

## SCHEDULE A

Effective Date:

TD:

**GF No.**

Issue Date:

1. 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:

PROPOSED INSURED:

- (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:

**SCHEDULE B**  
**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.):
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 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 the area.

(Applies to the Owner Policy only.)

5. Standby fees and 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. (If Texas Short Form Residential Mortgagee 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 \_\_\_\_\_ 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 Mortgage Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence 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 Mortgagee Policy only.)
9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Mortgagee 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 Mortgagee 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.):

## SCHEDULE C

Your Policy will not cover loss, costs, attorneys 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 name 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 supplies 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 Mortgage 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.

NOTE TO ALL BUYERS, SELLERS BORROWERS, LENDERS AND ALL PARTIES INTERESTED IN THE TRANSACTION COVERED BY THIS COMMITMENT. THE FOLLOWING CONSTITUTES A MAJOR CHANGE IN THE PROCEDURES AND REQUIREMENTS FOR DISBURSEMENT OF FUNDS BY THE TITLE AGENT. THE STATE BOARD OF INSURANCE HAS ADOPTED PROCEDURAL RULE P-27 WHICH WILL REQUIRE THAT "GOOD FUNDS" BE RECEIVED AND DEPOSITED BEFORE A TITLE AGENT MAY DISBURSE FROM ITS TRUST FUNDS ACCOUNT. "GOOD FUNDS" IS DEFINED AS:

- a. Cash or wire transfers;
- b. Certified checks, cashier's checks and teller's checks, as further described in definition "g" of this rule,
- c. Uncertified funds in amounts less than \$1,500.00, including checks, traveler's checks, money orders, and negotiable orders of withdrawal; provided multiple items shall not be used to avoid the \$1,500.00 limitation;
- d. Uncertified funds in amount of \$1,500.00 or more, drafts, and any other items when collected by the financial institution;
- e. State of Texas Warrants;
- f. United States Treasury Checks;
- g. Checks drawn on a bank or savings and loan association insured by the FDIC or FSLIC and for which a transaction code has been issued pursuant to, and in compliance with, a fully executed immediately available funds procedure agreement;