown in Schedule B of said policy and in any prior Endorsement to said policy,
 2. Matters which would be shown by a correct survey and inspection of the premises subsequent to the date of said policy,
 3. Any and all liens arising by reason of unpaid bills or claims for work performed or material furnished in connection with the improvements being placed upon the subject land: The Company does, however, insure against loss, if any, sustained by the insured under the terms of the policy, if any such liens have been filed with the County Clerk of the County in which such property located prior to the date of this Endorsement, except those liens set forth in Schedule B of said policy or in any prior endorsement to said policy, and except: (Specify or delete immediately preceding words “and except”).
 4. The following additions to Schedule B of said policy: (Specify or delete this paragraph and include as exceptions only those additional matters which the Company has determined are superior to the lien described in Schedule A, Item 4, of said policy.),
 5. The following matters which affect the title to the estate or interest in the land described or referred to in Schedule A of said policy, but Company insures the insured against loss, if any, sustained by the insured under the terms of the policy if such matters are not subordinate to the lien described in Schedule A, Item 4, of said policy: (Specify or delete this paragraph.).
- b. The coverage under said policy as of the date hereof is \$.

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

In Witness Whereof, First American Title Insurance Company has caused this Endorsement to be executed by its President , but this Endorsement is to be valid only when it bears an authorized countersignature.

USE OF THE T-3 ENDORSEMENT

The Texas Title Insurance Basic Manual uses the designation of T-3 as a category for “General” Endorsements. These endorsements are used to modify coverage after the policy has been issued. The modifications are strictly limited to the circumstances described in the Basic Manual “T-3 Endorsement Instructions”, pursuant to the applicable Rate and Procedural Rules.

The T-3 is used in commercial transactions for the following:

1. Extend the expiration of a Title Policy Binder;
2. Modify coverage after the completion of improvements.
3. Amend the named Insured upon the assignment of the Indebtedness.
4. Correct errors to reflect facts in existence at the initial Date of Policy.
5. Include coverage through the date of Construction Advances
6. Amend the standard survey exception.

1. TO EXTEND LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN

When the Company is called upon to extend the expiration date of a Loan Title Policy Binder on Interim Construction Loan, and after complying with Rules R-13 and P-16, it shall issue the Endorsement inserting therein: [See T-3 Endorsement Instructions for promulgated language]

Rate Rule R-13.A

A premium charge of an amount equal to the minimum policy Basic Premium Rate shall be made for issuance of each Mortgagee Title Policy Binder on Interim Construction Loan. Such Binder shall be issued for a term of one year. The original Binder may be extended for six (6) additional consecutive periods of six (6) months each, not to exceed thirty-six (36) months. A premium of \$25.00 shall be charged for each consecutive six (6) month extension.

Procedural Rule P-16

Loan Title Policy Binder on Interim Construction Loan (Interim Binder) The Loan Title Policy Binder on Interim Construction Loan (Interim Binder) shall be used only with respect to interim construction loans in which: it is contemplated in good faith that the Company issuing the Interim Binder shall be asked to issue its Loan Policy or Policies; issued simultaneously with Owner’s Policy or Policies of Title Insurance or at the basic rate, on a permanent loan or loans covering the identical property (in one or more parcels) when improvements are completed, but which permanent loan or loans may be made by a mortgagee or mortgagees other than the mortgagee named in the Interim binder. The use of such Interim Binder shall be limited solely to interim construction loans and pledges of the interim construction notes and liens wherein: (i) the obligor on the indebtedness is an original contractor who is also the record owner of the land upon which improvements are to be constructed; and, (ii) the security document for the indebtedness is not in the form of a Mechanic's Lien Contract. Construction loans may include sums advanced for acquisition of land and/or to take up, renew or satisfy prior existing liens on land upon which construction is to occur. Interim Binder shall not be issued on vacant lots or tracts, except in connection with the immediate construction of improvements thereon, nor shall such Interim Binder be issued after completion of improvements to which it relates, but this does not prohibit the issuance of Extensions after completion of improvements. In all cases not specifically enumerated in this rule, a Loan Policy shall be used. The Company shall be required to show all

subordinate liens in Schedule B-Part 2 of the Interim Binder, but a statement may be made therein that such lien(s) is subordinate.

Stat Code: 8021

2. COMPLETION OF IMPROVEMENTS

LOAN POLICY

Upon the completion of improvements and after compliance with Procedural Rule P-8.a.(2) or b.(2), Procedural Rule P-50, and Rate Rules R-16 and R-29, if applicable, the following language may be inserted into the T-3 Endorsement: [See Completion of Improvements, Mortgagee Policy Endorsement]

Rate Rule: No charge unless T-19 coverage is being given for the first time, in which case Rate Rule R-29 will apply.

Procedural Rule P-8b(2) b.

Upon the completion of the improvements on said property, the owner's acceptance thereof, and satisfactory evidence to the Company that all bills for labor and materials have been paid in full, the exception plus the "Pending Disbursement" paragraph in "b(1)" above may be eliminated from the policy and mechanic's and materialmen's lien coverage amended by issuance of the promulgated Endorsement form containing the applicable promulgated language covering said elimination and amendment.

In addition to the above elimination, if a satisfactory survey made after the completion of improvements is furnished to the Company, survey coverage may be provided as set out in Rules R-16 and P-2, using the promulgated Endorsement form and containing the applicable promulgated language.

In addition, if the Company's underwriting requirements have been met, the T-19 Endorsement may be issued or coverage affirmed as set out in Rules R-29 and P-50, using the promulgated Endorsement form and containing the applicable promulgated language.

NOTE:

- R-29A or B will apply if T-19 coverage is requested and not previously paid.
- Satisfactory evidence of all bills paid in full is required.
- Appropriate underwriting approval is required if there is broken priority or unusual events.

Stat Code: 0550

OWNER POLICY

Upon the completion of improvements and after compliance with Procedural Rule P-8.a.(2) or b.(2), Procedural Rule P-50, and Rate Rules R-16 and R-29, if applicable, the following language may be inserted into the Endorsement: [See T-3 Instructions - Owner Policy]

Rate Rule

No charge unless P-2 coverage is given for the first time, in which case R-16 applies, and/or unless T-19.1 coverage is given for the first time, in which case R-29 applies.

Procedural Rule P-8a(2) a.

Upon the completion of the improvements on said property, the owner's acceptance thereof, and satisfactory evidence to the Company that all bills for labor and materials have been paid in full, the "Liability" paragraph and the exception in Schedule B set out in "a(1)" of the rule may be eliminated from the policy by the issuance of the promulgated Endorsement form containing the applicable promulgated language.

In addition to the above elimination, if a satisfactory survey made after the completion of improvements is furnished to the Company, survey coverage may be provided as set out in Rules R-16 and P-2, using the promulgated Endorsement form and containing the applicable promulgated language.

In addition, if the Company's underwriting requirements have been met, the T-19.1 Endorsement may be issued or coverage affirmed as set out in Rules R-29 and P-50, using the promulgated Endorsement form and containing the applicable promulgated language.

NOTE:

- R-16 will apply if survey coverage (P-2) is requested.
- R-29C or R-29D will apply if T-19.1 coverage is requested and not previously paid).
- Appropriate underwriting approval is required if there is broken priority or unusual events.

3. USE UPON ASSIGNMENT OF LIEN

When a lien is assigned, and upon compliance with Rules P-9.b.(1) or P-9.b.(2) and R-11, the Company may issue the T-3 Endorsement by inserting the promulgated language [see Endorsement T-3 Instructions]

Rate Rule R-11.a: The minimum Basic Premium Rate

Procedural Rule P-9(b)(1) and P-9(b)(2)

4. CORRECTION OF POLICY OR BINDER

The use of Endorsement T-3 in the Basic Manual is permitted for the purpose of stating a correction in the policy or binder as to typographical error, omission or addition of materials relating to facts that existed at the date of issue that clearly does not change the policy or binder as to any facts existing after date of issue nor extend its coverage beyond the point that should have been covered by the proper issue of a policy or binder.

Rate Rule NONE: No charge

Procedural Rule NONE

NOTE:

- Issued to correct errors in any Owner Policy, Mortgage/Loan Policy or Interim Construction Binder.
- May not be used to change the policy or binder regarding any facts existing after date of issue.

Stat. Codes: 0400

5. GENERAL – LOAN POLICY DOWN DATE

When a Company is called upon to endorse a Loan Title Policy at the time of periodic construction advances in the same transaction, and upon compliance with Rule P-9.b.(4), said Company may issue the T-3 Endorsement by inserting the following applicable provisions therein:

[See Endorsement T-3 Instructions]

Rate Rule R-11.c.

A premium of \$50.00 shall be charged for the issuance of each Endorsement Form T-3 for Down Date Endorsement provided for in Rule P-9b(4).

Procedural Rule P-9(b)(4)

When a Mortgagee Title Policy is issued in the manner provided in Rule P-8.b. and construction advances are being made subsequent to such issue, upon request and compliance with Rule R-11.c, the title insurance company which issued the Mortgagee Title Policy may extend the effective date of the said Mortgagee Title Policy and state the amount of coverage then existing under the policy, by issuing the Endorsement provided for in Form T-3, Instruction V. Items (a) 1, 2 and 3 of the Endorsement may not be deleted. (Instruction VII)

NOTE:

- This endorsement insures against recorded mechanic liens which are not otherwise excepted to on Schedule B of the Loan Policy. Coverage for inchoate liens is “Insuring Around” under P-11; the Company must receive adequate escrow, bond or indemnity.

Stat Code: 0920

6. USE TO AMEND EXCEPTION AS TO AREA AND BOUNDARIES, ETC.

When the Company has determined to amend the printed exception as to area and boundaries, etc., to eliminate all save and except to shortages in area (or show same on a Commitment for Title Insurance), and when there is compliance with Rules P-2 and R-16, it shall issue the Endorsement, inserting therein:

[See T-3 Instructions for use and promulgated language]

Rate Rule R-16: [15% of the Basic Rate of an Owner Policy (T-1) for Commercial Policies]

Procedural Rule: P-2 and P-8.a.(2) -

In either an Owner or Mortgagee Policy, when the Insured desires to have amended the exception as to area and boundaries, (i.e. Item 2 of Schedule B) to delete all save "shortages in area", a title insurance company may accept an existing real property survey and not require a new survey when providing area and boundary coverage if the title insurance company is willing to accept evidence of an existing real property survey, and an affidavit verifying the existing survey, notwithstanding the age of the survey or the identity of the person for whom the survey was prepared.

The policy to be issued shall cover the same land as described in the evidence of the existing real property survey.

The survey must be acceptable to the Company.

NOTE

- An indemnity from a seller, buyer, borrower, or lender may not be used to provide this coverage.
- Stat Codes: T-1 or T-2: 0500 T-1R: 0501

BASIC TITLE MANUAL: T-3 ENDORSEMENT INSTRUCTIONS ¹

I. USE TO EXTEND LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN.

When the Company is called upon to extend the expiration date of a Loan Title Policy Binder on Interim Construction Loan, and after complying with Rules R-13 and P-16, it shall issue the T-3 Endorsement inserting therein:

"The expiration date of said Interim Construction Binder is extended for a period of six months from the expiration date of the original Binder, or the expiration date of the last T-3 Endorsement extending said Binder; but in no event beyond thirty-six months from the expiration date of the Binder."

II. USE UPON COMPLETION OF IMPROVEMENTS.

Upon the completion of improvements and after compliance with Procedural Rule P-8.a.(2) or b.(2), Procedural Rule P-50, and Rate Rules R-16 and R-29, if applicable, the following language may be inserted into the T-3 Endorsement:

A. In Owner's Policies -Rule P-8.a.(2) and R-16

"1. Exceptions No. _____ in said Owner's Policy are hereby deleted."

