



TITLE COMMITMENT REQUIREMENTS FOR VIRGINIA

The attached are examples of language used in standard requirements. Please contact underwriting counsel if you have any questions.

[access]

Record access easement from underlying fee owner(s) granting ingress and egress rights to and from the property described in Schedule A and a public road.

[additional requirements]

Receipt and review of [type of document] prior to settlement. The Company reserves the right to make additional requirements and/or exceptions upon review by the Company.

NOTE: Type of document could include:

List of Heirs for [name of deceased]

Last Will and Testament of [name of party]

Patriot Act search for [name of party]

Proof of name change—divorce decree, name change order, marriage certificate, etc.—for [name of party]

Court order affecting the real estate or owners (ex: conservatorship/guardian; condemnation; chancery or equity suits)

[authority to sign] – see specific entity requirements

Provide evidence satisfactory to the Company that the individual executing any instrument(s) required herein on behalf of any entity, including any governmental entity is duly authorized to execute the instrument(s).

[bankruptcy]

Run PACER report on all borrowers and sellers to determine whether they are in bankruptcy. If any party is in bankruptcy, the Company must receive a satisfactory, final* and non-appealable Court Order (a) authorizing the transaction to be insured, or (b) declaring the property exempt. In a Chapter 7 Bankruptcy the trustee may give written notice the real estate is abandoned. Additional requirements or exceptions may be made upon review. (*After the 14 day appeal period has passed without appeal.)

[boundaries]

Record a boundary line agreement between the owner and deed of trust trustee(s) of the property described, or to be described, in Schedule A and adjacent property owner(s) and

trustee(s) of any deed of trust secured by the property described, or to be described, in Schedule A.

[church –Ecclesiastical officer has powers under Va. Code Section 57-16; such as Catholic, Episcopal, & Lutheran faiths]

Call underwriter for guidance due to individual differences in each case.

[church – incorporated]

Provide the following documents to the Company for review. The company reserves the right to make additional requirements and/or exceptions upon receipt and review of said documents.

1. Furnish satisfactory evidence that the church or religious organization is a valid, subsisting corporation at the time of execution and delivery of the deed required in this Commitment.
2. Furnish certificate of good standing from Virginia State Corporation Commission, showing all fees paid to date.
3. Furnish satisfactory evidence that the individual executing the deed on behalf of the church or religious organization is duly authorized to execute the deed.
4. Furnish resolution from the Board authorizing the sale or encumbrance.

[church –unincorporated -purchase]

Furnish a copy of the order entered by the Circuit Court appointing current Trustees for the unincorporated church/religious organization.

Record among the land records the Court order appointing current Trustees for the unincorporated church/religious organization.

[church –unincorporated - DOT]

Furnish and record a copy of the order entered by the Circuit Court appointing current Trustees for the unincorporated church/religious organization, and authorizing the encumbrance of the real estate described in Schedule A.

[church –unincorporated - Purchase & DOT]

Furnish and record a copy of the order entered by the Circuit Court appointing current Trustees for the unincorporated church/religious organization, and authorizing the encumbrance of the real estate described in Schedule A.

[condominium lien]

Payoff and release of record Condominium lien filed by [name of Association] filed against [name of owner], on [date of filing] in Instrument No. [---] in the amount of [\$---].

NOTE: Suit to perfect must be filed by the Association within 36 months of recordation of notice.

Provide evidence condominium association dues and charges are paid current through the date of settlement.

[construction – see mechanic’s liens]

[continuous marriage affidavit]

Provide continuous marriage affidavit.

[contracts]

Record disclosed that the contract seller, _____, is not vested with fee simple title to property described in Schedule A as of the effective date of this Commitment. Contract seller must join in the warranty deed to the purchaser to release any rights under the contract.

[corporation]

As to any corporation involved in this transaction (whether seller, purchaser, borrower, manager, member, partner, etc.), the title company must be in receipt of the following documents. The company reserves the right to make additional requirements and/or exceptions upon receipt and review of said documents.

