

Redline of 2021 v 01.00 (04-02-2022) against Existing Version 8-1-2012

ALTA RESIDENTIAL LIMITED COVERAGE JUNIOR LOAN POLICY
issued by
BLANK TITLE INSURANCE COMPANY

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this ~~Policy~~policy must be given to the Company at the address shown in ~~Section 15 of the Conditions~~Condition 16.

COVERED RISKS-

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN THE SCHEDULE, AND THE CONDITIONS, and provided that the Land is ~~a~~improved with an existing one-to-four family residence or residential condominium unit, [Blank Title Insurance Company, ~~a~~ _____], a [Blank] corporation, ~~(the "Company,"~~), insures, as of the Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. The Grantee not being the named grantee on the last document ~~purporting to vest the Title,~~ recorded in the Public Records as of the Date of Policy, purporting to vest the Title.
2. The description of the Land in the Schedule ~~A~~ not being the same as that contained in the last document, recorded in the Public Records as of the Date of Policy, purporting to vest the Title ~~recorded in the Public Records~~.
3. A Monetary Lien recorded in the Public Records as of the Date of Policy.
4. Any ad valorem taxes or assessments of any governmental taxing authority that constitute a lien on the Title and that ~~on,~~ as of the Date of Policy, appear in the official ad valorem tax records where the Land is located.

DEFENSE OF COVERED CLAIMS

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

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[Witness clause ~~optional~~]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

By: _____
[Authorized Signatory]

BY: _____ PRESIDENT

BY: _____ SECRETARY



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EXCLUSIONS FROM COVERAGE

The following matters are 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. Any invalidity, unenforceability, or ineffectiveness of the Identified Mortgage.
2. Any lien on the Title for real estate taxes or assessments imposed or collected by governmental authority that becomes due and payable after the Date of Policy. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 4.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - a. created, suffered, assumed or agreed to by the Insured Claimant;
 - b. Known to the Insured Claimant, whether or not disclosed in the Public Records;
 - c. resulting in no loss or damage to the Insured Claimant; or
 - d. recorded or filed in the Public Records subsequent to the Date of Policy.

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[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.e.:
Issuing Agent:
Issuing Office:
Issuing Office's ALTA® Registry ID:
Loan ID Number:
Issuing Office File Number:
Property Address:]

SCHEDULE A

Name and Address of Title Insurance Company:

Policy No. _____ [Premium: \$ _____.] Number: _____

Amount of Insurance: \$ _____ Date of Policy: [Premium: \$ _____]

Name Date of Policy: _____ [at _____ a.m./p.m.]

- 1. The Insured is:
- 2. Grantee:
- 3. The Land referred to in this policy is described as follows:

EXCEPTIONS

Some historical land records contain discriminatory covenants that are illegal and unenforceable by law. If a document identified as an Exception or otherwise referred to in this policy contains a provision that, under applicable law, illegally discriminates against a class of individuals based upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, then that illegal provision is repudiated and not published or republished.

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

[TAX INFORMATION]

EXCLUSIONS FROM COVERAGE

~~_____ The following matters are expressly excluded from the coverage of~~

[1. Insert tax exception(s)]

[Insert signature block for issuing office]



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CONDITIONS1. DEFINITIONS OF TERMS

In this policy, the following terms have the meanings given to them below. Any defined term includes both the singular and the ~~Company will not pay loss or damage, costs, attorneys' fees~~ plural, as the context requires:

a. "Affiliate": An Entity:

i. that is wholly owned by the Insured;

ii. that wholly owns the Insured; or

iii. if that Entity and the Insured are both wholly owned by the same person or ~~expenses which arise by reason~~ Entity.

b. "Amount of Insurance": The Amount ~~of~~: Insurance stated in the Schedule, as may be decreased by Condition 10; or increased or decreased by endorsements to this policy.

