

## NEW TEXAS OWNER'S POLICY AND PRIOR TEXAS OWNER'S POLICY

(Sources Include the ALTA Forms Committee Comparison Charts)

New Texas Owner's Policy (2006 ALTA Owner's Policy as modified in Texas 5/1/08) ("2006 Policy")	Prior Texas Owner's Policy (1992 ALTA Owner's Policy as modified in Texas) ("1992 Policy")	Comments
<b>OWNER'S POLICY</b> <b>POLICY OF TITLE INSURANCE</b>  Issued by <i>Blank Title Insurance Company</i>	<b>POLICY OF TITLE INSURANCE</b>  Issued by <b>BLANK TITLE INSURANCE COMPANY</b>	
<b>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 Section 18 of the Conditions.</b>		New. This notice advises the insured of the section that sets forth the place for providing notices under the policy to the title insurance company, including notices of claims.
<b>COVERED RISKS</b>	<b>(INSURING PROVISIONS)</b>	New. The Covered Risks previously were informally known as Insuring Provisions, but there was no title.
SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, BLANK TITLE INSURANCE COMPANY, a Blank corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:	SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, BLANK TITLE INSURANCE COMPANY, a Blank corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:	Similar. The preamble of the 2006 Policy also refers to the insuring provisions for creditors' rights (9), and gap coverage (10), which are new insuring provisions that provide post-policy coverage.
1. Title being vested other than as stated in Schedule A.	1. Title to the estate or interest described in Schedule A being vested other than as stated therein;	Similar. The 2006 Policy includes a new definition of "Title," in Section I (j) of the Conditions.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:	2. Any defect in or lien or encumbrance on the title;	Similar. The 2006 Policy clarifies "defects, liens, and encumbrances" by providing a non-exhaustive list of illustrated coverages but does not reduce or limit coverage to those listed items. This clarification may make some endorsements requested in other states, such as Execution Endorsements and Electronic Transactions Endorsements, unnecessary.
(a) A defect in the Title caused by:		
(i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;		
(ii) failure of any person or Entity to have authorized a transfer or conveyance;		
(iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;		This coverage renders an Execution Endorsement unnecessary.
(iv) failure to perform those acts necessary to create a document by electronic means authorized by law;		New. This clarification is particularly beneficial in acknowledging that the policy insures compliance of

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		documents with requirements for electronic documents (e.g. UETA, E-Sign, and/or URPETA)
(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 failure to perform those acts by electronic means authorized by law; or		New. For the first time, the 2006 Policy explicitly insures proper filing, recording and indexing, including such acts by electronic means.
(vii) a defective judicial or administrative proceeding.		
(b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable		New. The 2006 Policy insures that taxes and assessments are not due or payable, absent an explicit exception. However, the Texas tax exception negates this coverage.
(c) 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. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.		New. Like the Short Form Loan Policy, this Covered Risk more clearly insures against matters such as encroachments onto adjoining land, that would be disclosed by a correct land title survey absent an exception. Absent this provision, the policy may not insure against encroachments onto adjoining property, because the definition of Land does not include such improvements. This coverage will not apply to the extent there is a parallel survey exception although an exception that is inconsistent may result in some survey coverage. The terms "violation, variation, or adverse circumstance affecting the Title" would appear not to apply to governmental setbacks or zoning ordinances, because of Exclusion 1, unless the insured secures affirmative (express) insurance, a special endorsement, or a zoning endorsement (not available in Texas). An example of a land survey would include an ALTA/ACSM land title survey. Procedural Rule P-2 authorizes amendment of the "area and boundary" exception.
<b><u>(d) Any statutory or constitutional mechanic's, contractor's, or materialman's lien for labor or materials having its inception on or before Date of Policy.</u></b>	<b><u>3. Any statutory or constitutional mechanic's, contractor's, or materialman's lien for labor or material having its inception on or before Date of Policy.</u></b>	Same. The Texas Owner's Policy coverage is the same as is given on the Texas Mortgagee Policy (T-2) and Texas Residential Owner Policy (T-1R). Section 53.124, Property Code, defines inception (visible commencement). However, Procedural Rule P-8 mandates a mechanic's lien exception during construction.
3. <del>Unmarketable Title.</del> <b><u>Lack of good and indefeasible title.</u></b>	<del>3. Unmarketability of the title;</del> <b><u>5. Lack of good and indefeasible title.</u></b>	Same. The Texas Policies do not insure against unmarketability of the title. See Exclusion 6 and Section 2502.002, Texas Insurance Code.

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4. No right of access to and from the Land.	4. Lack of a right of access to and from the land.	Same. The policies insure legal right of access which may be pedestrian access only in some cases. For insurance of physical access, the insured must secure an Access Endorsement (T-23) (similar to ALTA Endorsement 17 or 17.1) on commercial property. Procedural Rule P-37 authorizes deletion of access insurance.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to <ul style="list-style-type: none"> <li>(a) the occupancy, use or enjoyment of the Land;</li> <li>(b) the character, dimensions or location of any improvement erected on the Land;</li> <li>(c) <del>the</del> subdivision of land; or</li> <li>(d) environmental protection</li> </ul> if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.	Exclusion 1.(a): Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or an parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.	New. This insurance was formerly covered only by Exclusion 1 (a) which contained an exception to the Exclusion that is similar to this provision. While it was assumed by many that the policy would cover the matters excepted from the Exclusions in the 1992 Policy, some case law suggests that the Exclusion will not create coverage that is not otherwise provided by the insuring (Covered Risk) provisions. The new Covered Risk also includes coverage relating to permits. Exclusion 1 applies if the applicable notice is not recorded.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.	Exclusion 1(b): Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.	New. This insurance was formerly covered only by Exclusion 1(b), which contains an exception to the Exclusion that is similar to this provision. While it was assumed by many that the policy would cover the matters excepted from the Exclusions in the 1992 Policy, some case law suggests that the Exclusion will not create coverage that is not otherwise provided by the insuring (Covered Risk) provisions. Exclusion 1 applies if the applicable notice is not recorded.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.	Exclusion 2: Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.	New. This insurance was formerly covered only by Exclusion 2, which contained an exception to the Exclusion that is similar to this provision. While it was assumed by many that the policy would cover the matters excepted from the Exclusions in the 1992 Policy, some case law suggests that the Exclusion will not create coverage that is not otherwise provided by the insuring (Covered Risk) provisions. Exclusion 2 applies if the applicable notice is not recorded.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.	Exclusion 2: Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on	New. This insurance was formerly covered only by Exclusion 2, which contained an exception to the Exclusion that is similar to this provision. While it was assumed by many that the policy would cover the matters excepted from the Exclusions in the 1992 Policy, some case law suggests that the Exclusion will not

