NATIONAL INVESTORS TITLE INSURANCE COMPANY
TEXAS ENDORSEMENT MANUAL

Prepared by your Texas Underwriting Team
October 2026

7600 Burnett Road, Suite 115
Austin, TX 78757
(512) 852-7600
www.nititle.com
texasunderwriting@nititle.com

Table of Contents - Alphabetical
Table of Contents - Numerical

NATIONAL INVESTORS TITLE INSURANCE COMPANY
TEXAS ENDORSEMENT MANUAL

1. The Texas Underwriting Team of National Investors Title Insurance Company prepared this Endorsement Manual for use solely by licensed title agents who write policies on National Investors.
2. The guidelines in this manual are the minimum requirements for each endorsement. The facts relating to a particular transaction may require additional or permit different requirements.
3. Throughout this Manual, the term "Basic Manual" refers to *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.
4. The rules and forms provided herein were taken from the Basic Manual and are current through the date(s) noted in the page footers for each endorsement.
5. Two Tables of Contents are provided: alphabetical by endorsement name and numerical by endorsement number.
6. For ease of reading:
    a. Spaces and bullets have been added to rate and procedural rules, but no changes have been made that could be considered substantive;
    b. Repeated titles and numbers within a rule were removed, so that repeated references to the rule or form are by either number only or title only; and
    c. Promulgated forms are set forth in a font different from that used for the underwriting guidelines.
7. This manual does not include guidance for all available endorsements. For any additional questions, please contact your NITIC Texas underwriter.
8. More information can be found in the Texas Underwriting Supplement. The latest version of this Texas Endorsement Manual can be found under Resources at www.nititle.com.

NATIONAL INVESTORS TITLE INSURANCE COMPANY
ENDORSEMENT GUIDE

Table of Contents, Alphabetical

Endorsement Name	Insuring Form	Procedural Rule	Rate Rule	Stat Code	Page No.
ACCESS ENDORSEMENT	T-23	P-54	R-30	0890	1
ADDITIONAL INSURED ENDORSEMENT	T-26	P-57	R-33	0893	4
AGGREGATION ENDORSEMENT	T-16	P-9.b(13)	R-11.J	0883	8
AREA AND BOUNDARIES EXCEPTION AMENDMENT	T-3	P-2	R-16	0500 0501 0502	13
ASSIGNMENT OF LIEN ENDORSEMENT	T-3	P-9.b(1) P-9.b(2)	R-11.A	0211	17
ASSIGNMENT OF RENTS/LEASES ENDORSEMENT	T-27	P-60	R-34	0894	22
BALLOON MORTGAGE ENDORSEMENT	T-39	P-9b.(10)	R-11.H	0411 0412	24
CO-INSURANCE ENDORSEMENT	T-48	P-6C	No charge	0896	26
COMPLETION OF IMPROVEMENTS ENDORSEMENT – OWNER'S POLICY	T-3	P-8a(2) T-3 II.A	No charge	0550	29
COMPLETION OF IMPROVEMENTS ENDORSEMENT – LOAN POLICY	T-3	P-8b(2) T-3 II.B	No charge	0550	33
CONDOMINIUM ENDORSEMENT	T-28	P-9.b(15)	R-11.L	0888	37
CONTIGUITY ENDORSEMENT	T-25 T-25.1	P-56	R-32	0892 0806	40
CORRECTION OF POLICY OR BINDER	T-3	T-3 IV	No charge	0400	43
DOWN DATE ENDORSEMENT (INTERIM CONSTRUCTION BINDER)	T-3	P-9.b(4) T-3 VII	R-11.C	0100 0101	45
DOWN DATE ENDORSEMENT (LOAN POLICY)	T-3	P-9.b(4) T-3 V	R-11.C	0920 0921	49
DOWN DATE ENDORSEMENT (OWNER'S POLICY)	T-3	P-9.A(3) T-3 VIII	R-15.b	0940 0941	53
ENERGY PROJECT – MINERALS AND SURFACE DAMAGE ENDORSEMENT	T-19.4	P-50.2	R-29.2	0807	56
ENERGY PROJECT – LEASEHOLD/EASEMENT OWNER'S ENDORSEMENT	T-55	P-72	R-37.B	0832	58
ENERGY PROJECT – LEASEHOLD/EASEMENT – LOAN ENDORSEMENT	T-55.1	P-72	R-37.C	0833	64

