

# ALTA OWNER'S POLICY OF TITLE INSURANCE

issued by:



CHICAGO TITLE INSURANCE COMPANY

Policy Number:

**0223369-16**

**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 must be given to the Company at the address shown in Condition 17.**

## COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, Chicago Title Insurance Company, a Florida corporation (the "Company"), insures as of the Date of Policy and, to the extent stated in Covered Risks 9 and 10, after 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 Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. Covered Risk 2 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. the failure of a person or Entity to have authorized a transfer or conveyance;
    - iii. a document affecting the Title not properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
    - iv. a 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 the failure to have performed those acts by electronic means authorized by law;
    - vii. a defective judicial or administrative proceeding; or
    - viii. the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.
  - b. the lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
  - c. the effect on the Title of an encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment would have been disclosed by an accurate and complete land title survey of the Land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. A violation or enforcement of a law, ordinance, permit, or governmental regulation (including those relating to building and zoning), but only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice that identifies a restriction, regulation, or prohibition relating to:
  - a. the occupancy, use, or enjoyment of the Land;
  - b. the character, dimensions, or location of an improvement on the Land;
  - c. the subdivision of the Land; or
  - d. environmental remediation or protection on the Land.
6. An enforcement of a governmental forfeiture, police, regulatory, or national security power, but only to the extent of the enforcement described by the enforcing governmental authority in an Enforcement Notice.

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- 7. An exercise of the power of eminent domain, but only to the extent:
  - a. of the exercise described in an Enforcement Notice; or
  - b. the taking occurred and is binding on a purchaser for value without Knowledge.
- 8. An enforcement of a PACA-PSA Trust, but only to the extent of the enforcement described in an Enforcement Notice.
- 9. The Title being vested other than as stated in Schedule A, the Title being defective, or the effect of a court order providing an alternative remedy:
  - a. resulting from the avoidance, in whole or in part, of any transfer of all or any part of the Title to the Land or any interest in the Land occurring prior to the transaction vesting the Title because that prior transfer constituted a:
    - i. fraudulent conveyance, fraudulent transfer, or preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law; or
    - ii. voidable transfer under the Uniform Voidable Transactions Act; or
  - b. because the instrument vesting the Title constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law by reason of the failure:
    - i. to timely record the instrument vesting the Title in the Public Records after execution and delivery of the instrument to the Insured; or
    - ii. of the recording of the instrument vesting the Title in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
- 10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to the Date of Policy and prior to the recording of the deed or other instrument vesting the Title in the Public Records.

**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, but only to the extent provided in the Conditions.

**Chicago Title Company of Washington**  
701 5th Avenue, Suite 2700  
Seattle, WA 98104

Countersigned By:



Kathleen J Hall  
Authorized Officer or Agent

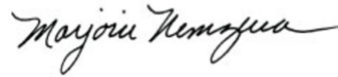
**Chicago Title Insurance Company**

By:



Michael J. Nolan, President

Attest:



Marjorie Nemzura, 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. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
  - i. the occupancy, use, or enjoyment of the Land;
  - ii. the character, dimensions, or location of any improvement on the Land;
  - iii. the subdivision of land; or
  - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.

Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.

2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
  - a. created, suffered, assumed, or agreed to by the Insured Claimant;
  - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - c. resulting in no loss or damage to the Insured Claimant;
  - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
  - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.

named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer:
    - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
    - ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments, imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

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*Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.d.:*

Property Address: 2007 Shaw Road, Puyallup, WA 98372

### SCHEDULE A

Name and Address of Title Insurance Company: **Seattle Builder / Unit 16**  
Chicago Title Company of Washington  
701 5th Avenue, Suite 2700  
Seattle, WA 98104

Policy Number: 0223369-16

Date of Policy	Amount of Insurance	Premium
January 16, 2024 at 10:22 AM	\$1,160,000.00	\$2,224.00

1. The Insured is:

RM Homes, L.L.C., a Washinton limited liability company

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

FEE SIMPLE

3. The Title is vested in:

RM Homes, L.L.C., a Washinton limited liability company

4. The Land is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

**THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED**

**END OF SCHEDULE A**

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**EXHIBIT "A"**  
Legal Description**For APN/Parcel ID(s): 042035-4039**