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	the rights of a purchaser for value without knowledge.	create coverage that is not otherwise provided by the insuring (Covered Risk) provisions.
9. Title being vested other than as stated in Schedule A or being defective:	Exclusion <del>5</del> -4: Any claim, which arises out of the transaction vesting in the <del>insured person named in paragraph 3 of Schedule A</del> the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or <del>similar other state or federal</del> creditors' rights laws, that is based on <u>either</u> :	New. This insurance was formerly covered only by Exclusion 4, which contained an exception to the Exclusion that was similar to this provision, and by the more general insuring provisions relating to defects in title. This provision is expanded to cover "a court order providing an alternative remedy" (which would be a monetary award), but the reference to the court order is not made in the preamble to this Covered Risk, which conditions coverage on Title being defective or vested in other parties. While it was assumed by many that the policy would cover the matters excepted from the Exclusion in the 1992 Policy, some case law suggests that the Exclusions will not create coverage that is not otherwise provided by the insuring (Covered Risk) provisions. Some assume that the 1970 Policy, as an alternative, provides creditors' right coverage, but that has been a dubious proposition in many transactions because of the Exclusions from coverage in the 1970 Policy and the lack of an explicit insuring provision (other than the general insuring provision as to defects in title). Exclusion 4 applies to other stated Creditors Rights issues arising out of the vesting transaction. The Texas Exclusion is now the same as the ALTA Exclusion. The ALTA Endorsement 21 (Creditors' Rights) is not available in Texas.
(a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency or similar creditors' rights laws; or	( <del>a</del> ) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer, <u>or voidable distribution or voidable dividend</u> , or	
	<u>(ii) the subordination or recharacterization of the estate or interest insured by the Policy as a result of the application of the doctrine of equitable subordination, or</u>	Different. The exclusion in the 2006 Policy does not refer to equitable subordination since that claim is an act of the insured and a post-policy matter.
(b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency or similar creditors' rights laws by reason of the failure of its recording in the Public Records:	( <del>b</del> iii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure of <u>the Company or its issuing agent</u> :	Different. The 2006 Policy covers delayed recording, regardless of whether the title company files.
(i) to be timely, or	(i) to timely <u>file for</u> record the instrument of	Same. Both protect against delayed recording (more than 30 days after delivery) that causes a transfer to be a preference.

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	transfer <u>to the insured after delivery</u> ; or	However, an exclusion may not provide coverage.
(ii) to impart notice of its existence to a purchaser for value or a judgment or lien creditor.	(ii) <u>the failure</u> of such recordation to impart notice to a purchaser for value or a judgment or lien creditor	Same. However, an exclusion may not provide coverage.
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 Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.		New. Like the New York policies and ALTA Short Form Loan Policy, the 2006 Policy provides gap coverage as to all other insured matters between the Date of Policy and date of recording of the vesting instrument or mortgage. This clause is intended to expedite production and delivery of the 2006 Policy, which will not need to await recordation if there is table funding or other basis for a difference in date of recording and date of last examination of title. Some title companies, based on customary local practice or type of transaction, may require a gap indemnity. Note that Exclusion 5 prevents liability for post-policy tax liens.
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.	The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.	Similar. Both policies provide defense costs as to matters insured against. The 2006 Policy more clearly covers all insured matters such as endorsements and affirmative insurance, whereas the 1992 referred only to defense of "the title."
[Witness clause optional]  <b>BLANK TITLE INSURANCE COMPANY</b>  BY: _____ PRESIDENT BY: _____ SECRETARY	[Witness clause optional]  <b>BLANK TITLE INSURANCE COMPANY</b>  BY: _____ PRESIDENT BY: _____ SECRETARY	
<b>EXCLUSIONS FROM COVERAGE</b>	<b>EXCLUSIONS FROM COVERAGE</b>	Same.
The following matters are expressly 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:	The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:	Same.
1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to:	1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to	Similar. The 2006 Policy covers the exception from the Exclusion in the 1992 Policy as Covered Risks 5 and 6. This change will avoid any doubt as to coverage for matters that were excepted from the Exclusions.
(i) the occupancy, use, or enjoyment of the Land;	(i) the occupancy, use, or enjoyment of the land;	