Endorsement Name	Insuring Form	Procedural Rule	Rate Rule	Stat Code	Page No.
ENERGY PROJECT – LEASEHOLD – OWNER'S ENDORSEMENT	T-55.2	P-72	R-37.D	0834	70
ENERGY PROJECT – LEASEHOLD – LOAN ENDORSEMENT	T-55.3	P-72	R-37.E	0835	76
ENERGY PROJECT – FEE ESTATE – OWNER'S ENDORSEMENT	T-55.4	P-72	R-37.F	0836	82
ENERGY PROJECT – FEE ESTATE – LOAN ENDORSEMENT	T-55.5	P-72	R-37.G	0837	87
ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT – RESIDENTIAL	T-36	P-9.b(9)	R-11.G	0810	92
ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT – COMMERCIAL	T-36.1	None	None	-	94
EQUITY LOAN MORTGAGE ENDORSEMENT	T-42	P-44	R-28.A	0875	96
EQUITY LOAN MORTGAGE ENDORSEMENT (SUPPLEMENTAL COVERAGE)	T-42.1	P-47	R-28.B	0876	100
EXTEND LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN	T-3	P-16 T-3 I	R-13.A	8021	110
FIRST LOSS ENDORSEMENT	T-14	P-9.b(11)	R-11.I	0881	113
INCREASED VALUE ENDORSEMENT	T-34	P-9a(2)	R-15.a	0960	116
LEASEHOLD LOAN POLICY ENDORSEMENT	T-5	P-9.b(5)	No charge	0822	118
LEASEHOLD OWNER'S POLICY ENDORSEMENT	T-4	P-9a(1)	No charge	0820	122
LEASEHOLD ENDORSEMENT, RESIDENTIAL	T-4R	P-9a(1)	No charge	0821	126
LIMITED PRE-FORECLOSURE POLICY DOWN DATE ENDORSEMENT	T-99	P-43B	R-26	0850	130
MANUFACTURED HOUSING ENDORSEMENT	T-31	P-9.b(7)	R-11.E	0150	133
MANUFACTURED HOUSING ENDORSEMENT SUPPLEMENTAL COVERAGE – LOAN POLICY	T-31.1	P-9.b(7)	R-15.E	0151	135
MANUFACTURED HOUSING ENDORSEMENT SUPPLEMENTAL COVERAGE – OWNER'S POLICY	T-31.1	P-9a(4)	R-15.c	0152	138
MINERALS AND SURFACE DAMAGE ENDORSEMENT – LOAN POLICY	T-19.2	P-50.1	R-29.1A	0802	141
MINERALS AND SURFACE DAMAGE ENDORSEMENT – OWNER'S POLICY	T-19.2	P-50.1	R-29.1A	0801	144

Endorsement Name	Insuring Form	Procedural Rule	Rate Rule	Stat Code	Page No.
MINERALS AND SURFACE DAMAGE ENDORSEMENT – LOAN POLICY	T-19.3	P-50.1	R-29.1B	0804	147
MINERALS AND SURFACE DAMAGE ENDORSEMENT – OWNER'S POLICY	T-19.3	P-50.1	R-29.1B	0803	150
MODIFICATION, REINSTATEMENT, OR PARTIAL RELEASE	T-38	P-9.b(3)	R-11.B	0311	154
NON-IMPUTATION ENDORSEMENT	T-24	P-55	R-31	0891	158
NON-IMPUTATION ENDORSEMENT (MEZZANINE FINANCING)	T-24.1	P-55	R-31	0805	160
PLANNED UNIT DEVELOPMENT ENDORSEMENT	T-17	P-9.b(14)	R-11.K	0884 0887	163
RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT (LOAN POLICY)	T-19	P-50.A P-50.B	R-29.A R-29.B	0885 0886	165
RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT (OWNER'S POLICY)	T-19.1	P-50.A P-50.C	R-29.C R-29.D	0897 0898 0889 0895	168
REVERSE MORTGAGE ENDORSEMENT	T-43	P-45	No charge	0877	171
REVOLVING CREDIT ENDORSEMENT	T-35	P-9.b(8)	R-11.F	0800	177
SEVERABLE IMPROVEMENTS ENDORSEMENT	T-54	P-72	R-37.A	0831	181
TAX DELETION (TAX AMENDMENT) ENDORSEMENT – ROLLBACK TAXES	T-30	P-20.B	R-19	0700	184
TAXES NOT YET DUE AND PAYABLE	-	P-20C	R-24	0710	187
TEXAS RESIDENTIAL LIMITED COVERAGE JUNIOR MORTGAGEE POLICY DOWN DATE ENDORSEMENT	T-45	P-46C P-46E	R-27C	0879	189
TEXAS RESIDENTIAL LIMITED COVERAGE JUNIOR MORTGAGEE POLICY VARIABLE RATE ENDORSEMENT	T-46	P-46D P-46E	R-27D	0878	194
USA – ACQUISITION OF TITLE ENDORSEMENT	T-12	R-17	R-17	0600	198
VARIABLE RATE MORTGAGE – NEGATIVE AMORTIZATION ENDORSEMENT	T-33.1	P-9.b(6)	R-11.D R-4	0142 0143	201
VARIABLE RATE MORTGAGE ENDORSEMENT	T-33	P-9.b(6)	R-11.D	0140 0141	203

APPENDICES	
A	Requirements of an Acceptable Survey
B	T-28 Endorsement Deletion Guide
C	T-19, T-19.1 – Survey Matters
D	Residential Real Property Checklist