2. Only in the event there is a specific request that the exception as to area and boundaries, etc. be amended and when a current, acceptable survey, showing all completed improvements, is furnished to the Company, the following language contained in the applicable subdivision below may be inserted and shown as No. 2 of the T-3 Endorsement form. In the event no amendment is to take place, No. 2 should read "Survey coverage not requested." The types of exception and the correct wording to be inserted are as follows:

(a) Area and boundaries exception previously amended-

"The company affirms the amendment of the exception as to area and boundaries of the above numbered policy, such amendment to be effective as of the date of this Endorsement."

(b) Area and boundaries exception NOT previously amended -

"Exception as to area and boundaries of the above numbered policy is hereby eliminated save and except any shortages in area."

(c) In the event a review of the survey shows additional matters to be excepted from coverage. The following exceptions are added to Schedule B of the policy: (List specific exceptions regarding matters shown by the survey)."

3. Only in the event there is a specific request that the T-19.1 Endorsement be issued and when the Company's underwriting requirements have been met, the following language contained in the applicable subdivision below may be inserted and shown as No. 3 of the T-3 Endorsement form. In the event the endorsement is not to be issued or the coverage affirmed, No. 3 should read "T-19.1 not requested." The correct wording to be inserted is as follows:

¹ Texas Title insurance Basic Manual, Section II.

(a) T-19.1 Endorsement previously issued -

"The company affirms the coverage provided in the T-19.1 Endorsement issued in connection with the above numbered policy, such coverage to be effective as of the date of this Endorsement."

"The following subparagraph(s) of this endorsement are deleted:

(b) T-19.1 Endorsement NOT previously issued-

"T-19.1 Endorsement in the form attached hereto is made a part of the above numbered policy."

"The following subparagraph(s) of this endorsement are deleted,;

B. In Loan Policies - Rule P-8.b.(2)

"1. Exception No. _____ of Schedule B and the Pending Disbursement Clause in said policy are hereby deleted."

"2. Said policy is hereby amended so that its coverage as to all loss or damage against mechanics' and materialmen's liens shall relate to the date of this Endorsement instead of the date of said policy."

3. Only in the event there is a specific request that the exception as to area and boundaries, etc., be amended and when a current, acceptable survey, showing all completed improvements is furnished to the Company, the following language contained in the applicable subdivision below may be inserted and shown as No. 3 of the T-3 Endorsement form. In the event no amendment is to take place, No. 3 should read "No survey coverage requested." The types of exceptions and the correct wording to be inserted are as follows:

(a) Area and boundaries exception previously amended-

"The Company affirms the amendment of the exception as to area and boundaries of the above numbered policy, such amendment to be effective as of the date of this Endorsement."

(b) Area and boundaries exception NOT previously amended -

"Exception as to area and boundaries of the above numbered policy is hereby eliminated save and except any shortages in the area."

(c) In the event a review of the survey shows additional matters to be excepted from coverage-

"The following exceptions are added to Schedule B of the policy: (List specific exceptions regarding matters shown by the survey)."

4. Only in the event there is a specific request that the T-19 Endorsement be issued and when the Company's underwriting requirements have been met, the following language contained in the applicable subdivision below may be inserted and shown as No. 4 of the T-3

Endorsement form. In the event the endorsement is not to be issued or the coverage affirmed, No. 4 should read "T-19 not requested." The correct wording to be inserted is as follows:

(a) T-19 Endorsement previously issued-

"The company affirms the coverage provided in the T-19 Endorsement issued in connection with the above numbered policy, such coverage to be effective as of the date of this Endorsement."

"The following subparagraph(s) of this endorsement are deleted, :

(b) T-19 Endorsement NOT previously issued -

"T-19 Endorsement in the form attached hereto is made a part of the above numbered policy."

"The following subparagraph(s) of this endorsement are deleted:

III. USE UPON ASSIGNMENT OF LIEN.

When a lien is assigned, and upon compliance with Rules P-9.b.(1) or P-9.b.(2) and R-11, the Company may issue the T-3 Endorsement by inserting therein:

"Said Loan Policy is hereby amended to name as the Insured: The lien described in Schedule A of said policy has been assigned to said named Insured by assignments dated and recorded in the Office of the County Clerk of County, Texas (here insert clerk's file number or book and page of recording), and Schedule A of said policy is hereby amended to cover said assignment, and it is expressly stated that the effective date of said policy is changed to the date of this Endorsement."

"As of the date of this Endorsement, Company insures the insured against loss, if any, sustained by the insured under the terms of the policy if said lien is not a valid lien against the property described in Schedule A of said policy, subject to the matters set forth in Schedule B, the terms and provisions of said policy and the following:"

(Here insert any exception necessary by reason of matters arising since the date of the Policy)

"The Company insures that all standby fees, taxes and assessments by any taxing authority against the property described in Schedule A of said policy have been paid up to and including the year __ except subsequent taxes and assessments for prior years due to change in land usage or ownership, and except: (specify or delete the immediately preceding words "and except.")"

"This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the assignment by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws that is based on:

1. the assignment being deemed a fraudulent conveyance or fraudulent transfer; or
2. the assignment being deemed a preferential transfer."

"This endorsement shall be effective provided that, at Date of Endorsement:

1. the note or notes secured by the lien of the Insured Mortgage have been properly endorsed and delivered to the Assignee, or
2. if the note or notes are transferable records, the Assignee has "control" of the single authoritative copy of each transferable record" as these terms are defined by applicable electronic transaction laws."

IV. CORRECTION OF POLICY OR BINDER

The use of Endorsement T-3 in the Basic Manual is permitted for the purpose of stating a correction in the policy or binder as to typographical error, omission or addition of materials relating to facts that existed at date of issue that clearly does not change the policy or binder as to any facts existing after date of issue nor extend its coverage beyond the point that should have been covered by the proper issue of a policy or binder.

V. USE ONLY IN CONNECTION WITH INTERIM CONSTRUCTION ADVANCES SUBSEQUENT TO ISSUANCE OF FORM T-2 LOAN TITLE POLICY.

When a Company is called upon to endorse a Loan Title Policy at the time of periodic construction advances in the same transaction, and upon compliance with Rule P-9.b.(4), said Company may issue the T-3 Endorsement by inserting the following applicable provisions therein:

(A) Said policy is hereby amended so that its coverage shall relate to the date of this Endorsement instead of the date of the policy, subject to:

1. The exceptions shown in Schedule B of said policy and in any prior Endorsement to said policy,
2. Matters which would be shown by a correct survey and inspection of the premises subsequent to the date of said policy,
3. Any and all liens arising by reason of unpaid bills or claims for work performed or material furnished in connection with the improvements being placed upon the subject land: The Company does, however, insure against loss, if any, sustained by the insured under the terms of the policy, if any such liens have been filed with the County Clerk of the County in which such property is located prior to the date of this Endorsement, except those liens set forth in Schedule B of said policy or in any prior Endorsement to said policy, and except: (Specify or delete immediately preceding words "and except".),
4. The following additions to Schedule B of said policy: (Specify or delete this paragraph and include as exceptions only those additional matters which the Company has determined are superior to the lien described in Schedule A, Item 4, of said policy.),
5. The following matters which affect the title to the estate or interest in the land described or referred to in Schedule A of said policy, but Company insures the insured against loss, if any, sustained by the insured under the terms of the policy if such matters are not subordinate to the lien described in Schedule A, Item 4, of said policy: (Specify or delete this paragraph).

(B) The coverage under said policy as of the date hereof is \$ _____ _

VI. USE TO AMEND EXCEPTION AS TO AREA AND BOUNDARIES, ETC.

When the Company has determined to amend the printed exception as to area and boundaries, etc., to eliminate all save and except to shortages in area (or show same on a Commitment for Title Insurance), and when there is compliance with Rules P-2 and R-16, it shall issue the T-3 Endorsement, inserting therein:

"Paragraph 2 of Schedule B of said Policy is amended to read as follows:

2. Any shortages in area."

VII. USE ONLY IN CONNECTION WITH INTERIM CONSTRUCTION ADVANCES SUBSEQUENT TO ISSUANCE OF FORM T-13 LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN.

When a Company is called upon to endorse a Loan Title Policy Binder on Interim Construction Loan at the time of periodic construction advances in the same transaction, and upon compliance with Rule P-9.b.(4), said Company may issue the T-3 Endorsement by inserting the following applicable provisions therein:

Said Binder is hereby amended so that the date and time set forth in the first paragraph thereof shall be the ___ day of , ____,at ___ o'clock __.M., subject to:

1. The exceptions shown in Schedule B of said Binder and in any prior Endorsement to said Binder,
2. Matters which would be shown by a correct survey and inspection of the premises subsequent to the date of said Binder,
3. The following additions to Schedule B-Part I of said Binder: (Specify or delete this paragraph and include as exceptions only those additional matters which the Company has determined are superior to the lien described in Schedule A of said Binder.),
4. The following additions to Schedule B-Part 2 of said Binder (which affect the title to the estate or interests in the land described or referred to in Schedule A of said Binder, but Company agrees to insure the insured against loss, if any, sustained by the insured under the terms of the Policy to be issued if such matters are not subordinate to the lien described in Schedule A of said Binder): (Specify or delete this paragraph.).

"Notwithstanding the limitation in paragraph 4 of Schedule B-Part I of said Binder, the Company insures that no such liens have been filed with the County Clerk of the county in which such property is located prior to the date of this Endorsement except those liens set forth in Schedule B of said Binder or in any prior Endorsement to said Binder, and except: (Specify or insert "None" if applicable.)"

VIII. USE ONLY IN CONNECTION WITH INCREASE IN COVERAGE SUBSEQUENT TO ISSUANCE OF FORM T-1 OWNER'S TITLE POLICY POLICY IN THE MANNER PROVIDED IN RULE P-8.a.

When a Company is called upon to endorse its Owner's Title Policy to evidence increase in coverage thereunder, and upon compliance with Rule P-9.a.(3), said Company may issue the T-3 Endorsement by inserting the following applicable provisions therein:

- (A) Said Policy is hereby amended so that its coverage shall relate to the date of this Endorsement instead of the date of the Policy, subject to:

1. The exceptions shown in Schedule B of said Policy and in any prior Endorsement to said Policy,
2. Matters which would be shown by a correct survey and inspection of the premises subsequent to the date of said Policy,
3. Any and all liens arising by reason of unpaid bills or claims for work performed or material furnished in connection with the improvements being placed upon the subject land. The Company does, however, insure the insured against loss, if any, sustained by the insured under the terms of the policy, if any such liens have been filed with the County Clerk of the County in which such property is located prior to the date of this Endorsement except those liens set forth in Schedule B of said Policy or in any prior Endorsement to said Policy, and except: (Specify or delete the words "and except" immediately preceding.),
4. The following additions to Schedule B of said Policy: (Specify or delete this paragraph.).

(B) The coverage under said Policy as of the date hereof is \$ _____ .



First American

**LEASEHOLD OWNER'S POLICY
ENDORSEMENT T-4**

Issued by

First American Title Insurance Company

File No.:

Endorsement attached to and made part of First American Title Insurance Company Owner Policy Number _____, dated the ____ day of _____, _____.

