

Policy of title insurance.

Application No. _____. Premium \$ _____. Amount \$ _____. _____ Title Insurance Company, a corporation of the State of _____ ("*the company*"), for a valuable consideration, paid for this policy of title insurance, does here insure _____ [*seller and purchaser or mortgagor and mortgagee*] together with each successor in ownership of any indebtedness secured by any mortgage or deed of trust shown in Schedule B, the owner of which is named as an insured, and any such owner or successor in ownership of any such indebtedness who acquires the land described in Schedule C, or any part of the land, by lawful means in satisfaction of the indebtedness or any part of it, and any person or corporation deriving an estate or interest in the land, as an heir or devisee of a named insured, or by reason of the dissolution, merger, or consolidation of a corporation named insured, against loss or damage not exceeding \$ _____, which any insured shall sustain:

by reason of title to the land described in Schedule C being vested, at the date of this policy, otherwise than as stated in this policy; or

by reason of unmarketability of the title of any vestee to the land, at the date of this policy, unless such unmarketability exists because of defects, liens, incumbrances, or other matters shown in Schedule B; or

by reason of any defect in, or lien or incumbrance on the title, existing at the date of this policy, not shown in Schedule B; or

by reason of any defect in the execution of any mortgage or deed of trust shown in Schedule B securing an indebtedness, the owner of which is insured by this policy, but only to the extent the defect affects the lien or charge of the mortgage or deed of trust upon the land; or by reason of priority, at the date of this policy, over any such mortgage or deed of trust, of any lien or incumbrance upon the land, except as shown in Schedule B; all subject, however, to Schedules A, B and C and the attached stipulations, all of which schedules and stipulations are here made a part of this policy.

Schedule A.

On _____ [date] at _____ o'clock, —.m, the title to the land described in Schedule C is vested in: _____ [or _____ and _____, h spouse as joint tenants] [or other description of owners and ownership].

Schedule B.

(A). The company does not, by this policy, insure against loss by reason of:

1. Easements or liens which are not shown by the public records (a) of the District Court of the Federal District, (b) of the county, or (c) of the city, in which the land or any part of it is situate.
2. Rights or claims of persons in possession of the land which are not shown by those public records which impart constructive notice.
3. Any facts, rights, interests, or claims which are not shown by those public records which impart constructive notice, but which could be ascertained by an inspection of the land, or by making inquiry of persons in possession of the land or by a correct survey.
4. Mining claims, reservations in patents, water rights, claims or title to water.
5. Any governmental acts or regulations restricting, regulating or prohibiting the occupancy or use of the land or any building or structure on the land.

(B). Liens and incumbrances to which the title is subject shown in the order of their priority, and defects and other matters to which the title is subject:

1. Taxes for the fiscal year _____ [date] to _____ [date] a lien, but not yet due or payable.
2. Public utilities easement as shown upon the map referred to below.
3. Declaration of restrictions dated _____ and recorded _____ [date] in Book _____ of Official Records, page _____, executed by _____ and recorded _____ [date], in Liber _____ of Official Records, page _____, and reference is here made to the record of restrictions for further particulars.
4. Deed of trust dated _____ and recorded _____ [date] in Book _____ of Official Records, page _____, executed by _____ to _____, a corporation, as trustee, and _____, as beneficiary, to secure the payment of \$ _____ with interest, also such additional sums, etc.

Note: Taxes for the fiscal year _____ [date] to _____ [date] have been paid.

Note: This policy does not include a report on municipal liens of the City of _____.

Schedule C.

The insured property is described as follows:

All that certain parcel of land situate in the County of _____, State of _____, described as follows:

_____.

Stipulations

1. This policy does not insure against, and the company will not be liable for loss or damage created by or arising out of any of the following: (a) defects, liens, claims, incumbrances, or other matters which result in no pecuniary loss to the insured; (b) defects, liens, incumbrances, or other matters created or occurring subsequent to the date of this policy; (c) defects, liens, incumbrances, or other matters created or suffered by the insured claiming such loss or damage, or existing at the date of this policy and known to the insured claiming such loss or damage, either at the date of this policy or at the date such insured claimant acquired an estate or interest insured by this policy, unless such defect, lien, claim, incumbrance, or other matter shall have been disclosed to the company in writing prior to the issuance of this policy. Any rights or defenses of the company against a named insured shall be equally available against any person or corporation who shall become an insured under this policy as successor of that named insured.

