

This product should be seen as an opportunity, on certain transactions, to reduce the risk for the lender, reduce the hands on processing time of your due diligence team a minimum of 1 hour per file and reduce the borrower's transaction costs by approximately \$250 per parcel, per transaction.

Metropolitan Title Company has limited this “no survey” requirement to title insurance policies insuring non-construction mortgages. If we are asked to insure a mortgage loan in which the proceeds of the loan are to be used for any purpose other than new construction and the mortgage amount is less than \$5,000,000.00; the real estate parcel is either platted land or, if acreage, less than 25 acres, we will delete the survey exception and include location and comprehensive endorsements with the final mortgage policy without requiring a survey. There is no charge for these endorsements.

The survey product we are referring to is what is commonly called a mortgage report. This product is defined by the Michigan Society of Professional Surveyors as, “A report or inspection for the purpose of supplying a title company or lender with inspection data necessary for the issuing of title and/or mortgage insurance. This data pertains to a building location and/or building encroachments observed during this inspection. Property corners and boundary lines are not usually set when the inspection is done.”

In lieu of the mortgage report, which would have been given to the title company, the lender will supply the title company with the appropriate pages of the appraisal/evaluation product that states the legal description, site improvements and address of the parcel appraised/evaluated. If there is an existing survey, a copy will be supplied to the title company.

Always keep in mind that certain situations or files may necessitate a survey—such as poor legal descriptions or matters that may be disclosed to us at the time of an application.

A copy of the location and comprehensive endorsements follow.

ENDORSEMENT

Issued By: First American Title Insurance Company

Attached to Policy No.:

File No.:

ALTA Endorsement - Form 90-06 (Revised 06/17/06) - Restrictions, Encroachments and Minerals - Form 45-131-06 (06/06)

The Company insures against loss or damage sustained by the Insured by reason of:

- a. The existence, at Date of Policy, of any of the following:
 - i. Covenants, conditions or restrictions under which the lien of the Insured Mortgage can be divested, subordinated, or extinguished, or its validity, priority, or enforceability impaired.
 - ii. Unless expressly excepted in Schedule B:
 - (1) Present violations on the Land of any enforceable covenants, conditions or restrictions, or existing improvements on the Land that violate any building setback lines shown on a plat of subdivision recorded or filed in the Public Records.
 - (2) Any instrument referred to in Schedule B as containing covenants, conditions or restrictions on the Land that, in addition, (i) establishes an easement on the Land; (ii) provides a lien for liquidated damages; (iii) provides for a private charge or assessment, or (iv) provides for an option to purchase, a right of first refusal or the prior approval of a future purchaser or occupant.
 - (3) Any encroachment of existing improvements located on the Land onto adjoining land, nor any encroachment onto the Land of existing improvements located on adjoining land.
 - (4) Any encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B.
 - (5) Any notices of violation of covenants, conditions or restrictions relating to environmental protection recorded or filed in the Public Records.
- b. Any future violations on the Land of any existing covenants, conditions or restrictions occurring prior to the acquisition of the Title to the Land by the Insured, provided the violation results in:
 - i. the invalidity, loss of priority, or unenforceability of the lien of the Insured Mortgage; or
 - ii. the loss of title if the Insured shall acquire Title in satisfaction of the indebtedness secured by the Insured Mortgage.
- c. Damage to existing improvements, including lawns, shrubbery or trees:
 - i. that are located on or encroach upon that portion of the Land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose it was granted or reserved;
 - ii. resulting from the future exercise of any right to use the surface of the Land for the extracting or development of minerals excepted from the description of the Land or excepted in Schedule B.
- d. Any final court order or judgment requiring the removal from any land adjoining the Land of any encroachment excepted in Schedule B
- e. Any final court order or judgment denying the right to maintain any existing improvements on the Land because of any violation of covenants, conditions or restrictions or building setback lines shown on a plat of subdivision recorded or filed in the Public Records.

Wherever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease.

As used in paragraphs 1(b)(1) and 5, the words "covenants, conditions or restrictions" do not include any covenants, conditions or restrictions (a) relating to obligations of any type to perform maintenance, repair, or remediation of the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or file in the Public Records at Date of Policy and is not excepted in Schedule B.

Authorized Agent:

Metropolitan Title Company, a division of First American Title Insurance Co.

(248)540-4102

This endorsement is issued a part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Authorized Agent:

Metropolitan Title Company, a division of First American Title Insurance Co.

(248)540-4102

ENDORSEMENT

Issued By: First American Title Insurance Company

Attached to Policy No.:

File No.:

ALTA Form 22-06 - Location (06/17/06) 45-117-06 (06/06)

The Company insures against loss or damage sustained by the Insured by reason of the failure of known as to be located on the Land at Date of Policy.

This endorsement is issued a part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

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