NATIONAL INVESTORS TITLE INSURANCE COMPANY
ENDORSEMENT GUIDE

Table of Contents, Numerical

Insuring Form	Endorsement Name	Procedural Rule	Rate Rule	Stat Code	Page No.
-	TAXES NOT YET DUE AND PAYABLE	P-20C	R-24	0710	187
T-3	AREA AND BOUNDARIES EXCEPTION AMENDMENT	P-2	R-16	0500 0501 0502	13
T-3	ASSIGNMENT OF LIEN ENDORSEMENT	P-9.b(1) P-9.b(2)	R-11.A	0211	17
T-3	COMPLETION OF IMPROVEMENTS ENDORSEMENT – OWNER'S POLICY	P-8a(2) T-3 II.A	No charge	0550	29
T-3	COMPLETION OF IMPROVEMENTS ENDORSEMENT – LOAN POLICY	P-8b(2) T-3 II.B	No charge	0550	33
T-3	CORRECTION OF POLICY OR BINDER	T-3 IV	No charge	0400	43
T-3	DOWN DATE ENDORSEMENT (INTERIM CONSTRUCTION BINDER)	P-9.b(4) T-3 VII	R-11.C	0100 0101	45
T-3	DOWN DATE ENDORSEMENT (LOAN POLICY)	P-9.b(4) T-3 V	R-11.C	0920 0921	49
T-3	DOWN DATE ENDORSEMENT (OWNER'S POLICY)	P-9.A(3) T-3 VIII	R-15.b	0940 0941	53
T-3	EXTEND LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN	P-16 T-3 I	R-13.A	8021	110
T-4	LEASEHOLD OWNER'S POLICY ENDORSEMENT	P-9a(1)	No charge	0820 0821	122
T-5	LEASEHOLD LOAN POLICY ENDORSEMENT	P-9.b(5)	No charge	0822	118
T-12	USA – ACQUISITION OF TITLE ENDORSEMENT	R-17	R-17	0600	198
T-14	FIRST LOSS ENDORSEMENT	P-9.b(11)	R-11.I	0881	113
T-16	AGGREGATION ENDORSEMENT	P-9.b(13)	R-11.J	0883	8
T-17	PLANNED UNIT DEVELOPMENT ENDORSEMENT	P-9.b(14)	R-11.K	0884 0887	163
T-19	RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT (LOAN POLICY)	P-50.A P-50.B	R-29.A R-29.B	0885 0886	165

Insuring Form	Endorsement Name	Procedural Rule	Rate Rule	Stat Code	Page No.
T-19.1	RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT (OWNER'S POLICY)	P-50.A P-50.C	R-29.C R-29.D	0897 0898 0889 0895	168
T-19.2	MINERALS AND SURFACE DAMAGE ENDORSEMENT – LOAN POLICY	P-50.1	R-29.1A	0802	141
T-19.2	MINERALS AND SURFACE DAMAGE ENDORSEMENT – OWNER'S POLICY	P-50.1	R-29.1A	0801	144
T-19.3	MINERALS AND SURFACE DAMAGE ENDORSEMENT – LOAN POLICY	P-50.1	R-29.1B	0804	147
T-19.3	MINERALS AND SURFACE DAMAGE ENDORSEMENT – OWNER'S POLICY	P-50.1	R-29.1B	0803	150
T-19.4	ENERGY PROJECT – MINERALS AND SURFACE DAMAGE ENDORSEMENT	P-50.2	R-29.2	0807	56
T-23	ACCESS ENDORSEMENT	P-54	R-30	0890	1
T-24	NON-IMPUTATION ENDORSEMENT	P-55	R-31	0891	158
T-24.1	NON-IMPUTATION ENDORSEMENT (MEZZANINE FINANCING)	P-55	R-31	0805	160
T-25 T-25.1	CONTIGUITY ENDORSEMENT	P-56	R-32	0892 0806	40
T-26	ADDITIONAL INSURED ENDORSEMENT	P-57	R-33	0893	4
T-27	ASSIGNMENT OF RENTS/LEASES ENDORSEMENT	P-60	R-34	0894	22
T-28	CONDOMINIUM ENDORSEMENT	P-9.b(15)	R-11.L	0888	37
T-30	TAX DELETION (TAX AMENDMENT) ENDORSEMENT – ROLLBACK TAXES	P-20.B	R-19	0700	184
T-31	MANUFACTURED HOUSING ENDORSEMENT	P-9.b(7)	R-11.E	0150	133
T-31.1	MANUFACTURED HOUSING ENDORSEMENT SUPPLEMENTAL COVERAGE – LOAN POLICY	P-9.b(7)	R-15.E	0151	135
T-31.1	MANUFACTURED HOUSING ENDORSEMENT SUPPLEMENTAL COVERAGE – OWNER'S POLICY	P-9a(4)	R-15.c	0152	138
T-33	VARIABLE RATE MORTGAGE ENDORSEMENT	P-9.b(6)	R-11.D	0140 0141	203
T-33.1	VARIABLE RATE MORTGAGE – NEGATIVE AMORTIZATION ENDORSEMENT	P-9.b(6)	R-11.D R-4	0142 0143	201
T-34	INCREASED VALUE ENDORSEMENT	P-9a(2)	R-15.a	0960	116
T-35	REVOLVING CREDIT ENDORSEMENT	P-9.b(8)	R-11.F	0800	177