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(ii) the character, dimensions or location of any improvement erected on the Land;	(ii) the character, dimensions or location of any improvement now or hereafter erected on the land;	Similar. The 2006 Policy does not say "now or hereafter" since subsequent improvements would be post-policy matters.
(iii) subdivision of land; or	(iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; <del>or</del>	Same. The change in language is intended to simplify and clarify.
(iv) environmental protection; or the effect of any violation of these laws, ordinances or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5	<del>or</del> (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.	Same. Similar. The 2006 Policy covers the exception from the Exclusion as Covered Risk 5.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.	(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.	Similar. The 2006 Policy covers the exception from the Exclusion in the 1992 Policy as Covered Risk 6. This change will avoid any doubt as to coverage for matters that were excepted from the Exclusions.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.	2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking <del>which-that</del> has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.	Similar. The 2006 Policy covers the exception from the Exclusion in the 1992 Policy as Covered Risks 7 and 8. This change will avoid any doubt as to coverage for matters that were excepted from the Exclusions.
3. Defects, liens, encumbrances, adverse claims or other matters:	3. Defects, liens, encumbrances, adverse claims or other matters:	Same.
(a) created, suffered, assumed or agreed to by the Insured Claimant;	(a) created, suffered, assumed or agreed to by the insured claimant;	Same.
(b) not Known to the Company, not recorded in the Public Records at 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;	(b) not known to the Company, not recorded in the public records at 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;	Same.
(c) resulting in no loss or damage to the Insured Claimant;	(c) resulting in no loss or damage to the insured claimant;	Same.
(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or	(d) attaching or created subsequent to Date of Policy; <del>or</del>	Similar. The 2006 Policy refers to new Covered Risks 9 (Creditors' Rights), and 10 (Gap Coverage). The new Gap Coverage covers matters arising after Date of Policy and before recording. The Creditors' Rights Coverage may involve elements arising post-policy and for that reason, among others,

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		deletion of the Creditors' Rights Exclusion without issuance of the ALTA 21 Endorsement does not fully protect the insured.
(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.	(e) resulting in loss or damage <del>which</del> <u>that</u> would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.	Same.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is:	5. Any claim, which arises out of the transaction vesting in the <del>insured</del> <b>person named in paragraph 3 of Schedule A</b> the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or <del>similar</del> <b>other state or federal</b> creditors' rights laws, that is based on <b>either</b> :	Similar. The 2006 Policy provides Covered Risk 9 to insure as to matters formerly covered by the limits of Exclusion 4 (which applies only to the current transaction and insures against a preference claim because of recording errors or delays) and covered by the insurance against defects in title.
(a) a fraudulent conveyance or fraudulent transfer; or	(i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer, <b>or voidable distribution or voidable dividend</b> , or	
(b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.	<b><u>(ii) the subordination or recharacterization of the estate or interest insured by the Policy as a result of the application of the doctrine of equitable subordination, or</u></b>	
	(iii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure <b>of the Company or its issuing agent</b> ; (±) to timely <b>file for</b> record the instrument of transfer <b>to the insured after delivery</b> ; or (±) <b>the failure</b> of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.	
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.		Different. The 2006 Policy provides new Gap Coverage (Covered Risk 10). The Gap Coverage will not include real estate taxes and assessments. The coverage is similar to the mandatory New York endorsement.
<b><u>6. The refusal of any person to purchase, lease or lend money on the estate or interest covered hereby in the land described in Schedule A because of Unmarketable Title.</u></b>	<b><u>4. The refusal of any person to purchase, lease or lend money on the estate or interest covered hereby in the land described in Schedule A because of unmarketability of the title.</u></b>	Different. The Texas Policies do not insure against unmarketability of the title. See Section 2502.002, Texas Insurance Code.
<b>SCHEDULE A</b>	<b>SCHEDULE A</b>	
Name and Address of Title Insurance Company:		Different. The 2006 Policy states the name of title insurer. This addition will facilitate client identification of the title insurer if the jacket is not attached.

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[File No.: ] Policy No.:	[File No.: ] Policy No.:	
[Address for reference only]:		New. This reference to the Address previously appears in the Short Form Loan Policy and the Homeowner's Policy of Title Insurance. It will aid the parties in identifying the transaction. If not known, it can be deleted or left blank.
Amount of Insurance: \$ [Premium: \$ ]	Amount of Insurance: \$ [Premium: \$ ]	Same.
Date of Policy: [at a.m./p.m.]	Date of Policy: [at a.m./p.m.]	Same. The 2006 Policy, however, also provides post-policy Gap Coverage.
1. Name of Insured:	1. Name of Insured:	Same.
2. The estate or interest in the Land that is insured by this policy is:	2. The estate or interest in the land <del>that which</del> is covered by this policy is:	Same.
3. Title is <b>insured as</b> vested in:	3. Title to the estate or interest in the land is <b>insured as</b> vested in:	Same.
4. The Land referred to in this policy is described as follows:	{4. The land referred to in this policy is described as follows:} <del>If Paragraph 4 is omitted, a Schedule C, captioned the same as Paragraph 4, must be used.</del>	Different. The 2006 Policy does not refer to an optional Schedule C and no longer brackets paragraph 4.
<b>SCHEDULE B</b>	<b>SCHEDULE B</b>	Same.
[File No. ] Policy No.	[File No. ] Policy No.	
<b>EXCEPTIONS FROM COVERAGE</b>	<b>EXCEPTIONS FROM COVERAGE</b>	
This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of <b><u>the terms and conditions of the leases and easements, if any, shown in Schedule A, and the following matters:</u></b>	This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) <del>which</del> <b><u>that</u></b> arise by reason of <b><u>the terms and conditions of the leases or easements insured, if any, shown in Schedule A and the following matters:</u></b>	Same. The Policies except to the terms of insured leases and easements. The preamble of Schedule B states there is no duty of defense as to excepted matters. There are no "ALTA" owner's exceptions, although there are suggested Standard Exceptions for the Loan Policy. Regional or local exceptions vary, although an extended coverage policy by definition does not except to unrecorded matters such as parties in possession, mechanic's liens, survey matters, and easements. Deletion of these Standard Exceptions results in "Extended Coverage." In some locations, affirmative insurance as to specific exceptions is set forth in Schedule B; in other areas any coverage as to specific exceptions or matters is provided by endorsement. Some of the promulgated Texas exceptions may be modified: paragraph 1 may be deleted (if no exception); paragraph 2 may be amended to read "shortages in area" (P-2); arbitration may be deleted (P-36); express insurance may be given (P-39).