1. As used in this endorsement, the following terms shall mean:

- a. "Evicted" or "Eviction": (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case, as a result of a matter covered by this policy.
- b. "Lease": the lease agreement described in Schedule A.
- c. "Leasehold Estate": the right of possession for the Lease Term.
- d. "Lease Term": the duration of the Leasehold Estate, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- e. "Personal Property": chattels located on the Land and property which, because of their character and manner of affixation to the Land, can be severed from the Land without causing appreciable damage to themselves or to the land to which they are affixed.
- f. "Remaining Lease Term": the portion of the Lease Term remaining after the insured has been Evicted as a result of a matter covered by this policy.
- g. "Tenant Leasehold Improvements": Those improvements, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Insured's expense or in which the Insured has an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Insured:

If in computing loss or damage it becomes necessary to value the estates or interests of the insured as the result of a covered matter that results in an Eviction, then that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The insured claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this endorsement:

If the insured is Evicted, the following items of loss, if applicable, shall be included in computing loss or damage incurred by the insured, but not to the extent that the same are included in the valuation of the estates or interests insured by this policy.

- a. The reasonable cost of removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the land at the time of Eviction, the cost of transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, and the reasonable cost of repairing the Personal Property damaged by reason of the removal and relocation.

- b. Rent or damages for use and occupancy of the Land prior to the Eviction which the Insured as owner of the Leasehold Estate is obligated to pay to any person having paramount title to that of the lessor in the Lease.
- c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.
- d. The fair market value, at the time of the Eviction, of the estate or interest of the insured in any lease or sublease made by the Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
- e. Damages that the Insured is obligated to pay to lessees or sublessee on account of the breach of any lease or sublease made by the insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements caused by the Eviction.
- f. Reasonable costs incurred by the insured to secure a replacement leasehold equivalent to the Leasehold Estate.
- g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering fees, construction management fees, costs of environmental testing and reviews, and landscaping costs.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-4 :LEASEHOLD OWNER'S POLICY ENDORSEMENT

T-4 Rate Rule NONE

T-4 Procedural Rule P-9(a)(1)

When an Owner Policy of Title Insurance (Form T-1) is to be issued on a leasehold estate in the land, the Company shall attach to the said Owner Policy (Form T-1) the Leasehold Owner Policy Endorsement.

The Owner Policy shall show that the estate being insured is a leasehold and exceptions shall be shown under Schedule B to all of the terms, provisions, and conditions of said lease creating such leasehold estate.

NOTE:

- T-4 is for an Owner Policy insuring a leasehold estate
- Schedule B must except to “All terms, provisions, and conditions of lease dated by and between as Grantor and as Lessee recorded under Clerk File No. in the records of County, Texas.”

Stat Code: 0820



First American

LEASEHOLD LOAN POLICY ENDORSEMENT (T-5)

Issued by

First American Title Insurance Company
HEREIN CALLED THE COMPANY

File No.:

ENDORSEMENT ATTACHED TO AND MADE PART OF
LOAN POLICY OF TITLE INSURANCE

Policy Number _____, dated _____.

1. As used in this endorsement, the following terms shall mean:

a. "Evicted" or "Eviction": (a) the lawful deprivation, in whole or in part, of the right of possession Insured by this policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case, as a result of a matter covered by this policy.

b. "Lease": the lease agreement described in Schedule A.

c. "Leasehold Estate": the right of possession for the Lease Term.

d. "Lease Term": the duration of the Leasehold Estate, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.

e. "Personal Property": chattels located on the Land and property that, because of their character and manner of affixation to the Land, can be severed from the Land without causing appreciable damage to themselves or to the Land to which they are affixed.

f. "Remaining Lease Term": the portion of the Lease Term remaining after the Insured has been Evicted as a result of a matter covered by this policy.

g. "Tenant": the tenant under the Lease and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of this policy, the Insured claimant.

h. "Tenant Leasehold Improvements": Those improvements, including Landscaping, required or permitted to be built on the Land by the Lease that have been built at the Insured's expense or in which the Insured has an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Insured:

If in computing loss or damage, it becomes necessary to value the Title as the result of a covered matter that results in an Eviction of the Tenant, then that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Insured claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this endorsement:

If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of this policy and thereafter is Evicted, the following items of loss, if applicable, shall be included in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title.

- a. The reasonable cost of removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction the cost of transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, and the reasonable cost of repairing the Personal Property damaged by reason of the removal and relocation.
- b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.
- c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.
- d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease made by Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
- e. Damages that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease made by the Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements caused by the Eviction.
- f. Reasonable costs incurred by the Insured to secure a replacement leasehold equivalent to the Leasehold Estate.
- g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain Land use, zoning, building and occupancy permits, architectural and engineering fees, construction management fees, costs of environmental testing and reviews, and Landscaping costs.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the date of policy, or (iv) increase the Amount of Insurance. To the Extent a provision of the policy or a previous endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of this policy and any prior endorsements.

T-5: LEASEHOLD LOAN POLICY ENDORSEMENT

Rate Rule NONE

Procedural Rule P-9(b)(5)

When a Mortgage Policy of Title Insurance is to be issued on a leasehold estate in the land, the Company shall attach to the said Mortgage Policy the Leasehold Mortgage Policy Endorsement. The Mortgage Policy shall show: that the estate being insured is a leasehold and exception shall be shown under Schedule B to all of the terms, provisions, and conditions of the said lease creating such leasehold estate

Note:

- The T-5 is for a Loan Policy insuring a leasehold estate.
- Schedule B must except to “All terms, provisions, and conditions of lease dated ____ by and between _____ as Lessor and _____ as Lessee recorded under Clerk File No. _____ in the records of _____ County, Texas.”
- Copy of Lease should be maintained in file along with estoppel certificate/letter from Lessor if provided.

Stat Code: 0822



First American

FIRST LOSS ENDORSEMENT T-14
Issued by
First American Title Insurance Company

Attached to Loan Policy No.:
File No.:

This endorsement is effective only if the Collateral includes at least two parcels of real property.

1. For the purposes of this endorsement:
 - (a) "Indebtedness" means all monetary obligations evidenced by the loan documents at Date of Policy as secured by the insured mortgage, but limited to the balance outstanding at the time the claim is made.
 - (b) "Collateral" means all property, including the land, given as security for the Indebtedness.
 - (c) "Material Impairment Amount" means the amount by which any matter covered by this policy for which a claim is made diminishes the value of the Collateral below the Indebtedness.
2. Subject to the provisions of Section 8 of the Conditions in the event of a claim resulting from a matter insured against by this policy, the Company agrees to pay that portion of the Material Impairment Amount that does not exceed the limits of liability imposed by Sections 2 and 7 of the Conditions without requiring:
 - (a) maturity of the Indebtedness by acceleration or otherwise;
 - (b) pursuit by the insured of its remedies against the Collateral;
 - (d) pursuit by the insured of its remedies under any guaranty, bond or other insurance policy.
3. Nothing in this endorsement shall impair the Company's right of subrogation. However, the Company agrees that its right of subrogation shall be subordinate to the rights and remedies of the insured. The Company's right of subrogation shall include the right to recover the amount paid to the insured pursuant to paragraph 2 from any debtor or guarantor of the Indebtedness, after payment or other satisfaction of the remainder of the Indebtedness and other obligations secured by the lien of the insured mortgage. The Company shall have the right to recoup from the insured claimant any amount received by it in excess of the Indebtedness up to the amount of the payment under paragraph 2.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-14: FIRST LOSS ENDORSEMENT

Rate Rule R-11.i

The premium for the First Loss Endorsement (Form T-14) is \$25.00.

Procedural Rule P-9(b)(11)

A Company may issue its First Loss Endorsement (T-14) to a Mortgagee Policy (T-2), if:

1. Its underwriting requirements are met,
2. Other property not described in the Mortgagee Policy is encumbered to secure payment of the indebtedness secured by the insured mortgage, and
3. The Company is paid the premium prescribed in Rate Rule R-11.i.

NOTE:

- Issued with a Loan Policy only.
- Must be non-residential property.
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First American

**LOAN POLICY AGGREGATION
ENDORSEMENT FORM T-16**

**Issued by
First American Title Insurance Company**

Attached to Policy No.:
File No.:

The following policies are issued in conjunction with one another:

Policy Number:	County:	State:	Amount:
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Notwithstanding the provisions of Section 8(a)(i) of the Conditions and of this policy, the Amount of Insurance available to cover the Company's liability for loss or damage under this policy at the time of Payment of Loss hereunder shall be the aggregate of the Amount of Insurance under this policy and the other policies identified above. At no time shall the Amount of Insurance under this policy and the other policies identified above exceed in the aggregate \$_____.

Subject to the provisions of Section 10(a) of the Conditions and of the policies, all payments made by the Company under this policy or any of the other policies identified above, except the payments made for costs, attorney's fees and expenses, shall reduce the aggregate Amount of Insurance by the amount of the payment.

[At no time shall the Amount of Insurance under this policy when aggregated with the other policies above exceed, in Texas, the amount shown as follows: \$_____.]

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of the Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-16: LOAN POLICY AGGREGATION ENDORSEMENT

Rate Rule R-11.j

The premium for the T-16 is \$25.00.

Procedural Rule P-9b(13)

A Company may issue its Mortgagee Policy Aggregation Endorsement (T-16) to a Mortgagee Policy of Title Insurance (T-2), if

1. it is paid the premium prescribed in Rate Rule R-11.k
2. its underwriting requirements are met; and
3. multiple policies are simultaneously issued covering separate mortgages securing the same indebtedness or loan.

NOTE:

- When issuing an aggregation endorsement and the other aggregated policies include properties *outside* of Texas, the optional language shall be included. The blank will be filled in with the total amount of the Texas policies only.
- If no aggregated policies insure properties outside of Texas, the optional language is not necessary.

Stat Code: 0883



First American

NOTE: Not for use with policies insuring land that has a commercial use.

**PLANNED UNIT DEVELOPMENT
ENDORSEMENT (T-17)
Issued by
*First American Title Insurance Company***

HEREIN CALLED THE COMPANY

Attached to Policy No.:

File No.:

ENDORSEMENT ATTACHED TO AND MADE A PART OF POLICY OF TITLE
INSURANCE SERIAL NUMBER _____

The Company insures the Insured against loss or damage sustained by reason of:

1. Present violations of any restrictive covenants referred to in Schedule B which restrict the use of the land, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the public records and is not excepted in Schedule B. The restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.
2. The priority of any lien for charges and assessments at Date of Policy in favor of any association of homeowners which are provided for in any document referred to in Schedule B over the lien of any insured mortgage identified in Schedule A.
3. The enforced removal of any existing structure on the land (other than a boundary wall or fence) because it encroaches onto adjoining land or onto any easements.
4. The failure of title by reason of a right of first refusal to purchase the land which was exercised or could have been exercised at Date of Policy.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

T-17: PLANNED UNIT DEVELOPMENT ENDORSEMENT

The T-17 is only issued with Loan Policies insuring Residential real property.