Insuring Form	Endorsement Name	Procedural Rule	Rate Rule	Stat Code	Page No.
T-36	ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT – RESIDENTIAL	P-9.b(9)	R-11.G	0810	92
T-36.1	ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT – COMMERCIAL	None	None	-	94
T-38	MODIFICATION, REINSTATEMENT, OR PARTIAL RELEASE	P-9.b(3)	R-11.B	0311	154
T-39	BALLOON MORTGAGE ENDORSEMENT	P-9b.(10)	R-11.H	0411 0412	24
T-42	EQUITY LOAN MORTGAGE ENDORSEMENT	P-44	R-28A	0875	96
T-42.1	EQUITY LOAN MORTGAGE ENDORSEMENT (SUPPLEMENTAL COVERAGE)	P-47	R-28B	0876	100
T-43	REVERSE MORTGAGE ENDORSEMENT	P-45	No charge	0877	171
T-45	TEXAS RESIDENTIAL LIMITED COVERAGE JUNIOR MORTGAGEE POLICY DOWN DATE ENDORSEMENT	P-46C P-46E	R-27C	0879	189
T-46	TEXAS RESIDENTIAL LIMITED COVERAGE JUNIOR MORTGAGEE POLICY VARIABLE RATE ENDORSEMENT	P-46D P-46E	R-27D	0878	194
T-48	CO-INSURANCE ENDORSEMENT	P-6C	No charge	0496	26
T-4R	LEASEHOLD ENDORSEMENT, RESIDENTIAL	P-9a(1)	No charge	0821	126
T-54	SEVERABLE IMPROVEMENTS ENDORSEMENT	P-72	R-37.A	0831	181
T-55	ENERGY PROJECT – LEASEHOLD/EASEMENT OWNER'S ENDORSEMENT	P-72	R-37.B	0832	58
T-55.1	ENERGY PROJECT – LEASEHOLD/EASEMENT – LOAN ENDORSEMENT	P-72	R-37.C	0833	64
T-55.2	ENERGY PROJECT – LEASEHOLD – OWNER'S ENDORSEMENT	P-72	R-37.D	0834	70
T-55.3	ENERGY PROJECT – LEASEHOLD – LOAN ENDORSEMENT	P-72	R-37.E	0835	76
T-55.4	ENERGY PROJECT – FEE ESTATE – OWNER'S ENDORSEMENT	P-72	R-37.F	0836	82

Insuring Form	Endorsement Name	Procedural Rule	Rate Rule	Stat Code	Page No.
T-55.5	ENERGY PROJECT – FEE ESTATE – LOAN ENDORSEMENT	P-72	R-37.G	0837	87
T-99	LIMITED PRE-FORECLOSURE POLICY DOWN DATE ENDORSEMENT	P-43B	R-26D	0850	130

APPENDICES	
A	Requirements of an Acceptable Survey
B	T-28 Endorsement Deletion Guide
C	T-19, T-19.1 – Survey Matters
D	Residential Real Property Checklist

Table of Contents - Alphabetical
Table of Contents - Numerical

ACCESS ENDORSEMENT (FORM T-23)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The purpose of the access endorsement is to insure that the policyholder has actual vehicular and pedestrian access to the property via a particular street that is specified in the endorsement.
- The endorsement may be attached to a T-1 Owner's Policy or a T-2 Loan Policy.
- The property to be insured may not be Residential Real Property (see Appendix D).
- An acceptable survey is required (See attached Appendix A listing all Requirements of an Acceptable Survey):
  - Survey must show improvements
  - Land must have physical access to the road(s) for which coverage is being requested—more than just a touchpoint, but the ability to walk and drive from the property to the road
  - Owner of the land must have legal right of access to the road(s) for which coverage is being requested. If a gate prevents access, the owner must have ownership and control over the gate.
  - The road must be physically open to both vehicles and pedestrians
  - Curb cuts must be evident where relevant
- Land must contain improvements.
- Proposed insured must request the endorsement and tell the agent exactly to which road they want access insured. The agent should not guess which road.
- One road per endorsement; if access to multiple roads is requested, multiple endorsements may be issued, and multiple endorsement premiums may be charged.
- Any restrictions for access by pedestrians or vehicles must be added to Schedule B of the policy.
- If you are unwilling to give all the coverage provided by the endorsement, add deletion language to Schedule B.

CORRESPONDING PROCEDURAL RULE: P-54

A Company may issue its Access Endorsement (T-23) on or after the date Rate Rule R-30 is effective to a Loan Policy (T-2) or Owner's Policy (T-1) on land which contains improvements and which is not residential real property, if its underwriting requirements are met and if it is paid the premium, if any, prescribed in Rate Rule R-30. The Company may add any exception to the endorsement that it considers, in its sole discretion, to be appropriate.

The Company shall delete any insuring provision or portion thereof if it does not consider that risk acceptable.

Any insured matter covered in the Access Endorsement (T-23) may be insured only by the use of this endorsement.

CORRESPONDING RATE RULE: R-30

The premium for the Access Endorsement (T-23) is $100 for each endorsement.

Table of Contents - Alphabetical
Table of Contents - Numerical

COMPLETING THE FORM:

Insert the following information in the form:

- Loan or Owner's Policy Number
- Date of the endorsement
- The name of the street, road or highway that abuts the property for which coverage is being requested

Table of Contents - Alphabetical
Table of Contents - Numerical

ACCESS ENDORSEMENT (T-23)

Attached to Policy No. _____

Issued by

BLANK TITLE INSURANCE COMPANY

HEREIN CALLED COMPANY

The Company insures against loss or damage sustained by the insured if, at Date of Policy: (i) the land does not abut and have both actual vehicular and pedestrian access to and from [insert name of single street, road, or highway] (the "Street"), or (ii) the Street is not physically open.