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<del>{PART I</del>		
1. <del>{Policy may include regional exceptions if so desired by the issuing Company.}</del> <u>The following restrictive covenants of record itemized below (the Company must either insert specific recording data or delete this exception):</u>	1. <del>{POLICY MAY INCLUDE REGIONAL EXCEPTIONS IF SO DESIRED BY ISSUING COMPANY}</del> <u>The following restrictive covenants or record itemized below (the Company must either insert specific recording data or delete this exception):</u>	
2. <del>{Variable exceptions such as taxes, easements, CC&amp;R's, etc. shown here}</del> <u>Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.</u>	2. <del>{VARIABLE EXCEPTIONS SUCH AS TAXES, EASEMENTS, CC &amp; Rs, ETC.}</del> <u>Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.</u>	
<u>3. Homestead or community property or survivorship rights, if any, of any spouse of any Insured.</u>	<u>3. Homestead or community property or survivorship rights, if any, of any spouse of any insured.</u>	
<u>4.- Any titles or rights asserted by anyone, including but not limited to, person, the public, corporations, governments or other entities</u> <u>a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or</u> <u>b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or</u> <u>c. to filled-in lands, or artificial islands, or</u> <u>d. to statutory water rights, including riparian rights, or</u> <u>e. to the area extending from the line of mean low tide to the line of vegetation, or the right of access to that area or easement along and across that area.</u>	<u>4. Any titles or rights asserted by anyone, including but not limited to, person, the public, corporations, governments or other entities</u> <u>a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or</u> <u>b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or</u> <u>c. to filled-in lands, or artificial islands, or</u> <u>d. to statutory water rights, including riparian rights, or</u> <u>e. to the area extending from the line of mean low tide to the line of vegetation, or the right of access to that area or easement along and across that area.</u>	
<u>5. Standby fees, 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.</u>	<u>5. Standby fees, 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.</u>	
<u>6. The following matters and all terms of the document creating or offering evidence of the matters (The Company must insert or delete this exception):</u>	<u>6. The following matters and all terms of the document creating or offering evidence of the matters (The Company must insert or delete this exception):</u>	
CONDITIONS	<u>CONDITIONS AND STIPULATIONS</u>	Similar. The title no longer refers to "Stipulations," since that

## NEW TEXAS OWNER'S POLICY AND PRIOR TEXAS OWNER'S POLICY

(Sources Include the ALTA Forms Committee Comparison Charts)

New Texas Owner's Policy (2006 ALTA Owner's Policy as modified in Texas 5/1/08) ("2006 Policy")	Prior Texas Owner's Policy (1992 ALTA Owner's Policy as modified in Texas) ("1992 Policy")	Comments
		was viewed as verbiage.
<b>1. DEFINITION OF TERMS.</b>	<b>1. DEFINITION OF TERMS.</b>	Same.
The following terms when used in this policy mean:	The following terms when used in this policy mean:	Same.
(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.		New. This definition recognizes the bases for change in the Amount, including possible increases of 10% by Section 8(b) of the Conditions and clarifies that the Amount of Insurance can decrease, such as by payment of a claim.
(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.		New. This is not a substantive change.
(c) "Entity": A corporation, partnership, trust, limited liability company or other similar legal entity		New. This definition is necessary because of use of the term in Section 1(d) of Conditions.
(d) "Insured": The Insured named in Schedule A.	(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors <b><u>and specifically, without limitation, the following:</u></b>	Different. The 2006 Policy expands the definition.
(i) The term "Insured" also includes:	<b><u>(i) the successors in interest to a corporation, limited liability partnership resulting from merger or consolidation or conversion or the distribution of the assets of the corporation or limited liability company or limited partnership upon partial or complete liquidation;</u></b>	Different. The 2006 Policy expands the definition to include various successors, such as successors by distribution, certain grantees, and trustees. It renders the Fairway, Additional Insured or Permitted Transfer Endorsement (the Fairway and Permitted Transferee Endorsement are not available in Texas) less important. The Prior Texas Policy (1992 Policy as modified) contained a broad definition, but that definition still remained more limited than the 2006 Policy.
	<b><u>(ii) the successors in interest to a general or limited partnership or limited liability company or limited partnership which dissolves but does not terminate;</u></b>	
	<b><u>(iii) the successors in interest to a general or limited partnership resulting from the distribution of the assets of the general or limited partnership upon partial or complete liquidation;</u></b>	
	<b><u>(iv) the successors in interest to a joint venture resulting from the distribution of the assets of the joint</u></b>	

## NEW TEXAS OWNER'S POLICY AND PRIOR TEXAS OWNER'S POLICY

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	<b><u>venture upon partial or complete liquidation;</u></b>	
	<b><u>(v) the successor or substitute trustee(s) of a trustee named in a written trust instrument; or</u></b>	
	<b><u>(vi) the successors in interest in interest to a trustee or trust resulting from the distribution of all or part of the assets of the trusts to the beneficiaries thereof.</u></b>	
(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives or next of kin;	(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors <b><u>and specifically, without limitation, the following:</u></b>	Different. The 2006 Policy expands coverage beyond the more general list shown in the 1992 Policy.
(B) successors to an Insured by dissolution, merger, consolidation, distribution or reorganization;		Different. These matters may be transfers by operation of law, but the 2006 Policy clarifies that they are covered.
(C) successors to an Insured by its conversion to another kind of Entity;		Different. The 2006 Policy applies to all entities.
(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title		Different. These various grantees were not covered under the 1992 Policy, absent a special "Insured" Endorsement.
(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,		
(2) if the grantee wholly owns the named Insured,		
(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or		
(4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.		Different. Case law indicated such a grantee was not covered. This provision is similar to the ALTA Homeowner's Policy coverage (not available in Texas).
(ii) With regard to (A), (B), (C) and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.	(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of	Same. Each policy reserves defenses applicable to a prior insured under the policy.