1. Furnish satisfactory evidence that the corporation is a valid, subsisting corporation at the time of execution and delivery of the deed required by this commitment.
2. Furnish evidence from Virginia State Corporation Commission showing all fees paid to date.
3. Unless documents are signed by the President or a Vice President and the transaction is in the ordinary course of business for the corporation, provide a corporate resolution authorizing the sale or encumbrance of the property. NOTE: If the sale is outside the ordinary course of business, provide a corporate resolution authorizing the sale or encumbrance of the property.
4. Furnish satisfactory evidence that the individual executing the deed on behalf of the corporation is duly authorized to execute the deed.
5. If the sale or encumbrance is outside the ordinary course of business, a resolution of the shareholders is required.

[creditor’s rights deletion request]

For deletion of Creditor’s Rights Exception in the LOAN POLICY, the Home Office of the Company must be furnished copies of all instruments pertaining to this transaction for review prior to closing. **A review fee of \$750.00 will be charged in advance of review. The company reserves the right to decline the request.** This commitment is

subject to such additional requirements and/or exceptions, including so-called “creditors’ rights”, as may be deemed necessary by the Company upon review of said instruments and upon full disclosure of all facts of this transaction. Documents and information which, in particular, must be provided for review of creditors’ rights” include but are not limited to the following:

- Loan Agreement and Loan Commitment
- Current Appraisal
- Current audited financial statements for the borrowing entity, principals and guarantors
- Historical and projected cash flow for the property
- Disclosure of the use of proceeds of the loan
- Documents relating to the origin of the rights of creditors

[decedent – see estate]

[deed in lieu of foreclosure]

- # Full cancellation of the deed of trust debt (i.e., the Note) and release of the deed of trust among the land records.
- # Execution by the deed of trust debtor(s) of an Estoppel Affidavit.

[deed of correction]

- # Record a deed of correction to correct the deed recorded in Instrument No. _____ as to:
[describe the matter]

[deed of gift – spousal joinder]

- # Spouse of donor must join in the deed to release rights under Virginia augmented estate rules.

[deed of gift – gift taxes]

- # Payment of any federal or state gift tax payable by reason of the Deed of Gift recorded on [date] in Instrument No. [---]

[deed of trust to be released]

Pay and release of record:

a. *Deed) of Trust*

Grantor(s): xx

Trustee(s):xx

Deed Book xx, page xx

Principal Amount: \$xx

Lender: xx

Dated: xx

Recorded: xx

b. Credit Line Deed of Trust

Grantor(s): xx

Trustee(s):xx

Deed Book xx, page xx

Dated: xx

Lender: xx

Recorded: xx

Principal Amount: \$xx

Borrower to authorize and close the credit line prior to settlement. Notify the lender with the payoff that the lien is closed and is to be released.

[estate – intestate]

1. The property described in Schedule A is subject to the following exceptions to coverage due to the death of xx on xx, which is less than one year after the date of death:

- a. possible debts of the decedent, or against decedent's estate;
- b. possible federal and state estate taxes;
- c. possible discovery and probate of a last will and testament of the decedent.

2. Record a list of heirs.

3. If a personal representative/administrator is selling, a copy of the recorded court order providing authority to sell must be provided and reviewed by the Company, which may make additional requirements and/or exceptions.

4. Company must be furnished with an Indemnity Agreement from the seller (heir/ personal representative) and comply with one of the following:

- a. escrow the entire proceeds from the transaction until a year after date of death has passed, using a signed Escrow & Indemnity with the Company; and, prior to disbursement after the year has passed, update title and resolve any matters related to the decedent's death; or
- b. provide a corporate surety bond covering the open estate of the decedent, which must be approved prior to settlement by the Company; or
- c. pay an extra-hazardous risk premium to the company of \$2/\$1,000 based on the sales price of the property, with a minimum payment of \$200.00 all paid to Old Republic.

