

COMMITMENT FOR TITLE INSURANCE

Issued By

*Lawyers Title Insurance Corporation*

SCHEDULE A

Effective Date: **May 11, 2010, 8:00 am**

GFNo. **20100319**

Commitment No. \_\_\_\_\_, issued **May 19, 2010, 8:00 am**

1. The policy or policies to be issued are:
  - (a) OWNER'S POLICY OF TITLE INSURANCE (Form T-1)  
(Not applicable for improved one-to-four family residential real estate)  
Policy Amount:  
PROPOSED INSURED:
  - (b) TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE  
- ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)  
Policy Amount: **\$194,000.00**  
PROPOSED INSURED: **Tamara Forteza and Carolyn R. Forteza**
  - (c) LOAN POLICY OF TITLE INSURANCE (Form T-2)  
Policy Amount:  
PROPOSED INSURED:  
Proposed Borrower:
  - (d) TEXAS SHORT FORM RESIDENTIAL LOAN POLICY OF TITLE INSURANCE (Form T-2R)  
Policy Amount:  
PROPOSED INSURED:  
Proposed Borrower:
  - (e) LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)  
Binder Amount:  
PROPOSED INSURED:  
Proposed Borrower:
  - (f) OTHER  
Policy Amount:  
PROPOSED INSURED:
2. The interest in the land covered by this Commitment is: **Fee Simple**
3. Record title to the land on the Effective Date appears to be vested in:  
**John M. Castro and Rosie E. Castro, husband and wife**
4. Legal description of the land:  
**Lot Two (2), in Block Two (2), of BENTWOOD SUBDIVISION, a subdivision out of and a part of Phase 2 of the Master Plan of Villages of Deer Park, in Harris County, Texas, according to the map or plat thereof recorded under Film Code No(s). 592034 of the Map Records of Harris County, Texas.**

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#### SCHEDULE B

#### EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):

**Restrictive Covenants recorded in/under Film Code Number(s) 592034 of the Map Records of Harris County, Texas, and recorded under County Clerk's File Nos. Y831215 and 20090535356 of the Real Property Records of Harris County, Texas, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status, or national origin.**

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any, of any spouse of any insured. (Applies to the Owner's Policy only.)
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
  - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
  - b. to lands beyond the line of harbor or bulkhead lines as established or changed by any government, or
  - c. to filled-in lands, or artificial islands, or
  - d. to statutory water rights, including riparian rights, or
  - e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.

(Applies to the Owner's Policy only.)

5. Standby fees, taxes and assessments by any taxing authority for the year **2010**, 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. (If Texas Short Form Residential Loan Policy (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year \_\_\_\_ and subsequent years.")
6. The terms and conditions of the documents creating your interest in the land.
7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Loan Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)
8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Loan Policy (T-2) only.)

9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Loan Policy (T-2R). (Applies to Texas Short Form Residential Loan Policy (T-2R) only. Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Loan Policy (T-2R).
10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):
- a. **Rights of parties in possession. (Owner Policy Only)**
  - b. **Annual Maintenance Charge and Special Assessments for Capital Improvements payable to Villages of Deer Park Homeowners Association, Inc., as set forth and secured by Vendor's Lien retained in instrument recorded under County Clerk's File No.Y831215 of the Official Records of Harris County, Texas. Said lien being subordinated to all Purchase Money and/or Improvement Money Liens.**
  - c. **Building set back line 25 feet in width along the front property line(s) as shown on the recorded plat.**
  - d. **An easement 10 feet wide along the front property line(s) for the use of public utilities, as shown on the recorded plat.**
  - e. **An easement 16 feet in width along the rear property line(s) together with an aerial easement 5 feet in width from a plane 20 feet above the ground upward located adjacent thereto, for the use of public utilities, as shown on the recorded plat.**
  - f. **An easement 5 feet wide along the west property line(s) for the use of public utilities, as shown on the recorded plat.**
  - g. **1/2 Undivided Interest of all oil, gas and other minerals, the royalties, bonuses, rentals and all other rights in connection with same are excepted herefrom as set forth in instrument recorded in Volume 2426, Page 482 of the Deed Records of Harris County, Texas. Title to said interest not checked subsequent to date of aforesaid instrument.**
  - h. **Waiver of surface rights as contained in instrument recorded under Clerk's File Number R323614 of the Official Records of Harris County, Texas.**
  - i. **Oil, Gas and Mineral Lease filed under County Clerk's File No. E075435 of the Official Records of Harris County, Texas. Title to said lease not checked subsequent to the date of execution.**
  - j. **Oil, Gas and Mineral Lease filed under County Clerk's File No. L849927 of the Official Records of Harris County, Texas. Title to said lease not checked subsequent to the date of execution.**
  - k. **All, leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.**
  - l. **Rights of tenants in possession under unrecorded leases or rental agreements.**
  - m. **Zoning Ordinances by the City of Deer Park. (Owner's Policy Only)**
  - n. **Subject property lies within the boundaries of La Porte Area Water Authority. (Owner's Policy Only)**