This endorsement is made 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.

ADDITIONAL INSURED ENDORSEMENT (FORM T-26)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- **Underwriting approval is required to issue this endorsement.**
- The Additional Insured Endorsement extends the coverage of an owner's policy to an affiliated person or entity after the property is transferred by warranty deed or there is a change in ownership of the insured entity.
- Under P-57.A, the property must have been transferred by warranty deed and the additional insured must be:
  - A legal entity or trust established by the insured for the purpose of planning the disposition of the Insured's estate;
  - Someone who acquired an interest in the property as a distribution from an entity or trust established by the insured for the purpose of planning the disposition of the insured's estate; or
  - a partnership, limited liability or corporation solely comprised of or owned by members of the insured's family and the insured.
- Alternatively, Under P-57.A, the additional insured must have acquired the ownership interest of the insured entity under the terms of a written agreement that was in place on the date the original policy was issued. Note there is no requirement for transfer by warranty deed to issue this endorsement in this situation.
- Additional language may be added to the T-26 when:
  - the insured is an LLC;
  - the policy is a T-1; and
  - one of the following changes in ownership of the LLC will occur:
    - transfer of all or part of the LLC members' interests to another person or entity;
    - withdrawal of one or more LLC members; or
    - addition of one or more members.
- Endorsement may be issued with a T-1 or a T-1R owner's policy.
- Endorsement and policy must be issued on the same underwriter.
- Must obtain the existing Owner's Policy and the documents conveying interest or title to the "additional insured."
- Premium amount under R-33 is based on the Policy Amount of the existing policy.

CORRESPONDING PROCEDURAL RULE: P-57

A. Acquisition of Interest under Existing Agreement or Estate Planning Vehicle

1. An "Estate Planning Vehicle" is a legal entity, a trust, or a trustee of a trust, if the entity or trust is established by the insured for the purpose of planning the disposition of the Insured's estate.

2. A Company may issue its Additional Insured Endorsement (Form T-26) to an Owner's Policy of Title Insurance (Form T-1 or Form T-1R) by naming a person as an additional insured in the endorsement, if:

a. its underwriting requirements are met; and

b. the additional insured is:

i. an Estate Planning Vehicle to which the insured conveys the title after Policy Date;

ii. a distributee who has acquired an interest according to the terms of an Estate Planning Vehicle;
iii. a partnership, limited liability company, or corporation solely composed of or owned by members of the Insured's family and the Insured; or
iv. any partner, member or stockholder that acquires the interests of the other owners of the Insured in accordance with the terms and provisions of a written agreement in effect at Date of Policy.

3. The endorsement must be requested by the additional insured.
4. In the case of paragraphs 2.b.i-iii above,
a. the request for the endorsement must be made within 90 days after the document conveying title to the additional insured is recorded; and
b. the document conveying title to the additional insured must contain a warranty of title.

Any matter covered in the Additional Insured Endorsement (Form T-26) may be insured only by this endorsement.

B. Limited Liability Company

A Company may add to the Additional Insured Endorsement (Form T-26) to an Owner's Policy of Title Insurance (Form T-1), when:
(1) its underwriting requirements are met, and
(2) it is paid the premium, if any, prescribed in Rate Rule R-33,
the following language when requested by a Limited Liability Company that is the insured in the policy to which the endorsement is to be added, when:
(i) there will be a transfer(s) of all or any part of the Limited Liability Company members' interests in the insured to any transferee(s), or
(ii) the withdrawal(s) of one or more of the members from the Limited Liability Company, or
(iii) the addition(s) of one or more persons or entities as members of the Limited Liability Company.

The Company may acknowledge that the Company will not deny liability under the policy or raise a defense to any claims because such actions may cause a dissolution or termination of the Limited Liability Company.

Language that may be added:

[ ] Optional Coverage for Limited Liability Companies: [if box is checked]

The Company hereby agrees that, notwithstanding anything to the contrary contained in this policy, in the event of loss or damage insured under this policy, the Company shall not deny liability under this policy or raise a defense to any claim made under this policy solely on the ground that, after the Date of Policy, a dissolution or termination of the Limited Liability Company has occurred or a new Limited Liability Company or other entity has been created by reason of any one or more:
(i) transfer(s) of all or any part of the Limited Liability Company members' interests in the insured to any transferee(s),

(ii) withdrawal(s) of one or more of the members from the Limited Liability Company, or

(iii) addition(s) of one or more persons or entities as members of the Limited Liability Company;

provided that the insured Limited Liability Company remains the record title holder and no new Limited Liability Company is explicitly formed.

The Company reserves all of its rights and defenses under this policy which the Company would have had against the named insured or its constituent members before or after any withdrawal, transfer or substitution.

CORRESPONDING RATE RULE: R-33

When the Additional Insured Endorsement (T-26) is issued with an Owner's Policy in accordance with Rule P-57, the premium for the T-26 shall be 10% of the Basic Rate for each policy provided that the minimum premium shall be not less than $25.00.