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	the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors <u>and specifically, without limitation, the following:</u>	
(e) "Insured Claimant": <del>An</del> <u>an</u> Insured claiming loss or damage.	(b) "insured claimant": an insured claiming loss or damage.	Same.
(f) "Knowledge" or "Known": <del>Actual</del> <u>actual</u> knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.	(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice <del>which</del> <u>that</u> may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.	Same.
(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.	(d) "land": the land described or referred to in Schedule <del>FA HC</del> , and improvements affixed thereto <del>which</del> <u>that</u> by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule <del>FAHC</del> , nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.	Same. The 2006 Policy no longer refers to an optional Schedule C for the legal description.
(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.	(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.	Similar. The 2006 Policy refers to e-mortgages, the validity of which is insured under the 2006 Loan Policy.
(i) "Public Records": <del>Records</del> <u>records</u> established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.	(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" <u>also shall</u> <del>shall also</del> include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.	Same. The 2006 Policy refers to Covered Risk 5, because the former coverage was provided only as an exception to Exclusion 1(a) and the 2006 Policy includes coverage in a Covered Risk.
(j) "Title": the estate or interest described in Schedule A.		New. The new defined term in the 2006 Policy does not change substantive coverage.
(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease or lend if there is a contractual	<del>(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the</del>	Different. The modified definition of unmarketable title is expanded to include the refusal of a lessee or lender to accept title. The words "not excluded or excepted from coverage" were unnecessary because that limitation applies to all

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<p>condition requiring the delivery of marketable title.</p>	<p><del>obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.</del></p>	<p>coverage. The 1992 Policy (in Texas) deleted the definition because it did not insure marketability; the 2006 Policy (in Texas) does not insure marketability, but does exclude coverage.</p>
	<p><u>(g) "access": legal right of access to the land and not the physical condition of access. The coverage provided as to access does not assure the adequacy of access for the use intended.</u></p>	<p>Different. The (Texas) 1992 Policy defined access.</p>
<p><b>2. CONTINUATION OF INSURANCE.</b></p>	<p><b>2. CONTINUATION OF INSURANCE.</b></p>	
<p>The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.</p>	<p>The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.</p>	<p>Similar. The 2006 Policy expands coverage to include warranty liability, regardless of whether based on contractual or statutory covenants.</p>
<p><b>3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.</b></p>	<p><b>3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.</b></p>	<p>Similar. The prejudice provision has been clarified in the 2006 Policy to more clearly provide that coverage is not affected unless the title insurer is prejudiced by failure of the insured to provide prompt notice.</p>
<p>The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) <u>below, or of these Conditions,</u> (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as <del>Unmarketable Title</del>. 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 the policy shall be reduced to the extent of the prejudice.</p>	<p>The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, <u>or</u> (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest <del>which-that</del> is adverse to the title to the estate or interest, as insured, and <del>which-that</del> might cause loss or damage for which the Company may be liable by virtue of this policy. <del>or (iii) if title to the estate or interest, as insured, is rejected as unmarketable.</del> If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.</p>	

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<p><u>When, after the Date of the Policy, the Insured notifies the Company as required herein of a lien, encumbrance, adverse claim or other defect in Title insured by this policy that is not excluded or excepted from the coverage of this policy, the Company shall promptly investigate the charge to determine whether the lien, encumbrance, adverse claim or defect or other matter is valid and not barred by law or statute. The Company shall notify the Insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the Insured's claim or charge under the policy. If the Company concludes that the lien, encumbrance, adverse claim or defect is not covered by this policy, or was otherwise addressed in the closing of the transaction in connection with which this policy was issued, the Company shall specifically advise the Insured of the reasons for its determination. If the Company concludes that the lien, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (i) institute the necessary proceedings to clear the lien, encumbrance, adverse claim or defect from the Title as insured; (ii) indemnify the Insured as provided in this policy; (iii) upon payment of appropriate premium and charges therefore, issue to the Insured Claimant or to a subsequent owner, mortgagee or holder of the estate or interest in the Land insured by this policy, a policy of title insurance without exception for the lien, encumbrance, adverse claim or defect, said policy to be in an amount equal to the current value of the Land or, if a mortgagee policy, the amount of the loan; (iv) indemnify another title insurance company in connection with its issuance of a policy(ies) of title insurance without exception for the lien, encumbrance, adverse claim or defect; (v) secure a release or other document discharging the lien, encumbrance, adverse claim or defect; or (vi) undertake a combination of (i) through (v) herein.</u></p>	<p><u>When, after the date of the policy, the insured notifies the Company as required herein of a lien, encumbrance, adverse claim or other defect in title to the estate or interest in the land insured by this policy that is not excluded or excepted from the coverage of this policy, the Company shall promptly investigate the charge to determine whether the lien, encumbrance, adverse claim or defect is valid and not barred by law or statute. The Company shall notify the insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the insured's claim or charge under the policy. If the Company concludes that the lien, encumbrance, adverse claim or defect is not covered by this policy, or was otherwise addressed in the closing of the transaction in connection with which this policy was issued, the Company shall specifically advise the Insured of the reasons for its determination. If the Company concludes that the lien, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (i) institute the necessary proceedings to clear the lien, encumbrance, adverse claim or defect from the title to the estate as insured; (ii) indemnify the insured as provided in this policy; (iii) upon payment of appropriate premium and charges therefore, issue to the insured claimant or to a subsequent owner, mortgagee or holder of the estate or interest in the land insured by this policy, a policy of title insurance without exception for the lien, encumbrance, adverse claim or defect, said policy to be in an amount equal to the current value of the property or, if a mortgagee policy, the amount of the loan; (iv) indemnify another title insurance company in connection with its issuance of a policy(ies) of title insurance without exception for the lien, encumbrance, adverse claim or defect; (v) secure a release or other document discharging the lien, encumbrance, adverse claim or defect; or (vi) undertake a combination of (i) through (v) herein.</u></p>	<p>Different. This language is provided pursuant to Section 2703.052, Texas Insurance Code.</p>
<p><b>4. PROOF OF LOSS.</b></p>	<p><b>5. PROOF OF LOSS OR DAMAGE.</b></p>	
<p>In the event the Company is unable to determine the amount of loss or damage, 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 or other matter insured against by this policy that</p>	<p>In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within <del>90</del> <u>91</u> days after the insured claimant shall ascertain the facts</p>	<p>Different. The 2006 Policy requires a Proof of Loss under more limited circumstances: only if requested by the Company, and only to the extent possible. The deadline in Texas of 91 days for furnishing the Proof of Loss and the effect of prejudice because of a failure to provide Proof of Loss have been</p>