**RESTRICTIONS, ENCROACHMENTS, MINERALS
ENDORSEMENT (T-19)**

Issued by

First American Title Insurance Company

Attached to Policy No.:

File No.:

The Company insures the owner of the indebtedness secured by the Insured Mortgage against loss or damage sustained by reason of:

1. The insurance provided by this endorsement is subject to the exclusions in Section 5 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only:
 - a. "Covenant" means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.
 - b. "Improvement" means an improvement, including any landscaping, lawn, shrubbery, or trees, affixed to either the Land or adjoining land that by law constitutes real property.
 - c. "Private Right" means (i) an option to purchase; (ii) a right of first refusal; (iii) a right of prior approval of a future purchaser or occupant; or (iv) a private charge or assessment.
3. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. A violation of a Covenant that:
 - i. divests, subordinates, or extinguishes the lien of the Insured Mortgage,
 - ii. results in the invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage, or
 - iii. causes a loss of the Insured's Title acquired in satisfaction or partial satisfaction of the Indebtedness;
 - b. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
 - c. Enforced removal of an Improvement located on the Land at Date of Policy as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation;
 - d. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation; or
 - e. Enforcement of a Private Right in a Covenant affecting the Title at Date of Policy that:
 - i. results in the invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage, or
 - ii. causes a loss of the Insured's Title acquired in satisfaction or partial satisfaction of the Indebtedness.
4. The Company insures against loss or damage sustained by reason of:
 - a. An encroachment of:
 - i. an Improvement located on the Land, at Date of Policy, onto adjoining land or onto that portion of the Land subject to an easement; or
 - ii. an Improvement located on adjoining land onto the Land at Date of Policy, unless an exception in Schedule B of the policy identifies the encroachment otherwise insured against in Sections 4.a.i. or 4.a.ii.; or
 - b. A final court order or judgment requiring the removal from any land adjoining the Land of an encroachment identified in Schedule B; or
 - c. Damage to an Improvement located on the Land, at Date of Policy that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or

- d. Damage to an Improvement located on the Land on or after Date of Policy, resulting from the future exercise of a right to use the surface of the Land for the extraction or development of minerals or any other subsurface substances excepted from the description of the Land or excepted in Schedule B.
5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
- a. any Covenant contained in an instrument creating a lease;
 - b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land;
 - c. except as provided in Paragraph 3.d, any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances;
 - d. contamination, explosion, fire, fracturing, vibration, earthquake, or subsidence; or
 - e. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-19: RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT

Rate Rule R-29.A or R-29.B

The for the (T-19) shall be 10% of the Basic Rate for a single issue policy

Procedural Rule P-50.A and P-50.B

A. Any insured matter covered in the Restrictions, Encroachments, Minerals Endorsement T-19 or T-19.1 may be insured only by the use of these endorsements, except that coverage regarding minerals may be insured by the use of the T-19.2 or T-19.3 endorsements as provided in P-50.1.

B. A Company may issue its Restrictions, Encroachments, Minerals Endorsement (T-19) to a Loan Policy (T-2), if its underwriting requirements are met. The Company shall delete any insuring provision if it does not consider that risk acceptable.

NOTE:

- If any violation of a private right or encroachment underlined in the “Description of Changes” section is found, that portion of the T-19 should be deleted.
- Proper Underwriting approval must be obtained in order to insure around any known encroachment.
- If any of the following exists, Section 4(d) does not need to be deleted:
 - i) the property is a subdivided lot and block no wider than 200 feet at its narrowest point
 - ii) the restrictive covenants prohibit drilling
 - iii) the property is located in a municipality that would prohibit drilling on subject property
- The T-19 is only issued with a Loan Policy (T-2).

See Also: P-39. Express Insurance

If Company amends its Area and Boundary Exception, pursuant to Procedural Rule P-2, it may except, pursuant to Procedural Rule P-5, to those matters shown on the survey that it deems to cause a possible defect in title. The Company may, if it deems the risk insurable as to encroachments, add the following language after the exception:

"Company insures the insured against loss, if any, sustained by the insured under the terms of this Policy by reason of a final, non-appealable judgment of a court of competent jurisdiction that orders the removal of this improvement because it encroaches over or into _____ . Company agrees to provide defense to the insured in accordance with the terms of this Policy if suit is brought against the insured to require the removal of this improvement because it encroaches as herein stated."

Stat Codes:

Non-Residential Loan Policy: 0886



**RESTRICTIONS, ENCROACHMENTS, MINERALS -
OWNER'S POLICY ENDORSEMENT (Form T-19.1)**

Issued by

First American Title Insurance Company

Attached to Policy No.:

File No.:

1. The insurance provided by this endorsement is subject to the exclusions in Section 5 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only:
 - a. "Covenant" means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.
 - b. "Improvement" means a building, structure, road, walkway, driveway, or curb, affixed to either the Land or adjoining land and that by law constitutes real property, but excluding any crops, landscaping, lawn, shrubbery, or trees.
 - c. "Private Right" means (i) an option to purchase; (ii) a right of first refusal; or (iii) a right of prior approval of a future purchaser or occupant.
3. The Company insures against loss or damage sustained by the Insured by reason of:
 - a. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
 - b. Enforced removal of an Improvement located on the Land at Date of Policy as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation;
 - c. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation; or
 - d. Enforcement of a Private Right in a Covenant affecting the Title at Date of Policy based on a transfer of Title on or before Date of Policy that causes a loss of the Insured's Title.
4. The Company insures against loss or damage sustained by reason of:
 - a. An encroachment of:
 - i. an Improvement located on the Land, at Date of Policy, onto adjoining land or onto that portion of the Land subject to an easement; or
 - ii. an Improvement located on adjoining land onto the Land at Date of Policy unless an exception in Schedule B of the policy identifies the encroachment otherwise insured against in Sections 4.a.i. or 4.a.ii.; or
 - b. A final court order or judgment requiring the removal from any land adjoining the Land of an encroachment identified in Schedule B; or
 - c. Damage to an Improvement located on the Land, at Date of Policy that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or
 - d. Damage to an Improvement located on the Land on or after Date of Policy, resulting from the future exercise of a right to use the surface of the Land for the extraction or development of minerals or any other subsurface substances excepted from the description of the Land or excepted in Schedule B.

5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
 - a. any Covenant contained in an instrument creating a lease;
 - b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land;
 - c. except as provided in Paragraph 3.c, any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances;
 - d. contamination, explosion, fire, fracturing, vibration, earthquake, or subsidence; or
 - e. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-19.1: RESTRICTIONS, ENCROACHMENTS, MINERALS
OWNER'S POLICY ENDORSEMENT

Rate Rule R-29.C or R-29.D C.

When the T-19.1 is issued on land which is not residential property, the premium shall be:

1. 15% of the Basic Rate for a single issue policy; or
2. 10% of the Basic Rate for a single issue policy if the premium for an amendment of the exception to area and boundaries is also purchased.

In either event, the minimum premium shall be not less than \$50.00

Procedural Rule P-50.A and P-50.C

Any insured matter covered in the Restrictions, Encroachments, Minerals Endorsement T-19 or T-19.1 *may be insured only by the use of these endorsements*, except that coverage regarding minerals may be insured by the use of the T-19.2 or T-19.3 endorsements as provided in P-50.1.

The Company shall delete any insuring provision if it does not consider that risk acceptable.

NOTE:

- If any violation of a private right or encroachment underlined in the “Description of Changes” section is found, that portion of the T-19 should be deleted.
- Proper Underwriting approval must be obtained in order to insure around any known encroachment.
- If any of the following exists, Section 4(d) does not need to be deleted:
 - i) the property is a subdivided lot and block no wider than 200 feet at its narrowest point
 - ii) the restrictive covenants prohibit drilling
 - iii) the property is located in a municipality that would prohibit drilling on subject property
- The T-19.1 is only issued with an Owner Policy (T-1).

See Also: P-39. Express Insurance

If Company amends its Area and Boundary Exception, pursuant to Procedural Rule P-2, it may except, pursuant to Procedural Rule P-5, to those matters shown on the survey that it deems to cause a possible defect in title. The Company may, if it deems the risk insurable as to encroachments, add the following language after the exception:

"Company insures the insured against loss, if any, sustained by the insured under the terms of this Policy by reason of a final, non-appealable judgment of a court of competent jurisdiction that orders the removal of this improvement because it encroaches over or into _____ . Company agrees to provide defense to the insured in accordance with the terms of this Policy if suit is brought against the insured to require the removal of this improvement because it encroaches as herein stated."

Stat Codes: 0889 – OTP Non-residential 0897; OTP Non-residential; survey deletion.



First American

**MINERALS AND SURFACE DAMAGE
ENDORSEMENT (T-19.2)**

Issued by

First American Title Insurance Company
Herein called the Company

Attached to Policy No.:

File No.:

Applies to Parcel(s) _____:

The Company insures the insured against loss which the insured shall sustain by reason of damage to improvements (excluding lawns, shrubbery, or trees) located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals excepted or excluded on Schedule A, Item 2 or excepted in Schedule B. This endorsement does not insure against loss resulting from subsidence.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-19.2: MINERALS AND SURFACE DAMAGE ENDORSEMENT (T-19.2)

Rate Rule R-29.1A

The premium for the T-19.2 is \$50.00 for an endorsement to an Owner's Policy and \$0.00 for an endorsement to a Loan Policy.

Procedural Rule P-50.1

Any insured matter covered in the Minerals and Surface Damage Endorsement Form T-19.2 or Form T-19.3 *may be insured only by the use of these endorsements*, except that coverage regarding minerals may be insured by the use of the Form T-19 or Form T-19.1 endorsements as provided in P-50. When the policy includes an exclusion or an exception regarding minerals as provided in Procedural Rule P-5.1:

NOTE:

- As to an Owner's or Loan Policy covering multiple parcels of real property that consist of a combination of residential and non-residential real property, the Company may issue the endorsement, for each parcel, the applicable Minerals and Surface Damage Endorsement (Form T-19.2 or Form T19.3) to the Owner's or Loan Policy.
- The company is not required to insure the mineral estate.
- The company may take a general exception as to minerals. There is no credit against the title premium for taking a general exception toward minerals.
- A surface protection endorsement (i.e. T-19.2 and T-19.3) is no longer required if a general exception is taken, however, an endorsement may be offered at the election of the title company.
- There shall be no charge for a T-19.2 or T-19.3 endorsement to a Loan Policy.



First American

**MINERALS AND SURFACE DAMAGE
ENDORSEMENT (T-19.3)**

Issued by

First American Title Insurance Company
Herein called the Company

Attached to Policy No.:
File No.:

Applies to Parcel(s) _____:

The Company insures the insured against loss which the insured shall sustain by reason of damage to permanent buildings located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals excepted or excluded on Schedule A, Item 2 or excepted in Schedule B. This endorsement does not insure against loss resulting from subsidence.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-19.3: MINERALS AND SURFACE DAMAGE ENDORSEMENT (T-19.3)

Rate Rule R-29.1B

The premium shall be \$50.00 for an endorsement to an Owner's Policy and \$0.00 for an endorsement to a Loan Policy.

Procedural Rule P-50.1

Any insured matter covered in the Minerals and Surface Damage Endorsement Form T-19.2 or Form T-19.3 may be insured *only by the use of these endorsements*, except that coverage regarding minerals may be insured by the use of the Form T-19 or Form T-19.1 endorsements as provided in P-50. When the policy includes an exclusion or an exception regarding minerals as provided in Procedural Rule P-5.1:

1. As to real property of one acre or less improved or intended to be improved for one-to-four family residential use, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Minerals and Surface Damage Endorsement (Form T-19.2) to an Owner's or Loan Policy.
2. As to real property improved or intended to be improved for office, industrial, retail, mixed use retail/residential, or multifamily purposes, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Minerals and Surface Damage Endorsement (Form T-19.2) to an Owner's or Loan Policy.
3. As to other real property, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Minerals and Surface Damage Endorsement (Form T-19.3) to an Owner's or Loan Policy.
4. As to an Owner's or Loan Policy covering multiple parcels of real property that consist of a combination of real property described in paragraphs 1 or 2, and 3, the Company upon request by the insured and if it meets the Company's underwriting standards may issue for each parcel the applicable Minerals and Surface Damage Endorsement (Form T-19.2 or Form T19.3) to the Owner's or Loan Policy.