COMPLETING THE FORM:

Insert the following information in the form:

- Original Owner's Policy Number
- Date of the Endorsement
- Name of the additional insured (person or entity)
- If requested by insured, check the box for the additional coverage language

Table of Contents - Alphabetical
Table of Contents - Numerical

ADDITIONAL INSURED ENDORSEMENT (T-26)

Attached to Policy No.

The policy is hereby amended by adding as a named insured therein: [insert the name of the additional insured (person or entity) here]

This endorsement does not extend the coverage of the policy to any later date than Date of Policy, nor does it impose any liability on the Company for loss or damage resulting from (1) failure of such added insured to acquire an insurable estate or interest in the land, or (2) any defect, lien or encumbrance attaching by reason of the acquisition of an estate or interest in the land by such added insured.

[ ] Optional Coverage for Limited Liability Companies: [if box is checked]

The Company hereby agrees that, notwithstanding anything to the contrary contained in this policy, in the event of loss or damage insured under this policy, the Company shall not deny liability under this policy or raise a defense to any claim made under this policy solely on the ground that, after the Date of Policy, a dissolution or termination of the limited liability company has occurred or a new limited liability company or other entity has been created by reason of any one or more:

(i) transfer(s) of all or any part of the limited liability company members' interests in the insured to any transferee(s),

(ii) withdrawal(s) of one or more of the members from the limited liability company, or

(iii) addition(s) of one or more persons or entities as members of the limited liability company;

provided that the insured limited liability company remains the record title holder and no new limited liability company is explicitly formed.

The Company reserves all of its rights and defenses under this policy which the Company would have had against the named insured or its constituent members before or after any withdrawal, transfer, or substitution.

This endorsement is issued as 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.

Table of Contents - Alphabetical
Table of Contents - Numerical

AGGREGATION ENDORSEMENT (FORM T-16)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- **Underwriting approval is required to issue this endorsement**.
- When multiple properties in different jurisdictions secure a loan, a Loan Policy Aggregation Endorsement combines the amounts of insurance from the related loan policies and treats them as though they were one policy. The endorsement is also called the "spreader" endorsement, because it spreads the amounts in the loan policies over the entirety of the multiple tracts. May also refer to this as the "tie-in" endorsement, because it ties the policy to others.
- Available only for commercial loan transactions with properties in multiple counties or states where loan policies are issued simultaneously.
- Each loan policy must include the T-16 endorsement.
- If the aggregated amount of insurance for all policies exceeds NITIC's limit for single risks, add the additional bracketed language in the T-16 form.

CORRESPONDING PROCEDURAL RULE: P-9.b(13)

A Company may issue the Loan Policy Aggregation Endorsement (Form T-16) to a Loan Policy (Form T-2), if

(1) it is paid the premium prescribed in Rate Rule R-11.j;

(2) its underwriting requirements are met; and

(3) multiple policies are simultaneously issued covering separate mortgages securing the same indebtedness or loan.

The Company shall charge the applicable premium for each Loan Policy (Form T-2).

CORRESPONDING RATE RULE: R-11.J

The premium for the Loan Policy Aggregation Endorsement (Form T-16) is $25.00.

COMPLETING THE FORM:

Insert the following information in the form:

- Loan policy number
- Information from each of the other aggregated policies: policy numbers, county, state, amount
- Total combined policy amount of all aggregated policies
- Additional bracketed language, if applicable
- Schedule A of the policy must include the insurance amount allocated to each property

Table of Contents - Alphabetical
Table of Contents - Numerical

LOAN POLICY AGGREGATION - STATE LIMITS - ENDORSEMENT FORM T-16

ATTACHED TO POLICY NO. _____

Issued By

BLANK TITLE INSURANCE COMPANY

File Number: _____

1. The following policies are issued in conjunction with one another:

Policy Number:	County:	State:	Amount:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

2. The Amount of Insurance available to cover the Company's liability for loss or damage under this policy at the time of payment of loss shall be the Aggregate Amount of Insurance defined in Section 3 of this endorsement.

3. The Aggregate Amount of Insurance under this policy is either:

a. $_____; or
b. If the Land is located in one of the states identified in this subsection, then the Aggregate Amount of Insurance is restricted to the amount shown below:

State:	Aggregate Amount of Insurance
_____	_____
_____	_____
_____	_____

4. Section 7(a) of the Conditions of this policy is amended to read:

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

(i) To pay or tender payment of the lesser of the value of the Title as insured or the Aggregate Amount of Insurance applicable under this policy at the date the claim was made by the Insured Claimant, or to purchase the Indebtedness, together with any cost, attorneys' fees, and any costs and expenses incurred

by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay;

(ii) To pay or tender payment of the lesser of the value of the Title as insured at the date the claim was made by the Insured Claimant, or the Aggregate Amount of Insurance applicable under this policy, together with any cost, attorneys' fees, and any costs and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or

(iii) To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase, together with any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

When the Company purchases the Indebtedness, the Insured shall transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of any of the options provided for in Section 7 (a) all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in those subsections, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

5. Section 8(a) and 8(b) of the Conditions of this policy are amended to read:

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the least of:

(i) the Aggregate Amount of Insurance for the State where the Land is located,

(ii) the Indebtedness,

(iii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy, or

(iv) if a government agency or instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage in satisfaction of its insurance contract or guaranty.