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constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.	giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy <del>which</del> <b>that</b> constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.	removed. The 2006 Policy also does not require that the Proof of Loss be sworn to. The 2006 Policy Conditions are intended to be more logically organized; consequently, various provisions such as Proof of Loss have been moved. The 1992 Policy required 91 day notice in order to comply with Section 16.071, Texas Civil Practices and Remedies Code.
<b>5. DEFENSE AND PROSECUTION OF ACTIONS.</b>	<b>4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.</b>	Same.
(a) Upon written request by the Insured, and subject to the options contained in Sections <b>3 and 7</b> of these Conditions, the Company, at its own cost and without unreasonable delay, shall 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 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 causes of action. It shall 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 those causes of action that allege matters not insured against by this policy.	(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have 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 causes of action and shall 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 those causes of action which allege matters not insured against by this policy.	Same. The Texas Policies include in Section 3 alternative actions as provided in Section 2703.052, Texas Insurance Code.
(b) The Company shall have the right, in addition to the options contained in Sections <b>3 and 7</b> of these Conditions, 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 shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently	(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act <del>which</del> <b>that</b> in its opinion may be necessary or desirable to establish the title to the estate or interest, 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 shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.	Same. The Texas Policies include in Section 3 alternative actions as provided in Section 2703.052, Texas Insurance Code.
(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company	(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the	Different. The 2006 Policy, unlike the 2006 ALTA Policy contains a right of reimbursement that may comply with <i>Excess</i>

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<p>may pursue the litigation to a final determination by a court of competent jurisdiction and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.</p> <p><b><u>When the Company has reasonable grounds to dispute coverage under this policy, the Company may reserve its rights to pay the claim and the costs of defense and seek reimbursement from the Insured for all amounts paid for which there was no coverage.</u></b></p>	<p>provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.</p>	<p><i>Underwriters at Lloyds v. Frank's Casing Crew Rental Tools, Inc., 2008 Tex. LEXIS 92, 51 Tex Sup. Ct. J. 397 (Tex.2008).</i></p>
<p><b>6. DUTY OF INSURED CLAIMANT TO COOPERATE.</b></p>		<p>Similar. The 2006 Policy systematically organizes the provisions of the policy; consequently, the provisions relating to cooperation are placed in new Section 6.</p>
<p>(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so 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. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in 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 the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.</p>	<p>4. (d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.</p>	
<p>(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 Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect</p>	<p>5. (Second paragraph) In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and</p>	<p>Similar. The 2006 Policy is updated to refer to e-mails, discs, tapes and videos.</p>



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<p style="text-align: center;"><b>New Texas Owner's Policy</b> <b>(2006 ALTA Owner's Policy as modified in Texas 5/1/08)</b> <b>("2006 Policy")</b></p>	<p style="text-align: center;"><b>Prior Texas Owner's Policy</b> <b>(1992 ALTA Owner's Policy as modified in Texas)</b> <b>("1992 Policy")</b></p>	<p style="text-align: center;"><b>Comments</b></p>
<p>and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. 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 this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.</p>	<p>memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.</p>	
<p><b><u>c. If the Insured demands that the Company accept a settlement offer that is not greater than the Amount of Insurance or if the Insured expressly agrees that a settlement offer should be accepted, the Company has a right to be reimbursed if it has timely asserted its reservation of rights and notified the Insured that it intends to seek reimbursement if it pays to settle or defend a claim that is not covered by the policy.</u></b></p>		<p>Different. The 2006 Policy, unlike the 2006 ALTA Policy contains a right of reimbursement that may comply with <i>Excess Underwriters at Lloyds v. Frank's Casing Crew Rental Tools, Inc., 2008 Tex. LEXIS 92, 51 Tex Sup.Ct. J. 397 (Tex.2008).</i></p>
<p><b>7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.</b></p>	<p><b>6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.</b></p>	<p>Similar. No substantive difference. The 2006 Policy does not require surrender of the policy upon tender of the Amount of Insurance. There is no right of the Company to purchase the Land as salvage.</p>
<p>In case of a claim under this policy, the Company shall have the following additional options:</p>	<p>In case of a claim under this policy, the Company shall have the following additional options:</p>	
<p>(a) To Pay or Tender Payment of the Amount of Insurance.</p> <p>To pay or tender payment of the Amount of Insurance under this policy together with 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.</p> <p>Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.</p>	<p>(a) To Pay or Tender Payment of the Amount of Insurance.</p> <p>To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.</p> <p>Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.</p>	
<p>(b) To Pay or Otherwise Settle With Parties Other than the</p>	<p>(b) To Pay or Otherwise Settle With Parties Other than the</p>	

**NEW TEXAS OWNER'S POLICY AND PRIOR TEXAS OWNER'S POLICY**

(Sources Include the ALTA Forms Committee Comparison Charts)