[estate – testate]

1. The property described in Schedule A is subject to the following exceptions to coverage due to the death of xx on xx, which is less than one year after the date of death:

- a. possible debts of the decedent, or against decedent's estate;
- b. possible federal and state estate taxes;
- c. possible discovery and probate of a later last will and testament of the decedent;

- d. Possible appeal from the order admitting the last will and testament of the decedent to probate; and
 - e. Possible suit to impeach the will of the decedent.
2. Company must be furnished with an Indemnity Agreement from the seller/devisee/executor(s) and comply with one of the following to have the requirements above eliminated from the policy:
- a. escrow the entire proceeds from the transaction until a year after date of death has passed, using a signed Escrow & Indemnity with the Company; and, prior to disbursement after the year has passed, update title and resolve any matters related to the decedent's death; or
 - b. provide a corporate surety bond covering the open estate of the decedent, which must be approved prior to settlement by the Company; or
 - c. pay an extra-hazardous risk premium to the company of \$2/\$1,000 based on the sales price of the property, with a minimum payment of \$200.00 all paid to Old Republic.

[financing statement]

Release of record in the locality where land is located and at the state corporation commission the following financing statement:

Debtor _____; Secured Party _____; filed _____ as Instrument No. _____

[foreclosure – current transaction]

With respect to a Foreclosure of a Deed of Trust from [original borrower] to [original trustee(s)], Trustee(s), dated _____ and recorded ____ (date) ____ in Instrument No. ____ securing [original beneficiary] in the original principal sum of [loan amount] and interest, as recited in the Trustees' Deed recorded in Instrument No. ____.

- (a) Deed in proper form from Trustee(s) to Purchaser at Foreclosure Sale under the Deed of Trust, vesting fee simple title to the subject property in said purchaser.
- (b) If foreclosure action is being filed by Substitute Trustee, the Company must be furnished with a copy of the Appointment of Substitute Trustee duly notarized before the Substitute Trustee began working on the transaction. NOTE: The Appointment of Substitute Trustee must be recorded prior to the recordation of the foreclosure deed.
- (c) Proper foreclosure of the Deed of Trust in compliance with Virginia statutory foreclosure requirements. This Company must be furnished with copies of the following documents:
 - 1. Copy of the foreclosure advertisement and proof of publication there for the prescribed period of time.
 - 2. Proof that Notice of Sale was delivered to the original borrower; current owner; and all voluntary subordinate lienholders.
 - 3. If an IRS lien is recorded more than 30 days before the foreclosure sale, the trustee must give notice to the IRS at least 25 days in advance, and

contain all the pertinent information that required by the IRS. Copy of notice and evidence of receipt must be reviewed by the Company.

4. If the transaction being insured is less than 120 days AFTER the date of sale and the IRS has not waived its right of redemption the following will be included as an Exception: “Right of the Internal Revenue Service to substitute itself as purchaser of the property until [date after 120th day].”
5. Certification of Trustee as to 1-4, above.
6. Satisfactory certification from Substitute Trustees that they have received no information from which a failure of notice to any party entitled to receive notice could be inferred.
7. Provide satisfactory evidence that the foreclosure sale conducted to satisfy the lien of the Deed of Trust described above was in compliance with the terms of the Deed of Trust and applicable State laws.
8. Provide satisfactory evidence that (current owner) has not filed for protection under Federal Bankruptcy or State insolvency laws through the time of execution, delivery and recordation of the Trustees’ Deed to the insured purchaser at the foreclosure sale as required in Item (a).

NOTE: If a Bankruptcy has been filed, provide copy of order of Bankruptcy Court granting relief from stay with regard to the foreclosure sale of the captioned property to be insured.

9. Provide satisfactory evidence that possession of the insured premises has been surrendered to the purchaser at the time of execution and delivery of the Deed required herein; or exception to possession will be taken in the policy.

[foreclosure – prior transaction]

Certification/determination that Trustee(s) had full and complete power and authority to sell described property pursuant to and in accordance with the terms and provisions of the Trust Agreement under which title was held and vested and further that all provisions of such Trust have been complied with concerning the transaction and there were no violations of any of the provisions thereof.

[general partnerships]

With respect to ____ (the General Partnership), the company must be furnished with the following documents. The company reserves the right to make additional requirements and/or exceptions upon receipt and review of the documents.

1. A copy of the General Partnership Agreement and any amendments thereto.
2. A certificate or affidavit from the partners of the General Partnership certifying that the partnership agreement is in full force and effect and unamended except as previously furnished together with a list of all general partners.
3. A resolution from the Partnership authorizing the conveyance and/or encumbrance together with designation of authorized signatories.
4. In the event that any of the general partners of the General Partnership is itself an entity, the company reserves the right to require receipt and review of documentation with respect to that organization as well.