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### *Lawyers Title Insurance Corporation*

#### SCHEDULE C

Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
  - a. no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
  - b. all standby fees, taxes, assessments and charges against the property have been paid,
  - c. all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, subcontractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,
  - d. there is legal right of access to and from the land,
  - e. (on a Loan Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. **Vendor's Lien retained in Deed, executed by K. Hovnanian of Houston, II, L.P., a Texas Limited Partnership to John M. Castro and Rosie E. Castro, husband and wife, dated June 14, 2006, filed June 16, 2006 in/under County Clerk's File No. Z383311 of the Real Property Records of Harris County, Texas, securing Option One Mortgage Corporation, a California Corporation in the payment of one note in the principal sum of \$214,082.00, due and payable and bearing interest as therein provided; said Note being additionally secured by Deed of Trust to Thomas F. Vettters, Trustee, dated June 9, 2006, and recorded June 16, 2006 in/under County Clerk's File No. Z383313 of the Real Property Records of Harris County, Texas; and all the terms, conditions and stipulations contained therein, including, but not limited to, any additional indebtedness, if any, secured by said instrument.**

**Appointment of Substitute Trustee, dated March 11, 2010, recorded April 13, 2010 in/under County Clerk's File No. 20100142902 of the Real Property Records of Harris County, Texas, Cathy Cagle, Jeff Leva, or Mary M. Speidel as Substitute Trustee(s) or Successor Substitute Trustee(s).**

**Said Note and Deed of Trust having been assigned to Wells Fargo Bank, N.A., as Trustee for ABFC 2006-OPT3 Trust, ABFC Asset-Backed Certificates, Series 2006-OPT3, c/o American Home Mortgage Servicing, Inc., by instrument dated effective March 11, 2010, and recorded on May 11, 2010 in/under County Clerk's File No. 20100192290 of the Real Property Records of Harris County, Texas.**
6. **Deed of Trust executed by John Castro and wife, Rosie Castro to NOT SHOWN, Trustee, dated March 25, 2010, recorded on May 7, 2010 in/under County Clerk's File No. 20100187247 of the Real Property Records of Harris County, Texas, securing Countrywide Asset Management, LLC in the payment of one note in the principal sum of \$6,000.00, due and payable and bearing interest as therein provided; and all the terms, conditions and stipulations contained therein, including, but not limited to, any additional indebtedness, if any, secured by said instrument.**
7. **Texas State Tax Lien against Rosie Elia Castro and John Martin Castro in the amount of \$439.97, plus fines, fees, penalties, interest and costs, recorded in/under County Clerk's File No. Y466678 of the Real Property Records of**

**Harris County, Texas.**

8. Name Search indicates possible Abstracts of Judgments, Federal Liens, Tax Liens and/or Bankruptcies against persons with the same or similar name(s) as John M. Castro, record owner(s). Company requires Affidavit of Lack of Identity or releases. Said possible Abstracts of Judgments, Federal Liens, Tax Liens and/or Bankruptcies are filed under County Clerk's File No(s). Y164521 and W048209.
9. Name Search indicates possible Abstracts of Judgments, Federal Liens, Tax Liens and/or Bankruptcies against persons with the same or similar name(s) as Rosie E. Castro, record owner(s). Company requires Affidavit of Lack of Identity or releases. Said possible Abstracts of Judgments, Federal Liens, Tax Liens and/or Bankruptcies are filed under County Clerk's File No(s). T790485 and U644844.
10. If the subject property is located within the City of Houston or within its extra territorial jurisdiction (within 5 miles of the city limits but outside another municipality) it is subject to the terms, conditions and provisions of City of Houston Ordinance #85-1878, pertaining to among other things, the platting and replatting of real property and to the establishment of building lines (25 feet along major thoroughfares and 10 feet along other streets). A certified copy of said ordinance was filed for record on August 1, 1991, under Harris County Clerk's File No. N253886.
11. According to City of Houston Ordinance No. 89-1312, filed for record under Harris County Clerk's File No. M337573, and recorded in 2157 / 1924 of the Real Property Records of Fort Bend County, Seller is obligated to provide notice of restrictive covenants to purchaser, which notice is to be filed for record, if subject property is found to be located within the boundaries of the City of Houston. A seller who fails to provide such notice may be subject to a fine levied by the City of Houston.
12. If the proposed transaction involves a loan insured by the Federal Housing Administration (FHA), the following restrictions are effective July 7, 2006.

Rules for FHA mortgages state that only owners of record may sell properties, and resale of a property may not occur 90 or fewer days from the last sale. In addition, when resales occur between 91 and 180 days after the last sale and the new sales price exceeds the previous sale price by 100 percent or more, additional documentation of the property's value must be provided. Additional evidence of accuracy of appraisals may be required when properties are resold at high profits within 12 months.

13. Subject property appears to be in La Porte Area Water Authority. Company requires that all assessments be paid current to the date of closing.