<p align="center"><b>New Texas Owner's Policy</b> <b>(2006 ALTA Owner's Policy as modified in Texas 5/1/08)</b> <b>("2006 Policy")</b></p>	<p align="center"><b>Prior Texas Owner's Policy</b> <b>(1992 ALTA Owner's Policy as modified in Texas)</b> <b>("1992 Policy")</b></p>	<p align="center"><b>Comments</b></p>
<p>Insured or With the Insured Claimant.</p>	<p>Insured or With the Insured Claimant.</p>	
<p>(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against 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; or</p>	<p>(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or</p>	
<p>(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with 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.</p>	<p>(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.</p>	
<p>Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's 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.</p>	<p>Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's 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.</p>	
<p><b>8. DETERMINATION AND EXTENT OF LIABILITY.</b></p>	<p><b>7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE.</b></p>	<p>Similar. Both policies are contracts of Indemnity. The 2006 Policy does not contain a coinsurance clause.</p>
<p>This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.</p>	<p>This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.</p>	<p>Similar.</p>
<p>(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of:</p>	<p>(a) The liability of the Company under this policy shall not exceed the least of:</p>	<p>Similar.</p>
<p>(i) the Amount of Insurance; or</p>	<p>(i) the Amount of Insurance stated in Schedule A; or,</p>	<p>Similar. The Amount of Insurance is a defined term in the 2006 Policy and can fluctuate.</p>
<p>(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.</p>	<p>(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy <b><u>at the date the insured Claimant is required to furnish to Company a proof of loss or damage in accordance with Section 5 of these Conditions and Stipulations.-</u></b></p>	<p>Similar. The 2006 Policy more clearly refers to covered matters such as access, and other coverage in the Covered Risk (insuring) provisions or in an endorsement.</p>
<p>(b) If the Company pursues its rights under Section <b>3 or 5</b> and is unsuccessful in establishing the Title, as insured,</p>		<p>Different. This new provision in the 2006 Policy provides an increase in the amount of insurance if any remedy the company</p>

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		<p>pursues (such as litigation or securing a release) is unsuccessful. The 10% increase can occur several times. The 2006 Policy, like the 1992 Policy, does not agree to pay carrying costs during litigation. The Insured can select the timing for calculation of loss, and maximize its payment by choosing the better date for higher evaluation of values. However, this choice applies only if the company pursues a remedy unsuccessfully.</p>
<p>(i) the Amount of Insurance shall be increased by 10%, and</p>		
<p>(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.</p>		
<p>(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees and expenses incurred in accordance with Sections 5 and 7 of these Conditions.</p>	<p>7. (c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.</p>	<p>Same.</p>
	<p>7. (coinsurance)</p> <p>(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:</p> <p>(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or</p> <p>(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.</p> <p>The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable</p>	<p>Different. The 2006 Policy does not contain a co-insurance clause. This clause was used infrequently in claims analysis. The deletion of this clause benefits the insured.</p>

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New Texas Owner's Policy (2006 ALTA Owner's Policy as modified in Texas 5/1/08) ("2006 Policy")	Prior Texas Owner's Policy (1992 ALTA Owner's Policy as modified in Texas) ("1992 Policy")	Comments
	under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.	
	<b>8. APPORTIONMENT.</b>	Different: The 2006 Policy does not contain an Apportionment clause. This clause was used infrequently in claims analysis. The deletion of this clause benefits the insured.
	If the land described in Schedule <del>{A}</del> <b>{C}</b> consists of two or more parcels <del>which</del> <b>that</b> are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.	
<b>9. LIMITATION OF LIABILITY.</b>	<b>9. LIMITATION OF LIABILITY.</b>	
(a) If the Company establishes the Title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the Land, <del>or cures the claim of Unmarketable Title,</del> all as insured, <b>or takes action in accordance with Section 3 or 7,</b> in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.	(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, <b>all as insured,</b> <del>or cures the claim of unmarketability of title, all as insured,</del> <b>or takes action in accordance with Section 3 or Section 6,</b> in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.	Same. The title insurer may cure the matter and thereby satisfy all of its obligations, without paying carrying costs during the handling of the claim.
(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.	(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.	Same. If the title insurer successfully litigates, there is no further liability, such as for carrying costs.
(c) -The Company shall not be 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.	(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company	Same. If the insured voluntarily settles a matter, there may be no liability under the policy.
<b>10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.</b>	<b>10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.</b>	Same. Payments under the Owner's Policy reduce the Amount of Insurance by the same amount.

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<p>All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the Amount of Insurance by the amount of the payment.</p>	<p>All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.</p>	
<p><b>11. LIABILITY NONCUMULATIVE.</b></p>	<p><b>11. LIABILITY NONCUMULATIVE.</b></p>	
<p>The Amount of Insurance shall 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 Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.</p>	<p>It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay 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 hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.</p>	<p>Same. The Noncumulative Liability clause is part of the basis for the reduced rate for simultaneously issued policies (the other basis being the lack of need for a second title exam).</p>
<p><b>12. PAYMENT OF LOSS.</b></p>	<p><b>12. PAYMENT OF LOSS.</b></p>	
	<p>(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.</p>	<p>Different. The 2006 Policy no longer requires production of the policy in event of a claim.</p>
<p>When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.</p>	<p>(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.</p>	<p>Same. In some states, payment is required more promptly by regulation or law. For example, Texas Claims Handling Principles and Procedures Paragraph III. D requires payment within 10 days (excluding Saturdays, Sundays, or legal holidays) after liability and the extent of loss are finally fixed.</p>
<p><b>13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT.</b></p>	<p><b>13. SUBROGATION UPON PAYMENT OR SETTLEMENT.</b></p>	
<p>(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights 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 or property, to the extent of the amount of any loss, costs, attorneys' fees and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit 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.</p>	<p>(a) The Company's Right of Subrogation. Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.  The Company shall be subrogated to and be entitled to all rights and remedies <del>which</del> <del>that</del> the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the</p>	<p>Similar. The insured must cooperate in transferring rights to which the title insurer is subrogated. The policies do not limit right of subrogation against a grantor or predecessor in title.</p>