[judgments]

Pay and release of record the following (possible) judgment:

[name of creditor] v. [name of debtor], dated [---], docketed [---] as Instrument No [---], in the original amount of [\$---] plus costs, interest and fees as allowed.

NOTE: If real estate is held as tenants by the entirety, a continuous marriage affidavit may be used.

NOTE: If name is a common name & owner never lived at address where debtor was given notice, a judgment affidavit *may* be appropriate.

Possible judgment(s):

Creditor:

Debtor:

Deed Book xx, page xx

Dated: xx

Recorded: xx

Judgment Amount: \$xx

Identifying information:

[life estate]

Provide proof satisfactory to the Company that the life estate vested in _____ as stated in deed recorded in Instrument No. _____ on _____(date of recordation) has been terminated, or in the alternative, have the life tenant join in the instrument(s) being insured.

[limited liability company]

As to any limited liability company involved in this transaction, the title company must be in receipt of the following documents. The company reserves the right to make additional requirements and/or exceptions upon receipt and review of said documents.

1. Current copy of the Articles of Organization filed with the SCC;
2. Certificate of Good standing from the SCC, or equivalent showing all fees paid to date and all reports filed;
3. Satisfactory certification that there is no operating agreement, written or oral, or copies of the operating agreement with representation that the agreement furnished is the complete agreement;
4. Certified list of existing members;
5. All existing members must execute the document to be insured unless operating agreement and articles required above provide otherwise.
6. In the event that any of the managers of the LLC is itself an entity, the company reserves the right to require receipt and review of documentation with respect to that organization as well.

[limited liability partnership.]

With respect to ___ (the Limited Liability Partnership), the company must be furnished with the following documents. The company reserves the right to make additional requirements and/or exceptions upon receipt and review of the documents.

1. A copy of the Limited Liability Partnership Agreement and any amendments thereto.
2. A certificate or affidavit from the partners of the Limited Liability Partnership certifying that the partnership agreement is in full force and effect and unamended except as previously furnished together with a list of all general partners.
3. If it is a Foreign Limited Liability Partnership, proof of registration with the Virginia State Corporation Commission (Va. Code Sec. 50-73.138).
4. A resolution from the Partnership authorizing the conveyance and/or encumbrance together with designation of authorized signatories.
5. In the event that any of the general partners of the Limited Liability Partnership is itself an entity, the company reserves the right to require receipt and review of documentation with respect to that organization as well.

[limited partnerships]

With respect to ___ Limited Partnership, the company must be furnished with the following documents. The company reserves the right to make additional requirements and/or exceptions upon receipt and review of the documents.

- a. Evidence of the identity of the partners.
- b. A copy of the Limited Partnership Agreement and any amendments thereto with a certification that the copy furnished is a true copy in its entirety.
- c. A resolution from the Limited Partnership authorizing the conveyance and/or encumbrance together with designation of authorized signatories, if not included in the Partnership Agreement.
- d. In the event that any of the general partners of the Limited Partnership is itself an entity, the Company reserves the right to require receipt and review of documentation with respect to that organization as well.
- e. If the sale or encumbrance is outside the ordinary course of business, a resolution of the limited partners is required.

[limits of coverage]

The actual value of the estate or interest to be insured must be disclosed to the Company, and subject to approval by the Company, entered as the amount of the policy to be issued. Until the amount of the policy to be issued shall be determined, and entered in the commitment, it is agreed that as between the Company, the applicant for the Commitment and every person relying on this Commitment, the Company cannot be required to approve any such evaluation in excess of \$100,000.00, and the total liability of the Company on account of this Commitment shall not exceed that amount.

[lis pendens]

Release of record: Memorandum of Lis Pendens recorded XX in Instrument No. XX with reference to Chancery Suit No. XX, styled XX vs. XX in the Circuit Court of XX, Virginia.

[list of heirs]

A list of heirs must be recorded in the locality in which the real estate is located.