~~1. Any invalidity, unenforceability or ineffectiveness of the Insured's Mortgage.~~

~~2~~

c. "Consumer Protection Law": Any law regulating trade, lending, credit, sale, and debt collection practices involving consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory lending, or a borrower's ability to repay a loan.

d. "Date of Policy": The Date of Policy ~~, Defects, liens, encumbrances, adverse claims or other matters;~~

~~a. created, suffered, assumed or agreed to by the Insured Claimant;~~

~~b. known to the Insured Claimant whether or not disclosed in the Public Records;~~

~~c. resulting in no loss or damage to the Insured Claimant; or~~

~~d. recorded or filed in the Public Records subsequent to.~~

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CONDITIONS

~~DEFINITION OF TERMS~~

The following terms when used in this policy mean:

- (a) ~~“Amount of Insurance”~~: The amount stated in ~~Schedule A~~.
- (b) ~~“Date of Policy”~~: The date designated as ~~“Date of Policy”~~ in ~~the~~ Schedule A.
- (c) ~~“Entity”~~: A corporation, partnership, trust, limited liability company, or other ~~similar legal entity~~ entity authorized by law to own title to real property in the State where the Land is located.
- f. ~~“Government Mortgage Agency or Instrumentality”~~: Any government agency or instrumentality that is the owner of the Indebtedness, an insurer, or a guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness, or any part of it, whether named as an Insured or not.
- g. ~~“Grantee”~~: The Grantee ~~designated~~ identified in ~~the~~ Schedule A.
- h. ~~“Indebtedness”~~: ~~The~~ Any obligation ~~if~~ secured by the ~~Insured’s~~ Identified Mortgage. ~~Including one,~~ including an obligation evidenced by electronic means authorized by law, ~~and if.~~ If that obligation is the payment of a debt, the Indebtedness is:-
- i. the sum of:-
- ~~the amount of the~~
- (a). principal disbursed if secured by as of the Insured’s Mortgage; Date of Policy;
- (b). provided that an ALTA JR 2 Endorsement to this Policy is issued, principal disbursed subsequent to the Date of Policy, but only to the extent of the coverage in the ALTA JR 2 Endorsement;
- (c). interest on the loan;-
- ~~(i) the prepayment premiums, exit fees, and other similar fees or penalties allowed by law;-~~
- ~~the~~
- (d). expenses of foreclosure and any other costs of enforcement;-
- ~~but the Indebtedness is~~
- (e). advances for insurance premiums;
- (f). advances to assure compliance with law or to protect the validity, enforceability, or priority of the lien of the Identified Mortgage before the acquisition of the estate or interest in the Title; including, but not limited to:
- (1). real estate taxes and assessments imposed by a governmental taxing authority,
and
- (2). regular, periodic assessments by a property owners’ association; and
- (g). advances to prevent deterioration of improvements before the Insured’s acquisition of the Title, but
- ii. reduced by the total sum of all payments and by any amount amounts forgiven by an Insured.
- i. ~~“Insured”~~:
- i. (a). ~~The Insured named in Item 1 of the Schedule A if it is the owner of the Indebtedness and each successor in ownership or future owner of the Indebtedness, except a other than an Obligor, if the named Insured or future owner of the Indebtedness owns the Indebtedness, the Title, or an estate or interest in the Land as provided in Condition 2, but only to the extent the named Insured or the future owner either:~~
- (1). owns the Indebtedness for its own account or as a trustee or other fiduciary, or
- (2). owns the Title after acquiring the Indebtedness;
- (b). the person or Entity who has “control” of the “transferable record,” if the Indebtedness is evidenced by a “transferable record,” as defined by applicable electronic transactions law;
- (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;