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THE SOUTH HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 20 NORTH, RANGE 4 EAST, W.M., IN PIERCE COUNTY, WASHINGTON, LYING EASTERLY OF SHAW ROAD;

EXCEPT THAT PORTION CONVEYED TO THE CITY OF PUYALLUP BY INSTRUMENT RECORDED OCTOBER 2, 1991 UNDER RECORDING NO. 9110020348, RECORDS OF PIERCE COUNTY, WASHINGTON;

AND EXCEPT THAT PORTION CONVEYED TO THE CITY OF PUYALLUP BY INSTRUMENT RECORDED OCTOBER 22, 2009 UNDER RECORDING NO. 200910220021, RECORDS OF PIERCE COUNTY, WASHINGTON.

SITUATE IN THE COUNTY OF PIERCE, STATE OF WASHINGTON.

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## SCHEDULE B EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

### GENERAL EXCEPTIONS:

- A. Rights or claims of parties in possession, or claiming possession, not shown in Public Records.
- B. 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.
- C. Easements, prescriptive rights, rights-of-way, liens or encumbrances, or claims thereof, not shown by the Public Records.
- D. Any lien, or right to a lien, for contributions to employee benefit funds, or for state workers' compensation, or for services, labor, or material heretofore or hereafter furnished, all as imposed law, and not shown by the Public Records.
- E. Taxes or special assessments which are not yet payable or which are not shown as existing liens by the Public Records.
- F. Any lien for service, installation, connection, maintenance, tap, capacity, or construction or similar charges for sewer, water, electricity, natural gas or other utilities, or for garbage collection and disposal not shown by the Public Records.
- G. Unpatented mining claims, and all rights relating thereto.
- H. Reservations and exceptions in United States Patents or in Acts authorizing the issuance thereof.
- I. Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
- J. Water rights, claims or title to water.

### SPECIAL EXCEPTIONS:

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**SCHEDULE B**  
**EXCEPTIONS FROM COVERAGE**  
 (continued)

1. Reservations and exceptions contained in the deed:

Grantor: Northern Pacific Railroad Company

Reserving and excepting from said Lands so much or such portions thereof as are or may be mineral lands or contain coal or iron, and also the use and the right and title to the use of such surface ground as may be necessary for ground operations and the right of access to such reserved and excepted mineral lands, including lands containing coal or iron, for the purpose of exploring, developing and working the land.

Recorded: March 31, 1884  
[Volume 14 of deeds, page 617](#)

The Company makes no representations about the present ownership of these reserved and excepted interests.

2. Right to make necessary slopes for cuts or fills upon property herein described as granted or reserved in deed:

In favor of: Pierce County  
 Recording Date: July 27, 1951  
 Recording No.: 1600531 and under Recording No. 1600532

3. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Puget Sound Power & Light Company  
 Purpose: Electric lines and appurtenances  
 Recording Date: October 13, 1971  
 Recording No.: 2415212  
 Affects: A portion of said premises

4. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Pacific Northwest Bell Telephone Company  
 Purpose: Communication lines, conduits and manholes  
 Recording Date: August 30, 1978  
 Recording No.: 2848825  
 Affects: A portion of said premises

5. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Purpose: Sewer line easement  
 Recording Date: June 17, 1987  
 Recording No.: 8706170441  
 Affects: A portion of said premises

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**SCHEDULE B**  
**EXCEPTIONS FROM COVERAGE**  
(continued)

6. Mutual Easement and Agreement and the terms and conditions thereof:
- Recording Date: April 6, 1989  
Recording No.: 8904060047  
Regarding: Roadway, ingress, egress and utilities extension and services and costs and maintenance thereof
7. Right to make necessary slopes for cuts or fills upon property herein described as granted or reserved in deed:
- In favor of: City of Puyallup  
Recording Date: October 2, 1991  
Recording No.: 9110020348
8. Memorandum of Agreement and the terms and conditions thereof:
- Grantor: Carrie Kolowinski and Sherrie Kleinhuizen  
Grantee: Trinity Land Development, L.L.C.  
Recording Date: July 24, 2006  
Recording No.: 200607240886  
Regarding: Real estate purchase and sale agreement
9. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: Puget Sound Energy, Inc.  
Purpose: To construct, operate, maintain, repair, replace, improve, remove, upgrade one or more utility systems for purposes of transmission, distribution and sale of electricity  
Recording Date: May 12, 2009  
Recording No.: 200905120412  
Affects: A portion of said premises
10. Any question that may arise due to shifting and changing in the course, boundaries or high water line of unnamed creek or stream.
11. Rights of the State of Washington in and to that portion, if any, of the Land which lies below the line of ordinary high water of unnamed creek or stream.
12. Any prohibition or limitation of use, occupancy or improvement of the Land resulting from the rights of the public or riparian owners to use any portion which is now or was formerly covered by water.