NOTE:

Title companies may not be forced to insure the mineral estate.

Title companies may take a general exception as to minerals.

There shall be no credit against the title premium for taking a general exception toward minerals.

A surface protection endorsement (i.e. T-19.2 and T-19.3) is no longer required if a general exception is taken, however, an endorsement may be offered at the election of the title company.

There shall be no charge for a T-19.2 or T-19.3 endorsement to a Loan Policy. This does not affect the rate for the owner's policy endorsement.

Stat Codes: Loan Policy: 0804; Owner's Policy: 0803



First American

ACCESS ENDORSEMENT (T-23)

Issued by

First American Title Insurance Company
herein called the company

Attached to Policy No.:

File No.:

The Company insures against loss or damage sustained by the insured if, at Date of Policy: (i) the land does not abut and have both actual vehicular and pedestrian access to and from _____ (the "Street"), or (ii) the street is not physically open.

This endorsement is made a part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-23: ACCESS ENDORSEMENT

Rate Rule R-30

The premium for the (T-23) shall be \$100 for each policy.

Procedural Rule P-54 A Company may issue its Access Endorsement (T-23): on or after the date Rate Rule R-30 is effective to a Loan Policy (T-2) or Owner's Policy (T-1) on land which contains improvements and which is not residential real property if its underwriting requirements are met and if it is paid the premium, if any, prescribed in Rate Rule R-30. The Company may add any exception to the endorsement that it considers, in its sole discretion, to be appropriate. The Company shall delete any insuring provision or portion thereof if it does not consider that risk acceptable. Any insured matter covered in the Access Endorsement (T-23) may be insured only by the use of this endorsement.

NOTE:

Must be used on non-residential property only. May be attached to a T-1 Owner Policy or a T-2 Loan Policy. Land must contain improvements. Can be given on apartments and nursing homes. Survey is required. Each street has a separate endorsement, but only \$100 can be collected, regardless of the number of endorsements. In the blank, insert name of single street, road or highway.

Stat Code: 0890



First American

NON-IMPUTATION ENDORSEMENT T-24

Issued by

First American Title Insurance Company
HEREIN THE COMPANY

File No.: _____

Attached to and Forming Part of Policy of Title Insurance No. _____

The Company hereby agrees that it will not assert the provisions of Exclusions from Coverage 3(a), (b), or (e) to deny liability for loss or damage otherwise insured against under the terms of the policy solely by reason of the action or inaction or knowledge, as of Date of Policy, of

[identify exiting or contributing partner(s) of the insured partnership entity, member(s) or manager(s) of the insured limited liability company entity, or officer(s) and/or director(s) of the insured corporate entity],

whether or not imputed to the insured by operation of law, but only to the extent that

[identify the "incoming" partners, members or shareholders]

acquired its interest in the insured as a purchaser for value without actual knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by the policy.

This endorsement is made a part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-24: NON-IMPUTATION ENDORSEMENT

Rate Rule R-31

When a Non-Imputation Endorsement (T-24) or Non-Imputation Endorsement (Mezzanine Financing) (T-24.1) is issued with an Owner's Policy (T-1) in accordance with Rule P-55, the premium for the Non-Imputation Endorsement (T-24) or Non-Imputation Endorsement (Mezzanine Financing) (T-24.1) shall be 5% of the Basic Rate for the applicable Owner's Policy. The minimum premium for the Non-Imputation Endorsement shall be not less than \$25.00.

Procedural Rule P-55

A Company may issue its Non-Imputation Endorsement (T-24) or its Non-Imputation Endorsement (Mezzanine Financing) (T-24.1): to a concurrently issued Owner's Policy (T-1) on land which is not residential real property, if its underwriting requirements are met and if it is paid the premium, if any, prescribed in Rate Rule R-31. The Company may add any exception to the endorsement that it considers, in its sole discretion, to be appropriate. Any matter covered in the Non-Imputation Endorsement (T-24) or the Non-Imputation Endorsement (Mezzanine Financing) (T-24.1) may be insured only by the use of the applicable Non-Imputation Endorsement. A Company may not issue its Non-Imputation Endorsement (T-24) or its Non-Imputation Endorsement (Mezzanine Financing) (T-24.1) on residential real property.

Note:

Must be issued on non-residential property only. Change of ownership of a corporation after the date of policy – shareholders. Need proof of change (shareholder book or Assignment of Shares). Future denial of a claim based on something known by shareholders.

Stat Code: 0891



First American

NON-IMPUTATION

(MEZZANINE FINANCING) ENDORSEMENT (T-24.1)

Issued by

First American Title Insurance Company

HEREIN THE COMPANY

File No.: _____

Attached to and forming a part of _____ Policy of title insurance no. _____ .

1. The Mezzanine Lender is: _____ and each successor in ownership of its loan ("Mezzanine Loan") reserving, however, all rights and defenses as to any successor that the Company would have had against the Mezzanine Lender, 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.
2. The Insured
 - a. assigns to the Mezzanine Lender the right to receive any amounts otherwise payable to the Insured under this policy, not to exceed the outstanding indebtedness under the Mezzanine Loan; and
 - b. agrees that no amendment of or endorsement to this policy can be made without the written consent of the Mezzanine Lender.
3. The Company does not waive any defenses that it may have against the Insured, except as expressly stated in this endorsement.
4. In the event of a loss under the policy, the Company agrees that it will not assert the provisions of Exclusions from Coverage 3(a), (b) or (e) to refuse payment to the Mezzanine Lender solely by reason of the action or inaction or Knowledge, as of Date of Policy, of the Insured, provided
 - a. The Mezzanine Lender had no Knowledge of the defect, lien, encumbrance or other matter creating or causing loss on Date of Policy.
 - b. this limitation on the application of Exclusions from Coverage 3(a), (b) and (e) shall
 - i. apply whether or not the Mezzanine Lender has acquired an interest (direct or indirect) in the Insured either on or after Date of Policy, and
 - ii. benefit the Mezzanine Lender only without benefiting any other individual or entity that holds an interest (direct or indirect) in the Insured or the Land.

5. In the event of a loss under the Policy, the Company also agrees that it will not deny liability to the Mezzanine Lender on the ground that any or all of the ownership interests (direct or indirect) in the Insured have been transferred to or acquired by the Mezzanine Lender, either on or after the Date of Policy.

6. The Mezzanine Lender acknowledges

- a. 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 Title, and the amount so paid shall be deemed a payment under this policy; and
- b. that the company shall have the right to insure mortgages or other conveyances of an interest in the Land, without the consent of the Mezzanine Lender.

7. If the Insured, the Mezzanine Lender or others have conflicting claims to all or part of the loss payable under the Policy, the Company may interplead the amount of the loss into Court. The Insured and the Mezzanine Lender shall be jointly and severally liable for the Company's reasonable cost for the interpleader and subsequent proceedings, including attorneys' fees. The Company shall be entitled to payment of the sums for which the Insured and Mezzanine Lender are liable under the preceding sentence from the funds deposited into Court, and it may apply to the Court for their payment.

8. Whenever the Company has settled a claim and paid the Mezzanine Lender pursuant to this endorsement, the Company shall be subrogated and entitled to all rights and remedies that the Mezzanine Lender may have against any person or property arising from the Mezzanine Loan. However, the Company agrees with the Mezzanine Lender that it shall only exercise these rights, or any right of the Company to indemnification, against the Insured, the Mezzanine Loan borrower, or any guarantors of the Mezzanine Loan after the Mezzanine Lender has recovered its principal, interest, and costs of collection.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

AGREED TO AND CONSENTED TO:

By:

By:

T-24.1: NON-IMPUTATION ENDORSEMENT (Mezzanine Financing)

Rate Rule R-31

When a Non-Imputation Endorsement (T-24) or Non-Imputation Endorsement (Mezzanine Financing) (T-24.1) is issued with an Owner's Policy (T-1) in accordance with Rule P-55, the premium for the Non-Imputation Endorsement (T-24) or Non-Imputation Endorsement (Mezzanine Financing) (T-24.1) shall be 5% of the Basic Rate for the applicable Owner's Policy. The minimum premium for the Non-Imputation Endorsement shall be not less than \$25.00.

Procedural Rule P-55

A Company may issue its Non-Imputation Endorsement (T-24) or its Non-Imputation Endorsement (Mezzanine Financing) (T-24.1): to a concurrently issued Owner's Policy (T-1) on land which is not residential real property, if its underwriting requirements are met and if it is paid the premium, if any, prescribed in Rate Rule R-31. The Company may add any exception to the endorsement that it considers, in its sole discretion, to be appropriate. Any matter covered in the Non-Imputation Endorsement (T-24) or the Non-Imputation Endorsement (Mezzanine Financing) (T-24.1) may be insured only by the use of the applicable Non-Imputation Endorsement. A Company may not issue its Non-Imputation Endorsement (T-24) or its Non-Imputation Endorsement (Mezzanine Financing) (T-24.1) on residential real property.

Note:

Must be issued on non-residential property only. Change of ownership of a corporation after the date of policy – shareholders. Need proof of change (shareholder book or Assignment of Shares). Future denial of a claim based on something known by shareholders. Endorsement T-24.1 requires signatures of the parties insured on the OTP and the MTP.

Stat Code: 0805



First American

CONTIGUITY ENDORSEMENT T-25

Issued by

First American Title Insurance Company

HEREIN CALLED THE COMPANY

Attached to Policy No.:

File No.:

The Company hereby insures against loss or damage sustained by the insured by reason of:

(1) the failure [of the _____ boundary line of Parcel A] of the land to be contiguous to [the _____ boundary line of Parcel B]

[for more than two parcels, continue as follows: "of [the _____ boundary line of Parcel B] of the land to be contiguous to [the _____ boundary line of Parcel C]" and so on until all contiguous parcels described in the policy have been accounted for]; or

(2) the presence of any gaps, strips or gores separating any of the contiguous boundary lines described above.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-25: CONTIGUITY ENDORSEMENT

Rate Rule R-32

When the Contiguity Endorsement (Form T-25 or Form 25-1) is issued with a Loan Policy of Title Insurance (Form T-2) or Owner's Policy (Form T-1) in accordance with Rule P-56, the premium for the Contiguity Endorsement (Form T-25 or Form 25-1) shall be \$100 for each policy. Procedural Rule P-56 A. A Company may issue its Contiguity Endorsement (T-25 or T-25.1) to a concurrently issued Loan Policy (T-2) or Owner's Policy (T-1) on land which is not residential real property: 1. If title to each tract described in the Contiguity Endorsement (T-25) is insured by the policy; and 2. if the Company receives a survey acceptable to it; and 3. if its underwriting requirements are met and if it is paid the premium prescribed in Rate Rule R-32. B. The Company may add any exception to the endorsement that it considers, in its sole discretion, to be appropriate. C. Any matter covered in the Contiguity Endorsement (T-25) may be insured only by the use of this endorsement. D. If the insured non-residential land is composed of four or more parcels, or if the insured non-residential land is composed of irregularly shaped parcels, a Company may, in its discretion, issue the Contiguity Endorsement (T-25.1).

Note:

- May be attached to a Loan Policy or T-1 Owner Policy.
- Must be used on non-residential only
- Each tract must be in policy.
- Must have survey.

Stat Code: 0892



First American

CONTIGUITY ENDORSEMENT T-25.1

Issued by

First American Title Insurance Company
HEREIN CALLED THE COMPANY

Attached to Policy No.:

File No.:

The Company insures against loss or damage sustained by the insured by reason of the presence of any gaps, strips, or gores lying between .