2. The company at its own cost shall defend the insured in all actions or proceedings against the insured founded upon a defect, lien, incumbrance, or other matter insured against by this policy, and may pursue such litigation to final determination in the court of last resort. In case any such action or proceeding shall be begun, or in case knowledge shall come to any insured of any claim of title or interest adverse to the title as insured, or which might cause loss or damage for which the company shall or may be liable by virtue of this policy, such insured shall at once notify the company in writing. If such notice shall not be given to the company at least five days before the appearance day in any such action or proceeding, or if such insured shall not, in writing, promptly notify the company of any defect, lien, incumbrance, or other matter insured against, or of any such adverse claim which shall come to the knowledge of such insured, in respect to which loss or damage is apprehended, then all liability of the company as to each insured having such notice in regard to the subject of such action, proceeding, or claim shall cease and terminate; provided, however, that failure to so notify shall in no case prejudice the claim of any insured unless the company shall be actually prejudiced by such failure. The company shall have the right to institute and prosecute any action or proceeding or do any other act which, in its opinion, may be necessary or desirable to establish the title, or any insured lien or charge, as insured. In all cases where this policy permits or requires the company to prosecute or defend any action or proceeding, the insured shall secure to it in writing the right to so prosecute or defend that action or proceeding, and all appeals in the action or proceeding, and permit it to use, at its option, the name of the insured for that purpose. Whenever requested by the company the insured shall assist the company in any such action or proceeding, in effecting settlement, securing evidence, obtaining witnesses, prosecuting or defending such action or proceedings to such extent and in such manner as is deemed desirable by the company, and the company shall reimburse the insured for any expense so incurred. The company shall be subrogated to and be entitled to all costs and attorney's fees incurred or expended by the company, which may be recoverable by the insured in any litigation carried on by the company on behalf of the insured. The word "knowledge" in this paragraph means actual knowledge, and does not refer to constructive knowledge or notice which may be imputed to the insured by reason of any public record or otherwise.

3. The company reserves the option to pay, settle, or compromise for, or in the name of, the insured, any claim insured against or to pay this policy in full at any time, and payment or tender of payment of the full amount of this policy, together with all accrued costs which the company is obligated to pay this policy, shall terminate all liability of the company under this policy, including all obligations of the company with respect to any litigation pending and subsequent costs of that litigation.

4. Whenever the company shall have settled a claim under this policy, it shall be subrogated to and be entitled to all rights, securities, and remedies which the insured would have had against any person or property in respect to that claim, had this policy not been issued. If the payment does not cover the loss of the insured, the company shall be subrogated to such rights, securities, and remedies in the proportion which the payment bears to the amount of the loss. In either event the insured shall transfer, or cause to be transferred, to the company those rights, securities and remedies, and shall permit the company to use the name of the insured in any transaction or litigation involving those rights, securities, or remedies.

5. The company has the right and option, in case any loss is claimed under this policy by an insured owner of an indebtedness secured by mortgage or deed of trust, to pay such insured the indebtedness of the mortgagor or trustor under the mortgage or deed of trust, together with all costs which the company is obligated to pay under this policy, in which case the company shall become the owner of, and such insured shall at once assign and transfer to the

company the mortgage or deed of trust and the indebtedness secured by it, and such payment shall terminate all liability under this policy to such insured.

6. A statement in writing of any loss or damage for which it is claimed the company is liable under this policy shall be furnished to the company within sixty days after such loss or damage shall have been ascertained. No action or proceeding for the recovery of any such loss or damage shall be instituted or maintained against the company until after full compliance by the insured with all the conditions imposed on the insured by this policy, nor unless commenced within twelve months after receipt by the company of such written statement.

7. The company will pay, in addition to any loss insured against by this policy, all costs imposed upon the insured in litigation carried on by the company for the insured, and in litigation carried on by the insured with the written authorization of the company, but not otherwise. The liability of the company under this policy shall in no case exceed, in all, the actual loss of the insured and costs which the company is obligated to pay under this policy, and in no case shall such total liability exceed the amount of this policy and those costs. All payments under this policy shall reduce the amount of the insurance pro tanto, and payment of loss or damage to an insured owner of indebtedness shall reduce, to that extent, the liability of the company to the insured owner of the land. No payment can be demanded by any insured without producing this policy for indorsement of such payment.

8. Loss under this policy shall be payable, first, to any insured owner of indebtedness secured by mortgage or deed of trust shown in Schedule B, in order of priority there shown, and if such ownership vests in more than one, payment shall be made ratably as their respective interests may appear, and after that, any loss shall be payable to the other insured, and if more than one, then to such insured ratably as their respective interests may appear. If there be no such insured owner of indebtedness, any loss shall be payable to the insured, and if more than one, to such insured ratably as their respective interests may appear.

9. No provision or condition of this policy can be waived or changed except by writing indorsed on or attached to this policy and signed by the President, a Vice-President, the Secretary, or an Assistant Secretary of the company.

In witness, _____ Title Insurance Co. has caused its corporate name and seal to be here affixed by its duly authorized officers the day and hour set forth in Schedule A of this policy.