



FORECLOSURE GUARANTEE AND COMMITMENT FOR TITLE INSURANCE

ISSUED BY:

WFG NATIONAL TITLE INSURANCE COMPANY

GUARANTEE

GUARANTEE NO.

1. WFG National Title Insurance Company, a South Carolina corporation, herein called the Company, subject to the Schedule of Exclusions From Coverage, the Schedule B-II Exceptions, the Limits of Liability and the Conditions and Stipulations, guarantees as of the Date of Guarantee and Commitment shown in Schedule A against loss not to exceed the Amount of Guarantee stated in Schedule A, sustained or incurred by the Proposed Insured by reason of:

A. Title to the estate or interest described in Schedule A being vested other than as stated herein;

B. Any defect in or lien or encumbrance on the title.

COMMITMENT FOR TITLE INSURANCE

2. Company agrees to issue an ALTA Owners Policy to the Proposed Insured according to the terms of this Guarantee and Commitment:
 - A. If the Requirements shown in Schedule B-I have not been met within Two Hundred and Seventy Five Days following the expiration of the period provided by law to redeem the land from the mortgage foreclosure sale of the mortgage shown in Schedule B-I as the mortgage to be foreclosed, our obligation to issue a policy shall terminate.
 - B. The Company shall have no obligation to issue the Policy pursuant to this Guarantee and Commitment unless the Proposed Insured has satisfied the Requirements stated in Schedule B-I and the Proposed Insured, its wholly owned affiliate company or any governmental agency or governmental instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the mortgage to be foreclosed, or any part thereof is the grantee in the foreclosure deed.
3. The Company's obligation under this Guarantee and Commitment shall terminate when the Policy is issued and then the Company's obligation will be under the Policy and be solely to the Insured named therein.
4. This Guarantee and Commitment is not valid without Schedule A and Sections I and II of Schedule B.

WFG NATIONAL TITLE INSURANCE COMPANY

By: 
Steve Ozonian, President/CEO

ATTEST: 
Joseph V. McCabe, EVP/General Counsel/Secretary



Countersigned by: _____

PART 2

INFORMATION FOR MORTGAGE

Relative to the Mortgage shown in Exception 1, Schedule B part 2:

1. Attention is called to the Soldier's and Sailor's Civil Relief Act of 1940 and amendments thereto which contain inhibitions against the sale of land under a deed of trust if the owner is entitled to the benefits of said Act.
2. Attention is called to the Military Reservist Relief Act of 1991 and amendments thereto which contain inhibitions against the sale of land under a deed of trust if the owner is entitled to the benefits of said Act
3. Attention is called to the Federal Tax Lien Act of 1966 (Public Law 89-710) which, among other things, provides for the giving of written notice of sale in a specified manner to the Secretary of Treasury or his or her delegate as a requirement for the discharge or divestment of a Federal Tax Lien in a nonjudicial sale, and establishes with respect to such a lien right in the United States to redeem the property with a period of 120 days from the date of any such sale.

SCHEDULE OF EXCLUSIONS FROM COVERAGE OF THIS GUARANTEE AND COMMITMENT

The Company assumes no liability for loss or damage by reason of the following:

1. Defects, lien, encumbrances, adverse claims or other matters affecting the title to any property beyond the lines of the land expressly described in the description set forth in Schedule A of this Guarantee or title to streets, roads, avenues , lanes, ways, or waterways to which such land abuts or the rights to maintain therein vaults , tunnels, ramps or any structure or improvements or any rights or easements therein unless such property rights or easements are expressly and specifically set forth in set description
2. defects, liens, encumbrances, adverse claims or other matters against the title, not shown by the public records which are created, suffered , assumed or agree to by the Proposed insured; which result in no loss or the Proposed Insured or which no not result in the invalidity of any judicial or non-judicial proceeding which is within the scope and purpose of the assurance provided.

GUARANTEE AND COMMITMENT CONDITIONS AND STIPULATIONS

1. **Definition of Terms.** The following terms when used in this Guarantee Mean
 - a. The "Proposed Insured": the party or parties named as the Proposed Insured in Schedule A.
 - b. "Land": the land described or referred to in schedule A and improvements affixed thereto which by law constitute real property. The term land does not include any property beyond the lines of the land described or referred to in schedule a, nor any right title interest estate or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways.
 - c. "Mortgage": Mortgage and deed of trust, trust deed, security deed or other security instrument.
 - d. "Public records": records established under state statutes at date of Guarantee for the purpose of imparting constructive notice on matters relating to real property to purchasers for value and without knowledge date the effective date

