

***Blank Title Insurance Company***

Re: Closing Service Letter  
\* Issuing Agent or Approved Attorney:  
\* Binder or Commitment No:  
Premises:

Dear Customer:

When title insurance of Blank Title Insurance Company (the Company) is specified for your protection in connection with the closing of the above described real estate transaction (the Closing) in which you are to be the (i) lender secured by a mortgage of an interest in land, its assignees or a warehouse lender, (ii) purchaser of an interest in land, or (iii) lessee of an interest in land, the Company, subject to the Conditions and Exclusions set forth below, hereby agrees to reimburse you for actual loss incurred by you in connection with the Closing when conducted by the above named Issuing Agent (an agent authorized to issue title insurance for the Company) or the above named Approved Attorney (an attorney upon whose certification of title the Company issues title insurance) and when such loss arises out of:

1. Failure of the Issuing Agent or Approved Attorney to comply with your written closing instructions to the extent that they relate to (a) the title to said interest in land or the validity, enforceability and priority of the lien of said mortgage on said interest in land, including the obtaining of documents and the disbursement of funds necessary to establish such title or lien; or (b) the collection and payment of funds due you; or
2. Fraud or misapplication of the Issuing Agent or Approved Attorney in handling your funds in connection with the matters set forth in numbered paragraph 1 above.

If you are a lender protected under the foregoing paragraph, your borrower, your assignee and your warehouse lender in connection with a loan secured by a mortgage shall be protected as if this letter were addressed to them.

**CONDITIONS AND EXCLUSIONS**

A. The Company will not be liable to you for loss arising out of:

1. Failure of the Approved Attorney to comply with your closing instructions which require title insurance protection inconsistent with that set forth in the title insurance binder or commitment issued by the Company. Instructions which require the removal of specific exceptions to title or compliance with the requirements contained in said binder or commitment shall not be deemed to be inconsistent.

2. Loss or impairment of your funds in the course of collection or while on deposit with a bank due to bank failure, insolvency or suspension, except such as shall result from failure of the Issuing

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\* Must be complete for this Letter to be effective.

Agent or the Approved Attorney to comply with your written closing instructions to deposit the funds in a bank which you designated by name.

3. Defects, liens, encumbrances or other matters in connection with the Closing if it is a purchase, lease or loan transaction except to the extent that protection against those defects, liens, encumbrances or other matters is afforded by a policy of title insurance not inconsistent with your closing instructions.

4. Fraud, dishonesty or negligence of your employee, agent, attorney or broker.

5. Your settlement or release of any claim without the written consent of the Company.

6. Any matters created, suffered, assumed or agreed to by you or known to you.

B. If the Closing is to be conducted by an Approved Attorney, a title insurance binder or commitment for the issuance of a policy of title insurance of the Company must have been received by you prior to the transmission of your final closing instructions to the Approved Attorney.

C. Should the Company reimburse you pursuant to this letter, it shall be subrogated to all rights and remedies which you would have had against any person or property had you not been so reimbursed. Liability of the Company for such reimbursement shall be reduced to the extent that you have knowingly and voluntarily impaired the value of such right of subrogation.

D. Any liability of the Company for loss incurred by you in connection with the Closing by an Issuing Agent or Approved Attorney shall be limited solely to the protection provided by this letter.

E. Liability under this letter is limited to the amount of the policy or policies of title insurance to be issued, and any payment of loss under this letter shall constitute a payment under the policy or policies.

F. Claims shall be made promptly to the Company at its office at \_\_\_\_\_. When the failure to give prompt notice shall prejudice the Company, then liability of the Company hereunder shall be reduced to the extent of such prejudice.

G. The Company shall not be liable hereunder unless notice of claim in writing is received by the Company within one year from the date of the Closing.

H. This letter does not appoint the above named Approved Attorney, if any, as an agent of the Company.

I. The scope and effect of this Letter is limited to a single transaction, which is the Closing on the commitment or binder referenced in the caption.

- J. Either the Company or you may demand that any claim arising under this letter be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association, unless you have a policy of title insurance for the applicable transaction with an Amount of Insurance greater than \$2,000,000. If you have a policy of title insurance for the applicable transaction with an Amount of Insurance greater than \$2,000,000, a claim arising under this letter may be submitted to arbitration only when agreed to by both the Company and you.

***Blank Title Insurance Company***

By: \_\_\_\_\_