LOAN POLICY OF TITLE INSURANCE (Form T-2)

«RESWARE\_SP\_CF\_T-42»

SCHEDULE B

File No.: Policy No.:

EXCEPTIONS FROM COVERAGE

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 the terms and conditions of leases and easements, if any, shown in Schedule A, and the following matters:

1. The following restrictive covenants of record itemized below, but the Company insures that any such restrictive covenants have not been violated so as to affect, and that future violation thereof will not affect, the validity or priority of the Insured Mortgage (insert specific recording data or delete this exception):
2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements. Covered Risk 2(c) is hereby deleted.

□ Item 2 of Schedule B is hereby amended to read: "shortages in area".

1. 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.

□ Item 3 of Schedule B is hereby amended to delete: "and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership,"

□ Item 3 of Schedule B is hereby amended to add the following: "Company insures that standby fees, taxes and assessments by any taxing authority for the year \_\_\_\_\_\_ are not yet due and payable."

1. Liens and leases that affect the Title, but that are subordinate to the lien of the Insured Mortgage
2. (Insert here all other specific exceptions as to superior liens, easements, outstanding mineral and royalty interests, etc.)