[describe contiguous parcels].

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-25.1: CONTIGUITY ENDORSEMENT

Rate Rule: R-32

When the Contiguity Endorsement (Form T-25 or Form 25-1) is issued with a Loan Policy of Title Insurance (Form T-2) or Owner's Policy (Form T-1) in accordance with Rule P-56, the premium for the Contiguity Endorsement (Form T-25 or Form 25-1)) shall be \$100 for each policy.

Procedural Rule P-56 A. A Company may issue its Contiguity Endorsement (T-25 or T-25.1) to a concurrently issued Loan Policy (T-2) or Owner's Policy (T-1) on land which is not residential real property: 1. If title to each tract described in the Contiguity Endorsement (T-25) is insured by the policy; and 2. if the Company receives a survey acceptable to it; and 3. if its underwriting requirements are met and if it is paid the premium prescribed in Rate Rule R-32. B. The Company may add any exception to the endorsement that it considers, in its sole discretion, to be appropriate. C. Any matter covered in the Contiguity Endorsement (T-25) may be insured only by the use of this endorsement. D. If the insured non-residential land is composed of four or more parcels, or if the insured non-residential land is composed of irregularly shaped parcels, a Company may, in its discretion, issue the Contiguity Endorsement (T-25.1).

NOTE:

- May be attached to a Loan Policy or a T-1 Owner Policy.
- Must be used on non-residential only.
- Each tract must be in policy.
- Must have survey.
- Four or more parcels of land or irregularly shaped parcels

Stat Code: 0806



First American

**ADDITIONAL INSURED
ENDORSEMENT T-26**

Issued by

First American Title Insurance Company

File No.:

Attached to and Made a Part of Policy No.: _____

The Policy is hereby amended by adding as a named insured therein:

This endorsement does not extend the coverage of the policy to any later date than Date of Policy, nor does it impose any liability on the Company for loss or damage resulting from (1) failure of such added insured to acquire an insurable estate or interest in the land, or (2) any defect, lien or encumbrance attaching by reason of the acquisition of an estate or interest in the land by such added insured.

[] Optional Coverage for Limited Liability Companies: [if box is checked]

The Company hereby agrees that, notwithstanding anything to the contrary contained in this policy, in the event of loss or damage insured under this policy, the company shall not deny liability under this policy or raise a defense to any claim made under this policy solely on the ground that, after the Date of Policy, a dissolution or termination of the limited liability company has occurred or a new limited liability company or other entity has been created by reason of any one or more:

(i) Transfer(s) of all or any part of the limited liability company members' interests in the insured to any transferee(s),

(ii) Withdrawal(s) of one or more of the members from the limited liability company, or

(iii) addition(s) of one or more persons or entities as members of the limited liability company;

provided that the insured limited liability company remains the record title holder and no new limited liability company is explicitly formed.

The Company reserves all of its rights and defenses under this policy which the Company would have had against the named insured or its constituent members before or after any withdrawal, transfer, or substitution.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provision of the policy and of any prior endorsement.

T-26: Additional Insured Endorsement

Rate Rule R-33 When the Additional Insured Endorsement (T-26) is issued with an Owner Policy in accordance with Rule P-57, the premium for the Additional Insured Endorsement (T-26) shall be 10% of the Basic Rate for each policy provided that the minimum premium shall be not less than \$25.00.

Procedural Rule P-57 A. Living Trust, Acquisition of Interest under Existing Agreement, Family Partnership or Family Corporation A Company may issue its Additional Insured Endorsement (FormT-26) to an Owner's Policy of Title Insurance (Form T-1 or Form T-1R) by naming a person as an additional insured in the endorsement, if: (1) its underwriting requirements are met, (2) it is paid the premium, if any, prescribed in Rate Rule R-33 and (3) the additional insured is: (a) the trustee or successor trustee of a Living Trust to whom the insured transfers the title after Policy Date, and/or the beneficiaries of the Living Trust, or (b) any partner, member or stockholder that acquires the interests of the other owners of the insured in accordance with the terms and provisions of a written agreement in effect at Date of Policy, or (c) family partnership or family corporation solely composed of or owned by members of the insured's family and the insured. Any matter covered in the Additional Insured Endorsement (FormT-26) may be insured only by the use of this endorsement.

B. Limited Liability Company A Company may add to the Additional Insured Endorsement (FormT-26) to an Owner's Policy of Title Insurance (FormT-1), when: (1) its underwriting requirements are met, and (2) it is paid the premium, if any, prescribed in Rate Rule R-33, the following language when requested by a Limited Liability Company that is the insured in the policy to which the endorsement is to be added, when: (i) there will be a transfer(s) of all or any part of the Limited Liability Company members' interests in the insured to any transferee(s), or (ii) the withdrawal(s) of one or more of the members from the Limited Liability Company, or (iii) the addition(s) of one or more persons or entities as members of the Limited Liability Company. The Company may acknowledge that the Company will not deny liability under the policy or raise a defense to any claims because such actions may cause a dissolution or termination of the Limited Liability Company. Language that may be added: [] Optional Coverage for Limited Liability Companies: [if box is checked] The Company hereby agrees that, notwithstanding anything to the contrary contained in this policy, in the event of loss or damage insured under this policy, the Company shall not deny liability under this policy or raise a defense to any claim made under this policy solely on the ground that, after the Date of Policy, a dissolution or termination of the Limited Liability Company has occurred or a new Limited Liability Company or other entity has been created by reason of any one or more: (i) transfer(s) of all or any part of the Limited Liability Company members' interests in the insured to any transferee(s), (ii) withdrawal(s) of one or more of the members from the Limited Liability Company, or (iii) addition(s) of one or more persons or entities as members of the Limited Liability Company; provided that the insured Limited Liability Company remains the record title holder and no new Limited Liability Company is explicitly formed.

The Company reserves all of its rights and defenses under this policy which the Company would have had against the named insured or its constituent members before or after any withdrawal, transfer or substitution. Underwriting Requirements: 1) Attach to Residential Owner's Policy (T-1R) or Owner's Policy (T-1) 2) Obtain Underwriting approval to provide this coverage. 3) Obtain Company Agreement and/or regulations of the LLC together with any additional amendments. 4) Obtain an acceptable resolution of the members or managers. 5) The T-26 contains a provision that states: "The policy is hereby amended by adding as a named insured therein : ". Please note that this provision is to be used for those instances under P-57A, NOT P-57B. If insuring in the context of an LLC, "not applicable" may be inserted in this blank.

Stat Code: 0893



First American

**ASSIGNMENTS OF RENTS / LEASES
ENDORSEMENT (T-27)**

Issued by

First American Title Insurance Company
HEREIN CALLED THE COMPANY

Attached to Policy No.:

File No.:

The Company hereby insures the insured against loss which the insured shall sustain by reason of:

- (a) any defect in the execution of the document entitled _____ referred to in paragraph ____ of Schedule B; and
- (b) the existence, as shown by the public records, of any prior assignment of the lessor's interest in the lease or leases specified in such document, including any assignments of rents there under, other than as set forth in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of this policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-27: ASSIGNMENT OF RENTS/LEASES ENDORSEMENT

Rate Rule R-34

When the Assignment of Rents/Leases Endorsement (T-27) is issued with a Mortgagee Policy of Title Insurance (T-2) in accordance with Rule P-60, the premium for each Assignment of Rents/Leases Endorsement (T-27) shall be \$0.00.

Procedural Rule P-60 A Company may issue its Assignment of Rents/Leases Endorsement (T-27): on or after the date Rate Rule R-34 is effective, to a contemporaneously issued Mortgagee Policy (T-2), if its underwriting requirements are met, and it is paid the premium, if any, prescribed in Rate Rule R-34. The Company shall delete any insuring provision if it does not consider that risk acceptable. Any insured matter covered in the Assignment of Rents/Leases Endorsement (T-27) may be insured only by the use of this Assignment of Rents/Leases Endorsement (T-27). The Assignment of Rents/Leases Endorsement (T-27) may not be issued on residential real property.

NOTE:

- Assignee in the Assignment of Rents/Leases must be the insured lender.
- See paragraph (a) instructions on form (see form next page).
- Show any prior assignments of rents/leases as exceptions in Schedule B.
- Applies to Loan Policy only.

Stat Code: 0894

NOTE: Only permitted for one to four family, residential condominiums

CONDOMINIUM ENDORSEMENT (T-28)

Issued by

First American Title Insurance Company

Attached to Policy No.:

File No.:

Issued by First American Title Insurance Company HEREIN CALLED THE COMPANY.

The Company insures the insured against loss or damage sustained by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the jurisdiction in which the unit and its common elements are located.
2. The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the title to the unit and its common elements.
3. Present violations of any restrictive covenants which restrict the use of the unit and its common elements and which are contained in the condominium documents, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the public records and is not excepted in Schedule B. The restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.
4. The priority of any lien for charges and assessments at Date of Policy provided for in the condominium statutes and condominium documents over the lien of any insured mortgage identified in Schedule A.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements which exist at Date of Policy because of any present encroachments or because of any future unintentional encroachment of the common elements upon any unit or of any unit upon the common elements or another unit.
7. The failure of title by reason of a right of first refusal to purchase the unit and its common elements which was exercised or could have been exercised at Date of Policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-28: CONDOMINIUM ENDORSEMENT

The endorsement may not be issued if the land covered by the policy is not residential real property.

TAX DELETION ENDORSEMENT (T-30)

Issued by

First American Title Insurance Company

File No.: _____

Attached to and made a part of **First American Title Insurance Company** Mortgagee Policy or Interim Construction Binder Number .

The words "and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership" as set forth in Item 3., in Schedule B of the Mortgagee Policy or in Item 3, Schedule B-Part 1 of the Interim Construction Binder (whichever is applicable) to which this endorsement is attached are hereby deleted.

Nothing hereby contained shall be construed as extending or changing the effective date of the Mortgagee Policy or Interim Construction Binder (whichever is applicable) to which this endorsement is attached.

IN WITNESS WHEREOF, the First American Title Insurance Company has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

T-30: TAX DELETION ENDORSEMENT

Rate Rule R-19 Amendment of or Endorsement Amending Exception in Mortgagee Policy or Mortgagee Title Policy Binder on Interim Construction Loan (Interim Binder) - A Mortgagee Policy or Mortgagee Title Policy Binder on Interim Construction Loan (Interim Binder) may be amended in accordance with Rule P-20 upon the payment of an additional premium of \$20.00.

This rate rule shall be applicable to any Interim Binder currently effective but shall be applicable only to Mortgagee Policies issued from and after July 24, 1980.

A separate charge of \$20.00 shall be made for any such amendment to or endorsement of a Mortgagee Policy issued subsequent to the issuance of an Interim Binder and no credit shall be given for any such amendment to or endorsement of a Mortgagee Policy issued subsequent to the issuance of an Interim Binder and no credit shall be given for any such amendment or endorsement to any prior Interim Binder.

Procedural Rule P-20 B.

ROLLBACK TAXES

1. In connection with the issuance or amendment (after issuance) of any Loan Policy or of any Loan Title Policy Binder on Interim Construction Loan (Interim Binder), and upon payment of the premium required under Rate Rule R-19, the words: "and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership", as contained in the standard tax exception may be deleted by:

(a) Deletion of such words upon the policy or binder form, either by checking the appropriate box on a Form T-2 or T-2R or by lining through the words or by producing an electronic form with the words; or

(b) By attachment to the policy or binder of endorsement form T-30. The deletion of the above phrase from the standard tax exception is hereafter referred to as "insure or insuring against rollback taxes".