Section 49.452 of the Texas Water Code requires notice of the municipal utility district from Seller to Buyer by separate written document in the prescribed statutory form, executed and acknowledged by Seller and filed for record in the Real Property Records.

**vesting:**

Vendor's Lien retained in Deed, executed by K. Hovnanian of Houston, II, L.P., a Texas Limited Partnership to John M. Castro and Rosie E. Castro, husband and wife, dated June 14, 2006, filed June 16, 2006 in/under County Clerk's File No. Z383311 of the Real Property Records of Harris County, Texas.

Countersigned  
Infinity Title Company

By \_\_\_\_\_  
Authorized Signatory

**COMMITMENT FOR TITLE INSURANCE**

**SCHEDULE D**

GFNo. **20100319**

Effective Date: **May 11, 2010, 8:00 am**

Pursuant to the requirements of Rule P-21, Basic Manual of Rules, Rates and Forms for the writing of Title Insurance in the State of Texas, the following disclosures are made:

- 1. The following individuals are directors and/or officers, as indicated, of the Title Insurance Company issuing this Commitment  
**Lawyers Title Insurance Corporation is a wholly owned subsidiary of Fidelity National Title Insurance Company, a Nebraska Corporation.**

**Lawyers Title Insurance Corporation's Officers and Directors are as follows:**

**OFFICERS**

Raymond R. Quirk, Chairman of the Board, President and Chief Executive Officer  
 Anthony John Park, Executive Vice President  
 Michael Louis Gravelle, Executive Vice President and Corporate Secretary  
 Daniel K. Murphy, Senior Vice President and Treasurer  
 Anthony John Park  
 Raymond R. Quirk

**Directors**

Christopher Abbinante  
 Roger Scott Jewkes  
 Theodore L. Kessner  
 Erika Meinhardt

**2. INFINITY TITLE COMPANY**

J. Paul Caver, President

- 3. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving a portion of the premium from the settlement of this transaction will be disclosed on the closing or settlement statement.

You are further advised that the estimated title premium\* is:

Owner's Policy	<u>\$1,345.00</u>
Loan Policy	<u>\$0.00</u>
Endorsement Charges	<u>\$0.00</u>
Other	<u>\$0.00</u>
Total	<u>\$1,345.00</u>

Of this total amount: 15% will be paid to the policy issuing Title Insurance Company; 85% will be retained by the issuing Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows:

<u>Amount</u>	<u>To Whom</u>	<u>For Services</u>
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" \*The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the Commissioner of Insurance."

## TEXAS TITLE INSURANCE INFORMATION

Title insurance insures you against loss resulting from certain risks to your title.

The commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The commitment is a legal document. You should review it carefully to completely understand it before your closing date.

El seguro de título le asegura en relación a pérdidas resultantes de ciertos riesgos que pueden afectar el título de su propiedad.

El Compromiso para Seguro de Título es la promesa de la compañía aseguradora de títulos de emitir la póliza de seguro de título. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y endenterlo complemente antes de la fecha para finalizar su transacción.

Your Commitment of Title insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before issuing a Commitment for Title insurance (the Commitment) or a Title Insurance Policy (the Policy), the Title Insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy. The Policy is not an abstract of title nor does a Company have an obligation to determine the ownership of any mineral interest.

**---MINERALS AND MINERAL RIGHTS** may not be covered by the Policy. The Company may be unwilling to insure title unless there is an exclusion or an exception as to Minerals and Mineral Rights in the Policy. Optional endorsements insuring certain risks involving minerals, and the use of improvements (excluding lawns, shrubbery and trees) and permanent buildings may be available for purchase. If the title insurer issues the title policy with an exclusion or exception to the minerals and mineral rights, neither this Policy, nor the optional endorsements, ensure that the purchaser has title to the mineral rights related to the surface estate.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

**---EXCEPTIONS** are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Conditions section of the Commitment. When the policy is issued, all Exceptions will be on Schedule B of the Policy.

**---EXCLUSIONS** are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.

**---CONDITIONS** are additional provisions that qualify or limit you coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.

You can get a copy of the policy form approved by the Texas Department of Insurance by calling the Title Insurance Company at (800) 442-7067 or by calling the title insurance agent that issued the Commitment. The Texas Department of Insurance may revise the policy form from time to time.

You can also get a brochure that explains the policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the Policy. Some of the changes to consider are:

**---Request amendment of the "area and boundary" exception (Schedule B, paragraph 2).** To get this amendment, you must furnish a survey and comply with other requirements of the Company. On the Owner's Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company and if the Company's other requirements are met, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy. Whether or not you request amendment of the "area and boundary" exception, you should determine whether you want to purchase and review a survey if a survey is not being provided to you.

**---Allow the Company to add an exception to "rights of parties in possession."** If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.

**DELETION OF ARBITRATION PROVISION**  
(Not applicable to the Texas Residential Owner's Policy)

Arbitration is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator's award.

**Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is \$2,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.**

**The arbitration provision in the Policy is as follows:**

"Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction."

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

