



4. Your loss is solely caused by fraud, theft, or misappropriation of the Title Insurance Producer in handling Your Funds or Vesting Deed in connection with the Real Estate Transaction closing, but only to the extent that the fraud, theft, or misappropriation relates to the transfer of the Title.

### **CONDITIONS AND EXCLUSIONS**

1. Your transmittal of the Vesting Deed to the Title Insurance Producer constitutes Your acceptance of this letter.
2. For purposes of this letter:
  - (a) “Funds” means the money received by the Title Insurance Producer for the Real Estate Transaction that would be due to You or paid for Your benefit in exchange for Your execution and delivery of the Vesting Deed.
  - (b) “Policy” means the contract or contracts of title insurance, each in a form adopted by the American Land Title Association, issued or to be issued by the Company in connection with the closing of the Real Estate Transaction.
  - (c) “You” or “Your” means the Addressee of this letter.
  - (d) “Vesting Deed” means the deed or other instrument of conveyance from You to Your Buyer in the Real Estate Transaction.
  - (e) “Amount of Insurance,” “Land,” “Title,” “Known,” and any other defined terms not otherwise defined in this letter have the same meaning given them in the American Land Title Association Owner’s Policy (06-17-06).
3. The Company shall have no liability under this letter for any loss arising from any:
  - (a) loss or impairment of Your Funds in the course of collection or while on deposit with a bank due to bank failure, insolvency, or suspension, except loss or impairment resulting from failure of the Title Insurance Producer to comply with Your written closing instructions to deposit Your Funds in a bank that You designated by name;
  - (b) fraud, theft, misappropriation, dishonesty, or negligence by You or by Your employee, agent, attorney, or broker;
  - (c) Your settlement or release of any claim without the Company’s written consent;
  - (d) matters created, suffered, assumed, agreed to, or Known by You;
  - (e) Federal consumer financial law, as defined in 12 U.S.C. § 5481(14), actions under 12 U.S.C. § 5531, or other federal or state laws relating to truth-in-lending, a borrower’s ability to repay a loan, qualified mortgages, consumer protection, or predatory lending, including any failure of the Title Insurance Producer to comply with Your closing instructions relating to those laws;
  - (f) federal or state laws establishing the standards or requirements for asset-backed securitization including, but not limited to, exemption from credit risk retention, including any failure of the Title Insurance Producer to comply with Your closing instructions relating to those laws;
  - (g) periodic disbursement of Funds to pay for construction, alteration, or renovation on the Land; or
  - (h) Title Insurance Producer acting in the capacity of a qualified intermediary or facilitator for tax deferred exchange transactions as provided in Section 1031 of the Internal Revenue Code.
4. When the Company shall have indemnified You pursuant to this letter, it shall be subrogated to all rights and remedies You have against any person or property had You not been indemnified. The Company’s liability for indemnification shall be reduced to the extent that You have impaired the value of this right of subrogation.