[mechanic's lien – residential new construction, MLA appointed]

The following are required for mechanic's lien coverage:

1. Designation of MLA form signed by owners of land and accepted by the MLA.
2. Building permit must designate MLA: name, address, phone number. A copy must be provided prior to first endorsement issued after MLA was appointed.
3. If an MLA was not appointed prior to construction beginning, the owner must amend the building permit to add an MLA, and provide a copy of the issued permit to the Company. Lien waivers from all who worked on the job, or supplied goods, prior to the issuance of the amended building permit must be provided. Owner and General Contractor must sign an affidavit regarding work done prior to issuance of the amended building permit.
4. Indemnity Agreement must be signed by all Owners and General Contractors.
5. At each draw, title must be updated.
6. At each draw, MLA must certify as to who has given notice.
7. At each draw, lien waivers must be received from all who gave notice to the MLA. The lien waivers may follow one draw behind.
8. Receipt by the company of an Affidavit stating all contractors, subcontractors, and suppliers have been paid, or listing amounts still due. Lien Waivers must be received from all payees listed on the Affidavit, if any, at the time of final disbursement.

[mechanic's lien – residential outsale construction] Note: the next 3 items must be included in the commitment.

Evidence of whether or not an MLA was used.

a. If an MLA was used, the following is required:

1. the MLA's Final Certificate of Notices with copies of all Notices received
- b. waiver and release of liens from all subs and suppliers who gave notice, and from those listed on the Affidavit of Payment.
- c. Copy of the designation of MLA.
- d. Copy of the building permit naming the MLA

b. If an MLA was not used, the following are required for review for mechanic's lien coverage. Additional requirements and/or exceptions may be made after review:

1. Indemnity Agreement must be signed by all Owners and General Contractor
2. If Affidavit of Payment does not apply, Owner and General Contractor to provide an affidavit as to whom has provided goods or services and not yet been paid.

3. A waiver and release of lien from all payees listed on the Affidavit of Payment is required, as well as lien waivers from those who have supplied goods or services, including, but not limited to the following: masonry, lumber, roofing, HVAC, drywall, siding, building supplies (i.e., major building supplier or service provider)

Executed Affidavit of Payment pursuant to Virginia Code Section 43-13.2 or 43-13.3, as applicable. If payees are listed, then a waiver and release of liens will be required.

Executed Final Affidavit and Agreement.

[mechanic's lien – commercial construction, or residential construction when MLA does not apply] Note: The next 4 items must be included in each commitment.

Receipt of the following information so that the mechanic's lien risk can be analyzed by the Company. Additional requirements or exceptions may be made after review. Review does not guarantee approval of affirmative mechanic's lien coverage for the lender:

- a. Project budget with sources and uses of funds. A job/cost breakdown of the project shall be provided, with a estimate of what tasks shall be performed at each draw, the dollar amount budgeted for each task, and the name of the subcontractor or supplier that is estimated to provide the service or supplies.
- b. Copy of the construction contract with builder
- c. Copy of the loan commitment, including without limitation the construction draw schedule or formula
- d. Current, audited financial statements for the borrowers and all guarantors of the loan and other evidence requested by and satisfactory to the Company, as to their creditworthiness

If mechanics' lien coverage is approved, receipt of a fully executed Owner's and Contractor's Affidavit and Indemnity signed by all Owners, Contractors and Guarantors. NOTE: If a loan is involved, any person required to serve as a personal guarantor on the loan shall be required to serve as a personal guarantor on the Indemnity Agreement.

If draw endorsements are required by the lender during the construction process, then prior to each draw, the following are required:

- a. Title to be updated. Timely notice shall be given to the Company to allow sufficient time to update the title in the court records and to note any exceptions to coverage for matters discovered in the title update.
- b. Receipt of an interim affidavit fully executed by the Owner and Builder at each draw.
- c. Statement of parties to be paid from current draw, and
- d. Lien waivers shall be provided for all persons paid from the prior draw, until the last draw, at which time lien waivers shall be needed from all subs and suppliers.

- e. Final Indemnity Agreement to be signed by Owner and Builder at final draw.
- #. Prior to the issuance of the final policy or the endorsement extending full coverage on the final policy, the Company must receive in satisfactory form and substance:
 - a. Final Waivers of Mechanic's Liens on forms supplied or approved by the Company for all work performed and materials supplied on the job
 - b. A complete and accurate copy of the occupancy permit duly issued by the appropriate governmental authority
 - c. The written acknowledgement by the Borrower and the General Contractor that all work has been completed in accordance with the terms of the construction contract (or separate provision has been made for the escrow of any funds not yet paid, pursuant to a written escrow agreement approved by the Company) and that all sums due and owing are paid to or into an escrow account and have been received by the General Contractor or the escrow agent.