(b) If the Company pursues its rights under Section 3 or Section 5 of these Conditions and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured, the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

6. Section 10 of the Conditions of this policy is amended to read:

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

(a) All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the applicable Aggregate Amount of Insurance by the amount of the payment.

(b) If this policy insures the Title to Land located in a state identified in Section 3. b. of this endorsement:

(i) all payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Aggregate Amount of Insurance by the amount of the payment; but

(ii) a payment made for loss or damage on Land insured in one of the policies identified in Section 1 on Land located outside this state shall not reduce the Aggregate Amount of Insurance in Section 3.b. of this endorsement until the Aggregate Amount of Insurance in Section 3.a. is reduced below the Aggregate Amount of Insurance in Section 3.b.

(c) However, any payments made prior to the acquisition of Title as provided in Section 2 of these Conditions shall not reduce the Aggregate Amount of Insurance afforded under this endorsement except to the extent that the payments reduce the Indebtedness.

(d) The voluntary satisfaction or release of the Insured Mortgage shall terminate all liability of the Company under this policy, except as provided in Section 2 of these Conditions, but it will not reduce the Aggregate Amount of Insurance for the other policies identified in Section 1 of this endorsement.

This endorsement is issued as 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.

IN WITNESS WHEREOF, the Company has caused this endorsement to be issued and become valid when signed by an authorized officer or licensed agent of the Company.

Date:

By:

Authorized Countersignature

AREA AND BOUNDARIES EXCEPTION AMENDMENT (FORM T-3)
(Endorsement Instruction VI)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- This endorsement is also known as "survey coverage", the "survey amendment" the "survey deletion", or "A&B coverage".
- The endorsement changes the standard survey exception found in Schedule B, Item 2, so that the policy covers claims arising due to discrepancies, conflicts, boundary lines, encroachments or protrusions, or overlapping of improvements. The only thing not covered in Schedule B, Item 2 is "shortages in area".
- Applies to either an Owner or Loan Policy.
- Requires an acceptable survey and form T-47 or T-47.1, if necessary. (See attached Appendix A listing all Requirements of an Acceptable Survey):
- A person or persons who has personal knowledge of the property dating back to the date of the survey must sign an affidavit or unsworn declaration confirming any material changes to the real property from that date. If the transaction involves residential real property, the affidavit or unsworn declaration must be in the form provided in Form T-47 or T-47.1.
- Upon receipt and review of an acceptable survey, delete the standard exception: "Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the land.". Add exceptions to Schedule B for any matters shown on the survey that will be excluded from coverage.
- Be careful to give area and boundary coverage only to those parties that request and pay for the coverage. A policy without area and boundary coverage should not amend Schedule B, Item 2 and should keep the exception "Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the land."

CORRESPONDING PROCEDURAL RULE: P-2

a. General Instructions

In either an Owner or Mortgagee Policy, when the Insured desires to have amended the exception as to area and boundaries, (i.e. Item 2 of Schedule B) to delete all save "shortages in area", a title insurance company may accept an existing real property survey and not require a new survey when providing area and boundary coverage if the title insurance company is willing to accept evidence of an existing real property survey, and an affidavit verifying the existing survey, notwithstanding the age of the survey or the identity of the person for whom the survey was prepared. If the transaction involves Residential Real Property, the affidavit verifying the existing survey shall be the Form T-47 Residential Real Property Affidavit.

The policy to be issued shall cover the same land as described in the evidence of the existing real property survey. The Company may, if it considers the additional hazard insurable, amend such exception (the Company may waive the requirement of a survey in connection with the issuance of its Mortgagee Policy insuring the lien on a condominium unit), by indicating same in Schedule B of the policy or by endorsement as provided herein upon

payment of the premium prescribed in R-16 in the case of an Owner Policy. The survey must be acceptable to the Company.

b. Residential Refinance, Affidavit in Lieu of Updated Survey
This Sub-Section P-2.b. shall apply solely to transactions involving Residential Real Property in connection with a Mortgagee Policy issued on a loan to renew, extend or satisfy a lien already covered by a Mortgagee Policy. On transactions covered by this Sub-Section, the Company shall notify the borrower of the borrower's right to substitute a qualifying Affidavit in Lieu of an Updated Survey. Such notice shall be given: (i) when the application for title insurance is received; or (ii) when the commitment for title insurance is first issued. On qualifying transactions under this Sub-Section, the exception as to area and boundaries shall be amended to read: "Shortages in area" {subject to any additional exceptions, or express insurance coverage, deemed appropriate by the Company} provided that the following requirements are satisfied:

1) The borrower provides to the Company an original, or legible copy of the survey {hereinafter the "Prior Survey"} performed in connection with: (i) the transaction under which the borrower acquired title to the Residential Real Property; or, (ii) a prior loan transaction by the borrower involving the Residential Real Property. The Prior Survey shall not be dated earlier than 7 years prior to the date of the Mortgagee Policy to be issued or performed for another person, unless the Company is willing to accept evidence of an existing survey in accordance with Sub-section-P-2.a.