2. A Company may not insure against rollback taxes unless:

(a) The Company has satisfactory evidence in its file that the assessed taxes for the current year are not based on an agriculture or open-space valuation; or

(b) i. The rollback taxes have been assessed by all of the taxing authorities; ii. iii. The rollback taxes are collected at closing by the Company, and The Company will pay the roll back taxes in the ordinary course of business.

Stat Code: 0700



First American

**VARIABLE RATE MORTGAGE
ENDORSEMENT (T-33)**

Issued by

First American Title Insurance Company

Attached to Policy No.:
File No.:

Issued by First American Title Insurance Company herein called the company

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for changes in the rate of interest.
2. Loss of priority of the lien of the insured mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the insured mortgage, which loss of priority is caused by the changes in the rate of interest.

"Changes in the rate of interest", as used in this endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the insured mortgage at Date of Policy.

This endorsement does not insure against loss or damage based upon (a) usury, or (b) any consumer credit protection or truth in lending law.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-33: VARIABLE RATE MORTGAGE ENDORSEMENT

Rate Rule R-11.d A premium of \$20.00 shall be charged for the issuance of each Endorsement Form T-33 Variable Rate Mortgage Endorsement or Form T-33.1 Variable Rate Mortgage –Negative Amortization Endorsement authorized by Rule P-9b(6) except that such additional premium charge shall not be made if an additional premium charge has been made for the Loan Policy (to which the Endorsement is attached). **Rate Rule R-4 Mortgagee Policy** When a previously issued mortgagee policy insuring a variable rate mortgage is reissued (or endorsed), effective as of the date of the original Mortgagee Policy, increasing the face amount of the Mortgagee Policy from the original principal amount of the loan to an amount not to exceed one hundred twenty-five percent (125%) of the original principal amount the additional premium is calculated as follows: a. The premium on the increased Policy Amount calculated at the Basic Rate (existing on the date of the original Mortgagee Policy), but less the greater of the amount of the premium previously charged for: (i) the original Mortgagee Policy, or (ii) the Owner Policy. b. If such original Mortgagee Policy was issued as a simultaneous issue, no credit shall be given for the simultaneous issue premium charge.

Procedural Rule P-9b(6)

For purposes of this rule a “variable rate mortgage loan” shall be one which permits adjustments of the interest rate, with such adjustments being implemented through changes in the payment amount and/or in the outstanding principal loan balance or in the loan term.

When a Loan Policy of Title Insurance is to be issued insuring the lien securing a variable rate mortgage loan note, the company may attach to the Loan Policy the Endorsement T33 or T-33.1.

A T-33 Endorsement or T-33.1 Endorsement may be issued and attached to a previously issued Loan Policy insuring a variable rate mortgage loan upon the payment of any applicable premium charge and compliance with the underwriting requirements of the Company. (Rule R-11.d)

NOTE:

Either Form T-33 or T-33.1 may be issued, but not both. There must be adjustable rate language in the note and deed of trust. Endorsement may be issued with the original Loan Policy or at a later date.

Stat Codes: 0140: \$20.00 0141: N/C



**VARIABLE RATE MORTGAGE-
NEGATIVE AMORTIZATION ENDORSEMENT (T-33.1)**

Issued by

First American Title Insurance Company

Attached to Policy No.:

File No.:

First American Title Insurance Company herein called the company

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for: (a) interest on interest; (b) changes in the rate of interest; or (c) the addition of unpaid interest to the principal balance of the loan.
2. Loss of priority of the lien of the insured mortgage as security for the principal balance of the loan, including any unpaid interest which was added to principal in accordance with the provisions of the insured mortgage, interest on interest, or interest as changed in accordance with the provisions of the insured mortgage, which loss of priority is caused by (a) changes in the rate of interest; (b) interest on interest; or (c) increases in the unpaid principal balance of the loan resulting from the addition of unpaid interest.

"Changes in the rate of interest", as used in this endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the insured mortgage at Date of Policy.

This endorsement does not insure against loss or damage based upon (a) usury, or (b) any consumer credit protection or truth in lending law.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-33.1: VARIABLE RATE MORTGAGE—NEGATIVE AMORTIZATION ENDORSEMENT

Rate Rule R-11.d

A premium of \$20.00 shall be charged for the issuance of each Endorsement Form T-33 Variable Rate Mortgage Endorsement or Form T-33.1 Variable Rate Mortgage –Negative Amortization Endorsement authorized by Rule P-9b(6) except that such additional premium charge shall not be made if an additional premium charge has been made for the Loan Policy (to which the Endorsement is attached). Rate Rule R-4 Mortgagee Policy When a previously issued mortgagee policy insuring a variable rate mortgage is reissued (or endorsed), effective as of the date of the original Mortgagee Policy, increasing the face amount of the Mortgagee Policy from the original principal amount of the loan to an amount not to exceed one hundred twenty-five percent (125%) of the original principal amount the additional premium is calculated as follows: a. The premium on the increased Policy Amount calculated at the Basic Rate (existing on the date of the original Mortgagee Policy), but less the greater of the amount of the premium previously charged for: (i) the original Mortgagee Policy, or (ii) the Owner Policy. b. If such original Mortgagee Policy was issued as a simultaneous issue, no credit shall be given for the simultaneous issue premium charge.

Procedural Rule P-9b(6)

For purposes of this rule a “variable rate mortgage loan” shall be one which permits adjustments of the interest rate, with such adjustments being implemented through changes in the payment amount and/or in the outstanding principal loan balance or in the loan term. When a Loan Policy of Title Insurance is to be issued insuring the lien securing a variable rate mortgage loan note, the company may attach to the Loan Policy the Endorsement T33 or T-33.1.

A T-33.1 Endorsement may be issued and attached to a previously issued Loan Policy insuring a variable rate mortgage loan upon the payment of any applicable premium charge and compliance with the underwriting requirements of the Company. (Rule R-11.d)

NOTE: Either Form T-33 or T-33.1 may be issued, but not both. There must be negative amortization provisions in the note and deed of trust (i.e. interest on interest or the addition of unpaid interest to the principal balance). Endorsement may be issued with the original Loan Policy or at a later date.

Stat Codes: 0142: \$20.00 0143: N/C



First American

INCREASED VALUE ENDORSEMENT

Issued by

First American Title Insurance Company

File No.: _____

This Endorsement is made a part of Owner Policy Number _____, dated _____.

As of the date of this endorsement, the "Amount" on Schedule A is deleted and the following amount is substituted:

\$ _____

Under this endorsement, we do not cover title risks or insure against matters:

- a. created, suffered, assumed, or agreed to by you (the insured), or
- b. known to you (the insured) but not to us (the company) at the date of this endorsement unless they appear in the Public Records on the Policy Date.

This endorsement does not change the Policy Date. The terms of the Policy apply to this endorsement.

Endorsement Premium: \$ _____

Endorsement Date: _____

T-34: INCREASED VALUE ENDORSEMENT

Rate Rule R-15(1) Owner's Policy Endorsements When requested by the Insured, and upon compliance with Rule P-9a(2), endorsement form T-34 shall be attached to the Owner's Policy upon payment of a premium for such endorsement which shall be the Basic Rate computed on the new amount less the premium paid for the Owner's Policy and any form T-34 endorsements previously attached thereto, but in no event less than the then applicable minimum policy Basic Premium Rate. Procedural Rule P-9a(2) When an insured under an Owner Policy shall have satisfied the Company as to the current value of the estate or interest insured by such Owner Policy, and shall have paid the premium provided for in Rule R-15.a, the Company shall attach to the said Owner Policy endorsement form T-34.

Procedural Rule P-66A(5) Determination of Amount of Insurance (Policy Amount) A. Owner's Policy 5. Increased Value: When the value of the insured land and improvements has increased and when requested by the Insured, upon compliance with Rule P-9a(2), endorsement form T-34 shall be attached to the Owner's Policy upon payment of the premium set forth in R-15(a).

IMPORTANT:

- May be attached to Owner Policy only
- \$238 Minimum Premium
- Proof of value required (i.e. assessed value/tax appraisal; construction costs, etc.)

Stat Code: 0960



First American

**FUTURE ADVANCE / REVOLVING CREDIT
ENDORSEMENT (T-35)**

ISSUED BY

First American Title Insurance Company

File No.:

Attached to and made a part of First American Title Insurance Company Loan Policy Number _____ dated the ____ day of _____, 20_____.

1. The insurance for Advances added by Section 2 of this endorsement is subject to the exclusions in Section 3 of this endorsement and the Exclusions from Coverage in the Policy, except Exclusion 3(d), the provisions of the Conditions, and the exceptions contained in Schedule B.
 - a. "Agreement," as used in this endorsement, shall mean the note or loan agreement secured by the Insured Mortgage or the Insured Mortgage.
 - b. "Advances," as used in this endorsement, shall mean only those advances of principal indebtedness made after the Date of Policy as provided in the Agreement, including expenses of foreclosure, amounts advanced pursuant to the Insured Mortgage to pay taxes and insurance, assure compliance with laws, or to protect the lien of the Insured Mortgage before the time of acquisition of the Title, and reasonable amounts expended to prevent deterioration of improvements, together with interest on those advances.
2. The Company insures against loss or damage sustained by the insured by reason of:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage as security for each Advance.
 - b. The lack of priority of the lien of the Insured Mortgage as security for each Advance over any lien or encumbrance on the Title.
 - c. The invalidity or unenforceability or loss of priority of the lien of the Insured Mortgage as security for the Indebtedness and Advances resulting from (i) re-Advances and repayments of Indebtedness, (ii) lack of outstanding Indebtedness before an Advance, or (iii) the failure of the Insured Mortgage to comply with the requirements of state law of the state in which the Land is located to secure Advances.
3. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
 - a. Advances made after a Petition for Relief under the Bankruptcy Code (11 U.S.C.) has been filed by or on behalf of the mortgagor.
 - b. The loss of priority of the lien of the Insured Mortgage, as security for Advances, to the lien of real estate taxes or assessments on the Title imposed by governmental authority arising after Date of Policy.
 - c. The loss of priority of the lien of the Insured Mortgage as security for any Advance, to a federal tax lien, which Advance is made after the earlier of (i) actual knowledge of the Insured that a federal tax lien was filed against the mortgagor, or (ii) the expiration of more than forty-five days after notice of a federal tax lien filed against the mortgagor.
 - d. The loss of priority of the lien of the Insured Mortgage as security for Advances to any federal or state environmental protection lien.
 - e. Usury, or any consumer credit protection or truth-in-lending law.
4. The Amount of Insurance shall include Advances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-35: FUTURE ADVANCE/ REVOLVING CREDIT ENDORSEMENT

Rate Rule R-11.f

A premium of \$50.00 shall be charged for the issuance of each Endorsement Form T-35 Future Advance/Revolving Credit Endorsement provided for in Rule P-9b(8).

Procedural Rule P-9b(8) (8) Future Advance/Revolving Credit (T-35) When a Loan Policy of Title Insurance is to be issued to insure the validity and priority of a lien created by a mortgage or deed of trust which secures a revolving credit promissory note or other such indebtedness where: 1. a line of credit of a specific amount is extended to a borrower for the term of indebtedness, 2. the amount of indebtedness actually outstanding at any particular time is subject to fluctuations up or down due to future disbursements of loan proceeds and/or future repayments thereof from time to time over the term of the indebtedness (which disbursements and repayments are contemplated by the parties at the time the indebtedness is created), and 3. repayments by the borrower neither reduce nor increase the original line of credit extended nor affect the borrower's liability to repay the principal sum of all outstanding disbursements plus all accrued interest thereon, the Company upon request and compliance with Rule R-11.f shall attach to said Loan Policy of Title Insurance the Future Advance/Revolving Credit Endorsement. The Future Advance/Revolving Credit Endorsement shall be available only where the mortgage or deed of trust creating the lien to be insured discloses to the satisfaction of the Company that the indebtedness secured thereby is a revolving type of indebtedness as set forth above.