[mechanics lien of record]

Pay and release of record: Mechanic's lien Claimant [name] vs. Owner [name] and General Contractor [name]; dated xx ; recorded xx; Instrument No. xx in the amount of \$xx.

[mineral rights]

Title to all _____ within and underlying the premises together with all mining rights and other rights, privileges and immunities relative thereto.

Possible existence of mineral rights as shown in document recorded as Instrument No. _____ on _____[date].

[name affidavit]

Provide a same name affidavit stating that xx and xx are one and the same person.

[partnerships] –see “general partnership” or “limited partnership,” above

[power of attorney]

If a power of attorney is to be used in the transaction, provide a copy to the Company for review prior to settlement.

Any power of attorney to be used in the transaction must be recorded, along with an “Agent's Certification as to the Validity of the Power of Attorney and Agent's Authority” (Va. Code § 26-113).

[proof of heirship]

Provide the company with affidavits from two disinterested persons, which may be a collateral relative of the decedent, as to the family history and descent satisfactory to the Company. These Affidavits must be approved prior to settlement, and the commitment is subject to additional requirements and/or exceptions that the company deems necessary after review.

[refinance with the same lender]

The following language should appear on the first page of the deed of trust when there is a refinance with the same lender:

“Refinance with the same lender pursuant to Va. Code § 58.1-803(D), as amended, in the original principal amount of \$_____ in Deed Book ____, page ____.”

[restrictive covenants]

Covenants and restrictions recorded in Deed Book ____, page ____; as amended, **but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.** Policy does not insure payment of HOA dues and maintenance fees.

[review]

Furnish copies of all documents in this transaction for review by Company prior to settlement. This Commitment is subject to such additional requirements and/or exceptions as may be deemed necessary by the Company after review of such documents.

[right of first refusal]

Release of record of the right of first refusal to purchase property described in Schedule A, which is recorded as Instrument No. _____ in favor of _____.

[short sales]

Unconditional payoff Letter from each lender being paid, and/or its assigns containing fixed amount inclusive of all fees, costs and interest, including attorney fees, if applicable, and date certain for funds to be received for payment in full of the above-described Deed of Trust. NOTE: The Payoff statement for the mortgage must come directly from the short-sale lender. We cannot rely on a payoff received from a third party (realtor, seller, short sale company).

Affidavit from Seller that the within conveyance is an absolute conveyance with no options, rights of reversion or repurchase. That possession is surrendered, that there are

no pending bankruptcy or foreclosure proceedings, and that the within conveyance will not cause a preference in bankruptcy.

[subordination]

Record subordination agreement for Deed of trust from ____, grantors/borrowers, to ____, trustees for ____, lender; recorded [date] in Instrument No. _____. If subordination agreement is not recorded this Deed of Trust will take priority over transaction insured by this instrument.

[survey]

If survey coverage is desired in the Owner's Policy, provide a copy of a satisfactory current survey of the property subject to review by the Company.

NOTE: If ALTA Homeowner's policy is chosen by purchaser, and no survey is obtained, covered risks 21, 22, 23, and 24 will be deleted from the Owner's policy.

AS TO COMMERCIAL PROPERTY: ALTA/ACSM Land Title Survey certified to the company and bearing a date of less than six months old.

Record a current survey of the property, which is satisfactory to the Company, to provide an insurable legal description.

[survey affidavit]

Provide a survey affidavit from the owner or party in possession with a copy of the survey attached.

[taxes - delinquent]

Evidence of payment of all delinquent real estate taxes, penalty and interest.

[trust agreements]

If the property is being conveyed by a trustee on behalf of the trust, the trustee must provide a Certification of Trust for recordation.

[utility easement]

Utility easement to xx recorded in Deed Book xx, page xx.

Counterpart sewer and water agreement with the locality recorded in Deed Book xx, page xx. See the instrument for particulars.