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**SCHEDULE B**  
**EXCEPTIONS FROM COVERAGE**  
(continued)

13. Paramount rights and easements in favor of the United States for commerce, navigation, fisheries and the production of power.
14. City, county or local improvement district assessments, if any.
15. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: US West Communications  
Purpose: Telecommunications facilities  
Recording Date: May 14, 1992  
Recording No.: 9205140291  
Affects: Southwesterly portion of said premises
16. Terms and Conditions contained in Right of Way Dedication Deed
- Recording Date: October 22, 2009  
Recording No.: 200910220021
17. Complaint and Notice of Hearing on Unfit or Dangerous Structure
- Filed by: City of Puyallup  
Against: Carrie A. Kolowinski & Sherrie E. Kleinhuizen  
Case No.: 17-000151  
Recording Date: August 21, 2023  
Recording No.: 202308210271
18. Order of the Public Officer
- Filed by: City of Puyallup  
Against: Carrie A. Kolowinski & Sherrie E. Kleinhuizen  
Case No.: 17-000151  
Recording Date: December 12, 2023  
Recording No.: 202312120045
19. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2024.

**END OF SCHEDULE B**

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## CONDITIONS

## 1. DEFINITION OF TERMS

In this policy, the following terms have the meanings given to them below. Any defined term includes both the singular and the 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 entity.
- b. "Amount of Insurance": The Amount of Insurance stated in Schedule A, as may be increased by Condition 8.d. or decreased by Condition 10 or 11; or increased or decreased by endorsements to this policy.
- c. "Date of Policy": The Date of Policy stated in Schedule A.
- d. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
- e. "Enforcement Notice": A document recorded in the Public Records that describes any part of the Land and:
  - i. is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation;
  - ii. is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power; or
  - iii. asserts a right to enforce a PACA-PSA Trust.
- f. "Entity": A corporation, partnership, trust, limited liability company, or other entity authorized by law to own title to real property in the State where the Land is located.
- g. "Insured":
  - i.
    - (a). The Insured named in Item 1 of Schedule A;
    - (b). the successor to the Title of an Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
    - (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
    - (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity; or
    - (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is:
      - (1). an Affiliate;
      - (2). a trustee or beneficiary of a trust created by a written instrument established for estate planning purposes by an Insured;
      - (3). a spouse who receives the Title because of a dissolution of marriage;
      - (4). a transferee by a transfer effective on the death of an Insured as authorized by law; or
      - (5). another Insured named in Item 1 of Schedule A.
  - ii. The Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.
- h. "Insured Claimant": An Insured claiming loss or damage arising under this policy.
- i. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- j. "Land": The land described in Item 4 of Schedule A and 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 that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- k. "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.
- l. "PACA-PSA Trust": A trust under the federal Perishable Agricultural Commodities Act or the federal Packers and Stockyards Act or a similar State or federal law.
- m. "Public Records": The recording or filing system established under State statutes in effect at the Date of Policy under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value 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.
- n. "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.
- o. "Title": The estate or interest in the Land identified in Item 2 of Schedule A.
- p. "Unmarketable Title": The Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or a 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.

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**2. CONTINUATION OF COVERAGE**

This policy continues as of the Date of Policy in favor of an Insured, so long as the Insured:

- a. retains an estate or interest in the Land;
- b. owns an obligation secured by a purchase money Mortgage given by a purchaser from the Insured; or
- c. has liability for warranties given by the Insured in any transfer or conveyance of the Insured's Title.

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 and acquires the Title or an obligation secured by a purchase money Mortgage given to the Insured.

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

The Insured must notify the Company promptly in writing if the Insured has Knowledge of:

- a. any litigation or other matter for which the Company may be liable under this policy; or
- b. any rejection of the Title as Unmarketable Title.

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 this policy is reduced to the extent of the prejudice.

