

AFFIDAVIT INSTRUCTIONS FOR USE WITH UNDERWRITTEN TITLE COMPANIES

As part of the application process, the underwritten title company must ensure completion of both the Organizational Affidavit and the Individual Affidavit(s).

The Organizational Affidavit (Part I) must be completed and verified by an executive officer of the organization. Attached is a sample verification form. Please see below for further instructions:

- a) In the case of an application for an organizational securities permit, the Organizational Affidavit must be completed and verified by an executive officer of the underwritten title company.
 - i) Where the ultimate controlling parent is not an individual, the controlling parent organization must submit an Organizational Affidavit, completed and verified by an executive officer of its organization.
- b) In the case of an application for a reissued underwritten title company license, the Organizational Affidavit must be completed and verified by an executive officer of the underwritten title company.
- c) In the case of an application for the transfer of shares, an Organizational Affidavit must be completed and verified by an executive officer of:
 - i) Each non-individual transferee.
 - ii) All entities that own 10% or more interest in the non-individual transferee.
 - iii) All entities that will own 10% or more of the underwritten title company's ultimate controlling parent as a result of the transfer of shares.

The Individual Affidavit (Part II) must be completed by all of the following individuals.

- a) In the case of an application for an organizational securities permit:
 - i) The underwritten title company's officers, directors & key management personnel for each county in which the company intends to transact business.
 - ii) Individuals who will have 10% or more beneficial ownership of the underwritten title company [direct or indirect including attribution].
 - iii) Individuals who own 10% or more of the underwritten title company's ultimate controlling parent.
- b) In the case of an application for a reissued underwritten title company license (adding new counties):
 - i) Each new officer and director appointed to the underwritten title company.
 - ii) Key management personnel for the additional counties into which the underwritten title company intends to expand.
 - iii) Individuals who will have 10% or more beneficial ownership of the underwritten title

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company [direct or indirect including attribution] as a result of this expansion.

- iv) Individuals who will own 10% or more of the underwritten title company's ultimate controlling parent as a result of this expansion.
- c) In the case of an application for the transfer of shares of an underwritten title company:
 - i) Individuals who will own 10% or more of the underwritten title company as a result of this transaction.
 - ii) Individuals who own 10% or more interest in the non-individual transferee.
 - iii) Individuals who will own 10% or more of the underwritten title company's ultimate controlling parent as a result of this transaction.

The responses to the affidavits must be typed and all questions must be answered. Do not leave a space blank. If additional space is required, attach an addendum numbering the response to the corresponding question. Submit the original affidavit(s) plus 2 copies.

Key Management Personnel include:

1. Chief Title Officer
2. Chief Escrow Officer
3. Subdivision Manager
4. County Manager
5. Title Plant Manager

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SAMPLE VERIFICATION FORM

The following sample verification form meets the requirements of California Code of Civil Procedure Section 2015.5 for execution of documents outside California. It also may be used for documents executed within California. When required, the verification should be placed at the end of the document.

Title of Document: _____

Date: _____

VERIFICATION

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that I am authorized to execute the same.

Date:

Signature

Title