- e. "date": the effective date.
 - f. "Foreclosure Deed": the sheriff's deed, clerk's deed, trustee's deed or other conveyance document which vests title to the land in the purchaser at a mortgage foreclosure sale.
2. **Notice of Claim to be given by Proposed Insured Claimant.** The Proposed Insured shall notify the Company promptly in writing in case knowledge shall come to an Proposed Insured hereunder of any claim for which the Company may be liable by virtue of this Guarantee and Commitment. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which a prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of the Proposed Insured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.
3. **No Duty to Defend or Prosecute.** The Company shall have no duty to defend or prosecute any action or proceeding to which the Proposed Insured is a party, notwithstanding the nature of any allegation in such action or proceeding and shall not be obligated to pay any costs, attorney's fees or expenses incurred in connection therewith.
4. **Determination and Extent of Liability** This Guarantee is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant that has suffered loss or damage by reason of reliance upon the assurances set forth in this Guarantee and only to the extent herein described, and subject to the Exclusions from Coverage of this Guarantee.
- The liability of the Company under this Guarantee to the Proposed Insured shall not exceed the least of:
- a. the liability stated in schedule A.
 - b. the amount of the unpaid principal balance indebtedness secured by the mortgage as limited by Section 5 of these Conditions and Stipulations or as reduced under Section 6 at the time the loss or damage assured against by this Guarantee occurs, together with interest thereon; or
 - c. the difference between the value of the estate or interest covered hereby as stated herein and the value of the estate or interest subject to any defect, lien or encumbrance assured against by this Guarantee.
5. **Option To Pay, Settle Or Compromise Claims** The Company shall have the option to pay or settle or compromise for or in the name of the Assured any claim which could result in loss to the Assured within the coverage of this Guarantee, or to pay the full amount of this Guarantee or, if this Guarantee is issued for the benefit of a holder of a mortgage, the Company shall have the option to purchase the indebtedness secured by said mortgage. Such purchase, payment or tender of payment of the full amount of the Guarantee shall terminate all liability of the Company hereunder. In the event after notice of claim has been given to the Company by the Assured the Company offers to purchase said indebtedness, the owner of such indebtedness shall transfer and assign said indebtedness and the mortgage securing the same to the Company upon payment of the purchase price.
6. **Reduction of Liability or Termination of Liability.** All payments under this Guarantee except payments made for costs, attorney's fees and expenses pursuant to the terms of this Guarantee and Commitment shall reduce the amount of liability pro tanto.
7. **Payment of loss.** No payment shall be made without producing this Guarantee unless the Guarantee has been lost or destroyed in which case proof of loss or destruction chubbly furnished

to the satisfaction of the Company when liability has been definitely fixed in accordance with these conditions and stipulations any loss or damage payable here under shall be payable within 30 days thereafter.

8. **Subrogation Upon Payment Or Settlement.** Whenever the Company shall have settled a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Proposed Insured, and it shall be subrogated to and be entitled to all rights and remedies which the Proposed Insured would have had against any person or property in respect to such claim had this Guarantee not been issued. If the payment does not cover the loss of the Proposed Insured, the Company shall be subrogated to such rights and remedies in the proportion which said payment bears to the amount of said loss. The Proposed Insured if requested by the Company, shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect such right of subrogation, and shall permit the Company to use the name of the Proposed Insured in any transaction or litigation involving such rights or remedies.
9. **Arbitration.** Unless prohibited by applicable law, either the Company or the Assured may demand arbitration pursuant to the Title Insurance Arbitration Rules or the American Arbitration Association. Arbitrable matters may include, are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision or other obligation. All arbitrable matters when the Amount of Liability is \$1,000,000 or less shall be arbitrated at the option of either party. All arbitrable matters when the amount of liability is in excess of \$1,000,000 shall only be arbitrated only when agreed to by both parties. The Rules in effect at the date hereof shall be binding upon the parties. The award may include attorney's fees of if the law of the state in which the land is located permits a court to award attorney's fees to a prevailing party. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The law of the situs of the land shall apply to the arbitration under the Title Insurance Arbitration Rules.
10. **Liability Limited to this Guarantee; Guarantee Entire Contract.** This Guarantee together will all endorsements hereto by the Company is the entire Guarantee and contract between the Proposed Insured and the Company. In interpreting any provisions of this Guarantee, the Guarantee shall be construed as a whole. Any claim for loss or damage shall be restricted to this Guarantee. Proposed Insured shall have no right of action against the Company, whether or not based on negligence, except under the terms and provisions of, and subject to the limitations of this Guarantee. No amendment of or endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed either by the President, Vice President, the Secretary, an Assistant Secretary or validating officer or authorized Signatory of the Company.
11. **Notices. Where Sent.** 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 12909 SW 68th Pkwy., Suite 350, Portland, OR 97223, Attention: Claims Department. WFG National Title Insurance Company's telephone number is (800) 334-8885. Email address: claims@wfgnationaltitle.com.