Stat Code: 0800



First American

[PENDING]

COMMERCIAL ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT (T-36.1)

ISSUED BY

First American Title Insurance Company

File No.:

The Company insures against loss or damage sustained by the Insured by reason of an environmental protection lien that, at Date of Policy, is recorded in the Public Records or filed in the records of the clerk of the United States district court for the district in which the Land is located, unless the environmental protection lien is set forth as an exception in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-36.1: COMMERCIAL ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT

Rate Rule Pending

Procedural Rule Pending

NOTE:

- Do not issue this endorsement until there is a corresponding rate rule and procedural rule.
- The T-36.1 may be issued with a Loan Policy insuring non-residential property.
- The T-36 is for use with policies insuring Residential Land

Stat Code: Not Assigned Yet



First American

**MORTGAGEE POLICY OF TITLE INSURANCE ENDORSEMENT
Form (T-38) (Pursuant to P-9.b.(3))**

Issued by

First American Title Insurance Company

Attached to Policy No.:

File No.:

**PARTIAL RELEASE, RELEASE OF ADDITIONAL COLLATERAL,
MODIFICATION AGREEMENT, REINSTATEMENT AGREEMENT, or
RELEASE FROM PERSONAL LIABILITY**

Premium: \$

Attached to and made a part of First American Title Insurance Company Mortgage Policy No. _____ this ____ .

As to the above numbered mortgagee policy, the company will not claim the policy coverage has terminated or that policy coverage has been reduced, solely by reason of the execution of:

(Here describe the instrument by stating whether it is a partial release, release of additional collateral, modification agreement, reinstatement agreement or release from personal liability and then more fully describe the instrument by filling the blanks below.)

dated the ____ day of _____, 20____, filed for record on the ____ day of _____, 20____ at _____ in the office of the County Clerk of _____ County, Texas, under clerk's file number _____ and/or recorded in Volume/Book _____, Page _____ of the _____ Records of said County.

If, by the terms of the Instrument, the maturity date of the indebtedness secured by the insured lien is extended beyond the original period of limitation applicable to such indebtedness, this endorsement shall be construed to include the following:

"The issuance of this endorsement shall maintain the liability hereunder (should this insured remain as a lien holder only), for the period of limitation applicable to the indebtedness secured by the lien described on Schedule "A" calculated from the renewed and extended maturity date of such indebtedness."

This endorsement, notwithstanding anything in the Instrument to the contrary, does not change the original effective date of the loan policy or the face amount of insurance stated on Schedule "A" thereof, nor does it alter or increase the coverage of the policy.

This endorsement shall not be construed to include within its scope any modification agreement, reinstatement agreement or other instrument not specifically set forth above and described herein by volume/page or clerk's file number.

The Company shall have no liability by reason of: (i) the invalidity of the Instrument or any part thereof; or (ii) the failure to record any renewal and/or extension agreement.

This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the Instrument (the "Transaction") by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws that is based on:

1. the Transaction being deemed a fraudulent conveyance or fraudulent transfer; or
2. the Transaction being deemed a preferential transfer except where the preferential transfer results from the failure
 - a. to timely record the Instrument; or
 - b. of such recordation to impart notice to a purchaser for value or to a judgment or lien creditor.

This endorsement is subject to the Schedule "B" exceptions, the Exclusions from Coverage, and the Conditions of the Policy.

Rate Rule R-11.b

A premium of \$100.00 shall be charged for each Endorsement Form T-38 Partial Release, Release of Additional Collateral, Modification Agreement, Reinstatement Agreement, or Release from Personal Liability issued within one year after the date of the original policy.

If issued after said one year period, an additional \$10.00 shall be charged for each twelve-month period thereafter, or a part thereof. In no event, however, shall such premium exceed 50% of the premium applicable to the original Loan Policy under the Schedule of Basic Rates. Procedural Rule P-9(b)(3) Partial Release, Release of Additional Collateral, Modification Agreement, Reinstatement Agreement and/or Release from Personal Liability

When a Mortgage Policy has been issued covering the lien securing an indebtedness, and the holder of such Mortgage Policy desires to: a) release a part of the land described in Schedule A of said Policy; and/or b) release additional collateral securing indebtedness described in said Schedule A; and/or c) modify only one or more of the following items described in Schedule A of said policy: the mortgage, deed of trust, security instrument, guaranty or promissory note by entering into a Modification Agreement; and/or d) reinstate said mortgage or deed of trust by entering into a Reinstatement Agreement; and/or e) release the mortgagor(s) or other obligors from personal liability; Upon payment of the premium prescribed by rate rule R-11.b, the Company which issued the original policy may issue a Form T-38 Endorsement thereto to show that policy coverage has not been reduced or terminated solely by virtue of the modification, reinstatement or release.

An endorsement shall not be issued under this subparagraph (3) if: i) the modification agreement, reinstatement agreement or other instrument expressly creates or grants a lien or power of sale; or ii) the indebtedness secured by the lien of the insured mortgage or deed of trust is evidenced by a new promissory note; or iii) the insured mortgage or deed of trust is modified to secure additional principal indebtedness other than accrued or deferred interest on the specific indebtedness described on Schedule A of the policy or advances made pursuant to the terms of the original mortgage or deed of trust; or iv) the insured mortgage or deed of trust is cross-collateralized or otherwise modified to cover property not described on Schedule A of the policy. (Rate Rule R-11.b)

NOTE::

- This endorsement is used on a loan policy when the underlying lien has been partially released, modified, or reinstated or when additional collateral or personal liability has been released.
- Endorsement issued only when the following is true: 1) No new note/mortgage executed; 2) No new land is added as collateral; and 3) No new principal (other than the original contemplated advances).
- This endorsement does not downdate the policy.
- This endorsement does not insure the continued priority of the mortgage or subsequent advances.

Stat Code: 0311

NOTE:

The T-39: BALLOON MORTGAGE ENDORSEMENT is only issued on residential property.



CO-INSURANCE ENDORSEMENT FORM (T-48)

ISSUED BY

First American Title Insurance Company

Attached to Policy No.:
File No.

Attached to and made a part of Issuing Co-Insurer's Policy No. ("Co-Insurance Policy"). Each title insurance company executing this Co-Insurance Endorsement, other than the Issuing Co-Insurer, shall be referred to as a "Co-Insurer." Issuing Co-Insurer and any other co-insurers are collectively referred to as "Co-Insuring Companies."

1. Co-Insurer issues this endorsement as evidence of Co-Insurer's liability under Co-Insurance Policy and directs that this endorsement be attached to the Co-Insurance Policy adopting its Covered Risks, Exclusions, Conditions, Schedules and Endorsements, as follows:

Amount of Insurance, Percentage of Liability and Aggregate Amount of Insurance under the Co-Insurance Policy:

Co-Insuring Companies	Name and Address	Policy Number [File Number]	Amount of Insurance	Percentage of Liability
Issuing Co-Insurer			\$	
Co-Insurer			\$	
Co-Insurer			\$	
Co-Insurer			\$	
Aggregate Policy Amount			\$	

2. Each of the Co-Insuring Companies shall be liable to the Insured only for its Percentage of Liability of: (a) the total of the loss or damage under the Co-Insurance Policy, but in no event greater than its respective Amount of Insurance set forth in this endorsement; and (b) costs, attorneys' fees and expenses provided for in the Conditions.
3. Any notice of claim and any other notice or statement in writing required to be given under the Co-Insurance Policy must be given to each of the Co-Insuring Companies at its address set forth above.
4. Any endorsement to the Co-Insurance Policy issued after the date of this Co-Insurance Endorsement must be signed by each of the Co-Insuring Companies by its authorized officer or agent.
5. This Co-Insurance Endorsement is effective as of the Date of Policy of the Co-Insurance Policy. This Co-Insurance Endorsement may be executed in counterparts.

This endorsement is issued as part of the Coinsurance Policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

T-48: CO-INSURANCE ENDORSEMENT

Rate Rule NONE

Procedural Rule P-6(c)

(c) Where the total amount of a single risk is in excess of \$15,000,000 (Fifteen Million Dollars), and when such risk is insured by more than one title insurance company. One title insurance company may issue a policy and the other co-insurers may join in execution of the Co-Insurance Endorsement (T-48), in lieu of separate issuance of a policy subject to the terms of paragraph (a). The premium shall be determined for the total risk being insured under the policy and the premium shall be apportioned between or among the different companies on a pro rata basis commensurate with the amount of risk insured by each title insurance company as specified in the Co-Insurance Endorsement (T-48). The Amount of Insurance stated in Schedule A shall be the total risk being insured under the policy, followed by the statement "Subject to the terms of the Co-Insurance Endorsement (T-48) attached hereto."

Stat Code: 0896



First American

[PENDING]

**SEVERABLE IMPROVEMENTS ENDORSEMENT
ENDORSEMENT FORM (T-54)**

ISSUED BY

First American Title Insurance Company

File No.

1. As used in this endorsement, "Severable Improvement" means property affixed to the Land on or after Date of Policy that by law does not constitute real property because:
 - a. of its character and manner of attachment to the Land; and
 - b. it can be severed from the Land without causing material damage to it or to the Land.
2. In the event of a loss by reason of a defect, lien, encumbrance, or other matter covered by this Policy ("Defect"), the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other endorsement to the Policy):
 - a. the diminution in value of the Insured's interest in any Severable Improvement resulting from the Defect, reduced by the salvage value of the Severable Improvement; and
 - b. the reasonable cost actually incurred by the Insured in connection with the removal or relocation of the Severable Improvement resulting from the Defect and the cost of transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the relocation.
3. This endorsement relates solely to the calculation of the Insured's loss resulting from a claim based on a defect, lien, encumbrance or other matter otherwise insured against by the Policy. This Policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees or expenses) relating to:
 - a. the attachment, perfection or priority of any security interest in the Severable Improvement;
 - b. the vesting or ownership of title to or rights in any Severable Improvement;
 - c. any defect in or lien or encumbrance on the title to any Severable Improvement; or,
 - d. the determination of whether any specific property is real or personal in nature

This endorsement is issued as part of the Coinsurance Policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Rate Rule Pending

Procedural Rule P-72 A Company may issue its Severable Improvements Endorsement (Form T-54) to a Loan Policy (Form T-2) or Owner's Policy (Form T-1) on land which contains improvements and which is not residential real property, if its underwriting requirements are met, and the area and boundary amendment is made pursuant to Procedural Rule P-2. The policy amount shall be for the value of the land and improvements and the severable improvements. The Company may add any exception to the endorsement that it considers, in its sole discretion, to be appropriate. The Company shall delete any insuring provision or portion thereof if it does not consider that risk acceptable. Any insured matter covered in the Severable Improvements Endorsement (Form T-54) may be insured only by the use of this endorsement. Underwriting Requirements: Do not issue this endorsement until there is a corresponding rate rule established. The T-54 may be issued with an Owner's Policy (T-1) or Loan Policy (T-2) under the following conditions: 1) land must contain improvements 2) cannot be residential real property 3) the area and boundary exception must be amended pursuant to P-2 4) policy amount shall be for the value of the land and improvements and the severable improvements

Stat Code: Not Assigned Yet



First American Title[™]

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