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- (d). the successor ~~who is an obligor, reserving, however,~~ to the Title of an Insured resulting from its conversion to another kind of Entity;
- (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is an Affiliate;
- (f). an Affiliate that acquires the Title through foreclosure or deed in lieu of foreclosure of the Identified Mortgage; or
- (g). any Government Mortgage Agency or Instrumentality.
- ii. With regard to Conditions 1.i.i.(a). and 1.i.i.(b)., the Company reserves all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
- iii. With regard to Conditions 1.i.i.(c)., 1.i.i.(d)., 1.i.i.(e)., and 1.i.i.(f)., the Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.
- j. "Insured Claimant": An Insured claiming loss or damage arising under this policy.
- (h) ~~"Insured's~~
- k. "Identified Mortgage": -The Mortgage ~~described~~ identified in JR1. the ALTA JR 1 Endorsement to this policy.
- l. "Knowledge" or "Known": Actual knowledge, or actual notice, but not constructive knowledge or notice that may be imputed to an Insured imparted by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- m. "Land": The land described in Item 3 of the Schedule A, and affixed improvements located on that land at the Date of Policy that by State law constitute real property. The term "Land" does not include any property beyond the lines of the area that described in the Schedule A, nor any right, title, interest, estate, or easement in any abutting streets, roads, avenues, alleys, lanes, ways street, road, avenue, alley, lane, right-of-way, body of water, or waterways. waterway.
- n. "Mortgage": Mortgage: A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- o. "Monetary Lien": Any Mortgage, deed of trust, judgment lien or other lien affecting the Title securing the obligation to pay money, but not including any lien created in any easement, covenant, condition, restriction, or declaration of condominium or planned unit development, except to the extent that a separate notice of enforcement of a specific delinquent charge or assessment affecting the Title has been recorded in the Public Records.
- p. "Obligor": A person or Entity that is or becomes a maker, borrower, or guarantor as to all or part of the Indebtedness or other obligation secured by the Identified Mortgage. A Government Mortgage Agency or Instrumentality is not an Obligor.
- q. "Public Records": Records: The recording or filing system established under state State statutes in effect at the Date of Policy for the purpose of imparting under which a document must be recorded or filed to impart constructive notice of matters relating to real property the Title to purchasers a purchaser for value and without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.
- r. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
- s. "Title": The estate or interest described in Schedule A. in the Land purported to be vested in the Grantee.

2. CONTINUATION OF INSURANCE COVERAGE

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~~The coverage of this~~ This policy ~~shall continue in force~~ continues as of ~~the~~ Date of Policy in favor of an Insured after ~~the Insured's~~ acquisition of the Title ~~by an Insured either~~ through foreclosure ~~of the lien of the Insured's Mortgage or or~~ deed in lieu of foreclosure. ~~— of the lien of the Identified Mortgage. Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the Insured conveys the Title. This policy does not continue in force or effect in favor of any person or Entity that is not the Insured.~~

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3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured ~~shall~~ must notify the Company promptly in writing ~~(i) in case if the Insured has Knowledge of any litigation as set forth in Section 5 of these Conditions, (ii) in case Knowledge shall come to an Insured of any claim that might cause loss or damage or other matter~~ for which the Company may be liable ~~by virtue of under~~ this policy. - If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the ~~Company's~~ Company's liability to the Insured Claimant under ~~the~~ this policy ~~shall be~~ is reduced to the extent of the prejudice.

-

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~~In the event the Company is unable to determine the amount of loss or damage, the~~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, adverse claim, or other matter insured against by this policy that constitutes the basis of loss or damage and ~~shall~~must 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 ~~Section 6 of these Conditions~~Condition 7, the Company, at its own cost and without unreasonable delay, ~~shall~~will 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~~has 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~~covered causes of action.-~~It shall~~ The Company is 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 ~~these causes~~any cause of action that ~~allege~~alleges matters not insured against by this policy.-
- b. The Company ~~shall have~~has the right, in addition to the options contained in ~~Section 6 of these Conditions~~Condition 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 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~~is liable to the Insured.- The Company's exercise of these rights ~~shall~~is not ~~be~~ an admission of liability or waiver of any provision of this policy.- If the Company exercises its rights under ~~this subsection,~~Condition 5.b., it must do so diligently.-
- c. ~~Whenever~~When 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~~having jurisdiction, ~~and it expressly.~~ The Company reserves the right, in its sole discretion, to appeal any adverse judgment or order.-