**4. PROOF OF LOSS**

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 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 Condition 7, the Company, at its own cost and without unreasonable delay, 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 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 covered causes of action. The Company is not 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 any cause of action that alleges matters not insured against by this policy.
- b. The Company has the right, in addition to the options contained in 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 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 is liable to the Insured. The Company's exercise of these rights is not an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under Condition 5.b., it must do so diligently.
- c. 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 having jurisdiction. 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 Title or any other matter, 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 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.

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

In case of a claim under this policy, the Company has 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. 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 or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any 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 parties other than the Insured for or in the name of the Insured Claimant. 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. 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.

Upon the exercise by the Company of either option provided for in Condition 7.b., the Company's liability and obligations to the Insured under this policy for the claimed loss or damage terminate, including any 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 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 does not exceed the lesser of:

i. the Amount of Insurance; or

ii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy.

b. Except as provided in Condition 8.c. or 8.d., the fair market value of the Title in Condition 8.a.ii. is calculated using the date the Insured discovers the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.

c. If, at the Date of Policy, the Title to all of the Land is void by reason of a matter insured against by this policy, then the Insured Claimant may, by written notice given to the Company, elect to use the Date of Policy as the date for calculating the fair market value of the Title in Condition 8.a.ii.

d. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title, as insured:

i. the Amount of Insurance will be increased by Fifteen Percent (15%); and

ii. the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b. or, if it applies, 8.c., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.ii.

e. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.d., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

**9. LIMITATION OF LIABILITY**

a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company accomplishes any of the following in a reasonable manner:

i. removes the alleged defect, lien, encumbrance, adverse claim, or other matter;

ii. cures the lack of a right of access to and from the Land; or

iii. cures the claim of Unmarketable Title,

all as insured. The Company may do so by any method, including litigation and the completion of any appeals.

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 consent, until a State or federal court having jurisdiction makes a final, non-appealable determination adverse to the Title.

c. The Company is not 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.

d. The Company is not liable for the content of the Transaction Identification Data, if any.

**10. REDUCTION OR TERMINATION OF INSURANCE**

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

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(continued)

**11. LIABILITY NONCUMULATIVE**

The Amount of Insurance will 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 the Date of Policy and which is a charge or lien on the Title, and the amount so paid will be deemed a payment to the Insured under this policy.

**12. PAYMENT OF LOSS**

When liability and the extent of loss or damage are determined in accordance with the Conditions, the Company will pay the loss or damage within thirty (30) days.

**13. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT**

- a. If the Company settles and pays a claim under this policy, it is subrogated and entitled to the rights and remedies 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, entity, or property to the fullest extent permitted by law, but limited to the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant must execute documents to transfer these rights and remedies to the Company. The Insured Claimant 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.
- b. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company defers the exercise of its subrogation right until after the Insured Claimant fully recovers its loss.
- c. The Company's subrogation right includes the Insured's rights to indemnity, guaranty, warranty, insurance policy, or bond, despite any provision in those instruments that addresses recovery or subrogation rights.

**14. POLICY ENTIRE CONTRACT**

- a. This policy together with all endorsements, if any, 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 will be construed as a whole. This policy and any endorsement to this policy may be evidenced by electronic means authorized by law.
- b. Any amendment of this policy must be by a written endorsement issued by the Company. To the extent any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term or provision of the endorsement controls. Unless the endorsement expressly states, it does not:
  - i. modify any prior endorsement,
  - ii. extend the Date of Policy,
  - iii. insure against loss or damage exceeding the Amount of Insurance, or
  - iv. increase the Amount of Insurance.

**15. SEVERABILITY**

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

**16. CHOICE OF LAW AND CHOICE OF FORUM****a. Choice of Law**

The Company has underwritten the risks covered by this policy and determined the premium charged 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 State where the Land is located.

The State law of the State where the Land is located, or to the extent it controls, federal law, will determine the validity of claims against the Title and the interpretation and enforcement of the terms of this policy, 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 State or federal court having jurisdiction.

**17. NOTICES**

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:

Chicago Title Insurance Company  
 P.O. Box 45023  
 Jacksonville, FL 32232-5023  
 Attn: Claims Department

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**18. 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, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL PROCEEDING.

**19. ARBITRATION - INTENTIONALLY DELETED**

**END OF CONDITIONS**

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