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	name of the insured claimant in any transaction or litigation involving these rights or remedies.	
If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.	If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion <del>which</del> <b>that</b> the Company's payment bears to the whole amount of the loss.	Different. The 2006 Policy, which is more favorable to the insured, provides that the Company's recovery is subordinate to the claims of the Insured; the 1992 Policy provided that recovery was proportionate.
	If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy <b>that</b> <del>which</del> shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.	Different. The 2006 Policy, which is once again more favorable to the insured, does not include a similar prejudice provision.
(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.	(b) The Company's Rights Against Non-insured Obligors.  The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.	Same.
<b>14. ARBITRATION.</b>	<b>14. ARBITRATION</b>	
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 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 arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, <b><u>unless the Insured is an individual person (as distinguished from an Entity)</u></b> . All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules	Unless prohibited by applicable law, <b><u>or unless this arbitration section is deleted by specific provision in Schedule B of this policy</u></b> , either the Company or the <del>insured</del> <b><u>Insured</u></b> may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the <del>insured</del> <b><u>Insured</u></b> arising out of or relating to this <del>policy</del> <b><u>Policy</u></b> , any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less <b><u>SHALL BE</u></b> arbitrated at the option of either the Company or the <del>insured</del> <b><u>Insured unless the Insured is an individual person (as distinguished from a corporation, trust, partnership, association or other legal entity)</u></b> . All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this <del>policy</del> <b><u>Policy</u></b> and under	Similar. The 2006 Policy refers to ALTA Title Insurance Arbitration Rules and increases the amount of insurance subject to binding arbitration to \$2,000,000. The new Title Insurance Arbitration Rules are effective January 1, 2006 and incorporate some provisions of the Code of Procedure of the National Arbitration Forum (the new administrator of arbitrations) Rules, which provide that lower amounts will generally be paid by the insured for the cost of the arbitration. Arbitrations will not be consolidated or include class actions unless agreed. The Rules applied shall be those in effect at time of arbitration, unless otherwise agreed at the time of arbitration. The Title Insurance Arbitration Rules are found at <a href="http://www.alta.org/standards/arbitration1.1.06.cfm">www.alta.org/standards/arbitration1.1.06.cfm</a> .  Procedural Rule P-36 authorizes deletion of the arbitration clause.

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<p>shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.</p>	<p>the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.</p> <p>The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.</p> <p>A copy of the Rules may be obtained from the Company upon request.</p>	
<p><b>15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.</b></p>	<p><b>15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.</b></p>	
<p>(a) This policy together with all endorsements, if any, attached to it 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 be construed as a whole.</p>	<p>(a) This policy together with all endorsements, if any, attached hereto 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 be construed as a whole.</p>	<p>Similar.</p>
<p>(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim, shall be restricted to this policy.</p>	<p>(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.</p>	<p>The policies waive liability for negligence to the extent allowed by law. Separate tort liability for negligent examination is recognized in some cases in a minority of states.</p>
<p>(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.</p>	<p>(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.</p>	
<p>(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.</p> <p><u>Each Commitment, endorsement or other form, or provision in the Schedules to this policy that refers to a term defined in Section 1 of the Conditions shall be deemed to refer to the term regardless of whether the</u></p>		<p>New. Subsection 15 (d) of the 2006 Policy is new, but reflects the appropriate effect of any endorsement issued to a policy, regardless of whether the endorsement refers to the terms of the policy. Any endorsement, properly construed, should be subject to the terms of the policy, except as it provides otherwise.</p>

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<u>term is capitalized in the Commitment, endorsement or other form, or Schedule. Each Commitment, endorsement or other form, or provision in the Schedules that refers to the Conditions and Stipulations shall be deemed to refer to the Conditions of this policy.</u>		
<b>16. SEVERABILITY.</b>	<b>16. SEVERABILITY.</b>	
In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, <u>and</u> <del>but</del> all other provisions shall remain in full force and effect.	In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.	Same. The 2006 Policy more clearly defines severability so that it applies if only a portion of a provision, which is not defined, is invalid.
<b>17. CHOICE OF LAW; FORUM.</b>		
(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies or enforcement of policies of title insurance of the jurisdiction where the Land is located.  Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured, and <del>to</del> <u>in</u> interpreting and enforcing the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of laws 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 within the United States of America or its territories having appropriate jurisdiction.		New. This clause was viewed as necessary because of the varied locations of parties and because of multistate transactions. The 2006 Policy applies the only likely and reasonable result: the laws of the state of location of the land apply in construing the 2006 Policy.  New. Given the ever widening locations and domiciles of parties and transactions, it was viewed as appropriate to clarify that proceedings must occur in the U.S.
<b>18. NOTICES, WHERE SENT.</b>	<b>17. NOTICES, WHERE SENT</b>	
Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at [fill in].	All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at (fill in).	Same.
NOTE: Bracketed [ ] material optional	<del>NOTE: Bracketed [ ] material optional</del>	
	<b>COMPLAINT NOTICE</b>	
	<b>Should any dispute arise about your premium or about a claim that you have filed, contact the agent or write to the</b>	



## NEW TEXAS OWNER'S POLICY AND PRIOR TEXAS OWNER'S POLICY

(Sources Include the ALTA Forms Committee Comparison Charts)

<b>New Texas Owner's Policy</b> <b>(2006 ALTA Owner's Policy as modified in Texas 5/1/08)</b> <b>("2006 Policy")</b>	<b>Prior Texas Owner's Policy</b> <b>(1992 ALTA Owner's Policy as modified in Texas)</b> <b>("1992 Policy")</b>	<b>Comments</b>
	<b>Company that issued the policy. If the problem is not resolved, you also may write the Texas Department of Insurance, P.O. Box 149091, Austin, TX 78714-9091, Fax No. (512) 475-1771. This notice of complaint is for information only and does not become a part or condition of this policy</b>	