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- a. When this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured will secure to the Company the right to 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.
When requested by the Company, the Insured, at the Company's expense, must give the Company all reasonable aid in:
- i. securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and
 - ii. any other lawful act that in the opinion of the Company may be necessary or desirable to establish the lien of the Identified Mortgage, as insured.
- If the Company is prejudiced by any failure of the Insured to furnish the required cooperation, the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation, regarding the matter 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 the Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant must grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all the records in the custody or control of a third party that reasonably pertain to the loss or damage. No information designated in writing as confidential by the Insured Claimant provided to the Company

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pursuant to Condition 6 will be later disclosed to others unless, in the reasonable judgment of the Company, disclosure is necessary in the administration of the claim or required by law. Any 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 Condition 6.b., unless prohibited by law, terminates 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~~ has 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. In addition, the Company will pay~~ any costs, ~~attorneys'~~ 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. In addition, the Company will pay~~ any costs, ~~attorneys'~~ 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~~ if the Company purchases the Indebtedness, the Insured ~~shall~~ must transfer, assign, and convey to the Company the Indebtedness and the ~~Insured~~ Identified Mortgage, together with any collateral security.-

Upon the exercise by the Company of either ~~of the options~~ option provided for in ~~subsections (Condition 7. a)(i) or (ii), all,~~ the Company's 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~~ with Parties ~~Other Than~~ other than the Insured or ~~With~~ with the Insured Claimant-

- i. To pay or otherwise settle with ~~other~~ parties other than the Insured for or in the name of ~~an~~ the Insured Claimant ~~any claim insured against under this policy.-~~ In addition, the Company will pay any costs, ~~attorneys'~~ 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. In addition, the Company will pay~~ any costs, ~~attorneys'~~ 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~~ option provided for in ~~subsections (Condition 7. b)(i) or (ii),~~ the Company's Company's liability and 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. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by ~~the~~ an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. ~~This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy. The Company is not liable for any claim alleging negligence or negligent misrepresentation arising from or in connection with this policy or the determination of the insurability of the Title.~~

- a. The extent of liability of the Company for loss or damage under this policy ~~shall~~ does not exceed the least of:
 - i. the Amount of Insurance;

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- ii. the Indebtedness, ~~or:~~
- iii. the difference between the fair market value of the Title ~~without the matter, as~~ insured ~~against,~~ and the fair market value of the Title subject to the matter insured against by this policy; ~~or~~ (b) In the event
- iv. if a Government Mortgage Agency or Instrumentality is the Insured has acquired Claimant, the amount it paid in the acquisition of the Title in or the manner described Identified Mortgage or in Section 2 of these Conditions then the extent satisfaction of liability of its insurance contract or guaranty relating to the Title or the Company shall continue as set forth Identified Mortgage.
- b. Fair market value of the Title in Section 7(a) Condition 8.a.iii. is calculated using either:
 - i. the date the Insured acquires the Title as a result of these Conditions; a foreclosure or deed in lieu of foreclosure of the Identified Mortgage; or
 - ii. the date the lien of the Identified Mortgage is finally determined to be subject to a matter insured against by this policy.
- c. In addition to the extent of liability for loss or damage under ~~(Conditions 8.a.)~~ and ~~(b), 8.c.,~~ the Company will also pay ~~those~~ the costs, ~~attorneys'~~ attorneys' fees, and expenses incurred in accordance with ~~Sections~~ Conditions 5 and 7 ~~of these Conditions. If the loss is caused by a lien insured against by this policy, the difference between the value of the estate or interest in the land encumbered by the insured's mortgage without the lien insured against and the value of that estate or interest subject to the lien insured against by this policy.~~

9. LIMITATION OF LIABILITY

If

- a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company removes an the alleged matter insured against by a Covered Risk in this policy in a reasonably diligent manner. The Company may do so by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations and shall not be liable for any loss or damage with respect to that matter.

In the event

- b. The Company is not liable for loss or damage arising out of any litigation, including litigation by the Company or with the Company's Company's consent, the Company shall have no liability for loss or damage until there has been a State or federal court having jurisdiction makes a final, non-appealable determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Insured with respect to matters lien of the Identified Mortgage resulting from a matter insured against by this policy.
- c. The Company ~~shall~~ is not ~~be~~ liable for loss or damage to ~~any insured~~ the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.
- d. An Insured Claimant must own the Indebtedness or have acquired the Title at the time that a claim under this policy is paid.
- e. The Company is not liable for the content of the Transaction Identification Data, if any.

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

- ~~(a).~~ All payments under this policy, except payment ~~payments~~ made for costs, ~~attorneys'~~ attorneys' fees, and expenses, ~~shall~~ reduce the Amount of Insurance by the amount of the payment.
- ~~(b).~~ The voluntary satisfaction or release of the ~~Insured's~~ Identified Mortgage ~~shall terminate~~ terminates all liability of the Company, except as provided in ~~Section~~ Condition 2 ~~of these Conditions.~~

11. PAYMENT OF LOSS

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

~~11. RIGHTS OF~~**12. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON PAYMENT OR SETTLEMENT AND PAYMENT**~~(a) The Company's~~a. Company's Right to Recover~~Whenever~~

i. If the Company shall have settled settles and paid pays a claim under this policy, it ~~shall be~~ is subrogated and entitled to ~~all the~~ rights and remedies of the Insured Claimant -in the Title or Identified Mortgage and all other rights and remedies of the Insured Claimant in respect to the claim that the Insured Claimant has against any person, entity, or property to the fullest extent ~~of permitted by law, but limited to~~ the amount of any loss, costs, ~~attorneys'~~ attorneys' fees, and expenses paid by the Company.- If requested by the Company, the Insured Claimant ~~shall must~~ execute documents to evidence the transfer to the Company of these rights and remedies.- to the Company. The Insured Claimant ~~shall permit~~ permits 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.-

ii. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer defers the exercise of its subrogation right ~~to recover~~ until after the Insured Claimant ~~shall have recovered~~ fully recovers its loss.-

~~(i) The Company's Rights Against Noninsured Obligors~~~~The~~b. Company's right of Subrogation Rights against Obligors

The Company's subrogation right includes the Insured's rights against ~~non-insured obligors~~ Obligors including the Insured's rights ~~of the Insured to~~ indemnities, guaranties, other policies of repayment under a note, indemnity, guaranty, warranty, insurance policy, or bonds, notwithstanding bond, despite any terms or conditions contained provision in those instruments that ~~address~~ addresses recovery or subrogation rights.-

The Company's right of An Obligor cannot avoid the Company's subrogation ~~shall not be avoided~~ right by acquisition of the Insured Mortgage by an obligor who acquires the Insured Mortgage acquiring the Indebtedness as a result of an indemnity, ~~guarantee, other policy of guaranty, warranty, insurance policy, or bond, and the obligor will~~ or in any other manner. The Obligor is not be an Insured under this policy. The Company may not exercise its rights under Condition 12.b. against a Government Mortgage Agency or Instrumentality.

~~12. LIABILITY LIMITED TO THIS POLICY;~~c. 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 Identified Mortgage, or release any collateral security for the Indebtedness, if the action does not affect the enforceability or priority of the lien of the Identified Mortgage.

ii. If the Insured exercises a right provided in Condition 12.c.i. but has Knowledge of any matter insured against by this policy, the Company is required to pay only that part of the loss insured against by this policy that exceeds the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's subrogation right.

13. POLICY ENTIRE CONTRACT

- a. This policy together with all endorsements, if any, ~~attached to it~~ issued 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~~ will be construed as a whole.-

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~~(b) Any claim of loss or damage relating to the Covered Risks or any other matter shall be restricted to this policy.~~

~~(c) Any amendment of or~~

~~This policy and any~~ endorsement to this policy ~~must~~may be ~~in writing and authenticated~~evidenced by ~~an electronic means~~ authorized ~~person, or expressly incorporated by Schedule A of this policy, by law.~~

~~(d) Each~~

- b. ~~Any amendment of this policy must be by a written~~ endorsement ~~to this policy issued at any time is made a part of~~ issued by the Company. ~~To the extent any term or provision of an endorsement is inconsistent with any term or provision of this policy and is subject to all of its terms and provisions. Except as, the term or provision of the endorsement controls. Unless~~ the endorsement expressly states, it does not ~~(i) modify any of the terms and provisions of the policy, (ii):~~
- i. ~~modify any prior endorsement, (iii)~~
 - ii. ~~extend the Date of Policy, or (~~
 - iii. insure against loss or damage exceeding the Amount of Insurance, or
 - iv. ~~increase the Amount of Insurance.~~

14. SEVERABILITY

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

15. CHOICE OF LAW; AND CHOICE OF FORUM

- a. ~~Choice of Law: The Insured acknowledges the~~
The Company has underwritten the risks covered by this policy and determined the premium charged ~~therefore~~ in reliance upon the State law affecting interests in real property and the State law applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the ~~jurisdiction~~State where the Land is located.
~~Therefore, the court or an arbitrator shall apply the~~The State law of the ~~jurisdiction~~State where the Land is located ~~to, or to the extent it controls, federal law, will~~ determine the validity of claims ~~insured against by this policy~~adverse to the lien of the Identified Mortgage and ~~to interpret the interpretation and enforce enforcement of~~ the terms of this policy. ~~In neither case shall the court or arbitrator apply its, without regard to~~ conflicts of law 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 stateState or federal court ~~within the United States of America or its territories~~ having appropriate jurisdiction.

16. NOTICES, ~~WHERE SENT~~

~~All notices required to be given the Company~~Any notice of claim and any other notice or statement in writing required to be ~~furnished~~given to the Company ~~shall include the number of~~under this policy ~~and shall~~must be ~~addressed~~given to the Company at: _____ ~~(fill in), Attention: Claims Department.~~ _____.

~~17.~~ CLASS ACTION

ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS POLICY, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS POLICY, ANY BREACH OF A POLICY PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS POLICY, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING.

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Redline of 2021 v 01.00 (04-02-2022) against Existing Version 8-1-2012

18. ARBITRATION

~~Unless prohibited by applicable law, 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~~

- a. ~~All 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~~ and disputes arising out of or relating to this policy, including any service or other matter in connection with ~~its issuance or the issuing this policy, any~~ breach of a policy provision, or ~~to any other controversy or claim or dispute arising out of or relating to~~ the transaction giving rise to this policy. ~~All arbitrable matters when, may be resolved by arbitration. If the Amount of Insurance is \$2,000,000 or less shall be arbitrated, any claim or dispute may be submitted to binding arbitration at the option election of either the Company or the Insured. All arbitrable matters when~~ If the Amount of Insurance is ~~in excess of~~ greater than \$2,000,000 ~~shall be arbitrated, any claim or dispute may be submitted to binding arbitration~~ only when agreed to by both the Company and the Insured. ~~Arbitration pursuant to this policy and under the Arbitration must be conducted pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("ALTA Rules"). The ALTA Rules are available online at www.alta.org/arbitration. The ALTA Rules shall incorporate, as appropriate to a particular dispute, the Consumer Arbitration Rules and Commercial Arbitration Rules of the American Arbitration Association ("AAA Rules"). The AAA Rules are available online at www.adr.org.~~
- b. ALL CLAIMS AND DISPUTES MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS OR REPRESENTATIVE PROCEEDING IN ANY ARBITRATION GOVERNED BY CONDITION 18. The arbitrator does not have authority to conduct any class action arbitration or arbitration involving joint or consolidated claims under any circumstance.
- c. If there is a final judicial determination that a request for particular relief cannot be arbitrated in accordance with this Condition 18, then only that request for particular relief may be brought in court. All other requests for relief remain subject to this Condition 18.
- d. Fees will be allocated in accordance with the applicable AAA Rules. The results of arbitration will be binding upon the parties. The arbitrator may consider, but is not bound by, rulings in prior arbitrations involving different parties. The arbitrator is bound by rulings in prior arbitrations involving the same parties to the extent required by law. The arbitrator must issue a written decision sufficient to explain the findings and conclusions on which the award is based. Judgment upon the award rendered by the Arbitrator(s) arbitrator may be entered in any State or federal court of competent having jurisdiction.]

NOTE: Bracketed [] material optional