2) The borrower has actual knowledge of the physical condition of the Residential Real Property since the date of the Prior Survey.

3) The Mortgagee Policy to be issued in connection with the current refinance transaction will describe under item "5" of Schedule "A" the same land described in the Prior Survey.

4) The borrower executes an affidavit concerning the Residential Real Property stating that, since the effective date of the Prior Survey and up to and including the date of the affidavit, there have been no:
(i) construction projects such as new structures, additional rooms, garages, swimming pools or deckings;
(ii) changes in the location of boundary fences or boundary walls;
(iii) construction projects on immediately adjoining property(ies) which construction occurred near the boundary of the Residential Real Property;
(iv) conveyance or replattings or easement grants or easement dedications by the borrower.

c. A title insurance company may not discriminate in providing area and boundary coverage in connection with residential real property solely because: (1) the real property is platted or unplatted; or (2) a municipality did not accept a subdivision plat in relation to the real property before September 1, 1975.

d. A title insurance company may not require an indemnity from a seller, buyer, borrower, or lender to provide area and boundary coverage.

e. If an affidavit is provided to the Company pursuant to this Rule and the affidavit is incorrect, whether due to the negligence or intentional act of the affiant, the area and boundary coverage given pursuant to this Rule shall be unaffected and in full force and effect; provided, however, the exclusions contained in the policy shall not be affected in any way.

f. An unsworn declaration (Form T-47-1) may be used in lieu of a T-47 affidavit, in accordance with Texas Civil Practice and Remedies Code Section 132.001.

ALSO SEE ENDORSEMENT INSTRUCTION T-3 VI

VI. USE TO AMEND EXCEPTION AS TO AREA AND BOUNDARIES, ETC.

When the Company has determined to amend the printed exception as to area and boundaries, etc., to eliminate all save and except to shortages in area (or show same on a Commitment for Title Insurance), and when there is compliance with Rules P-2 and R-16, it shall issue the T-3 Endorsement, inserting therein:

"Paragraph 2 of Schedule B of said Policy is amended to read as follows:

2. Any shortages in area."

CORRESPONDING RATE RULE: R-16

A. The premium for amending the exception as to area and boundaries, etc. in a Loan Policy (Form T-2 or Form T-2R) is $0.

B. The premium for amending the exception as to area and boundaries, etc. in an Owner's Policy (Form T-1 or Form T-1R) is:

1. 15 percent of the Basic Premium Rate on the Policy Amount when the Land is not Residential Real Property, or

2. 5 percent of the Basic Premium Rate on the Policy Amount when the Land is Residential Real Property, but not less than $20.00.

COMPLETING THE FORM:

- There is no form specific to providing this endorsement; use the general T-3 form and follow Instruction VI.
- Insert the name of title company, policy number, and date
- Insert the following language after the first paragraph:

Paragraph 2 of Schedule B hereof is amended to read as follows:

2. Any shortages in area.

Table of Contents - Alphabetical
Table of Contents - Numerical

AREA AND BOUNDARIES EXCEPTION
(Using T-3)

_____TITLE INSURANCE COMPANY

NO. _____

Attached to and made a part of _____ Title Insurance Company Policy or Interim Construction Binder Number _____, this_____ day of _____, 20_____.

Paragraph 2 of Schedule B hereof is amended to read as follows:

2. Any shortages in area.

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

IN WITNESS HEREOF, the _____ TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

Attest: _____TITLE INSURANCE COMPANY

_____ By: ____
Secretary President

[SEAL]

Countersigned at _____, Texas _____
(Use Optional) Authorized Countersignature
(Location Discretionary)

ASSIGNMENT OF LIEN ENDORSEMENT (FORM T-3)
(Endorsement Instruction III)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Assignment of Lien endorsement provides coverage to an assignee of an insured mortgage or deed of trust lien.
- Sometimes called the "Assignment of Mortgage Endorsement".
- Only the underwriter who issued the original Loan Policy may issue this endorsement.
- Perform a down date of title from the date the original insured deed of trust lien was recorded to determine whether anything recorded must be added as an exception to the policy being endorsed or whether the priority of the insured lien has changed.
- Obtain a tax certificate to determine the year through which taxes are paid.
- Obtain a copy of the recorded assignment transferring the lien from the insured lender to the new lender requesting the endorsement.
- If the insured lien is a 1 to 4 family residential property, the insured deed of trust lien must relate to a government loan that is being assigned to a government agency. The Assignment of Mortgage Endorsement cannot be given on a 1-4 family residential property deed of trust assigned to an individual, entity or other lender. It is appropriate to give this endorsement on a commercial property assigned to an individual, entity or other lender.
- Premium amount depends on how long it has been since the original deed of trust. See the rate rule below.

CORRESPONDING PROCEDURAL RULE: P-9.b(1) or P-9.b(2)

(1) Assignment of Mortgage to Government Agencies - Where a Loan Policy has been issued covering the lien securing an indebtedness, and such indebtedness and lien have been subsequently sold, transferred, and assigned to Ginnie Mae and/or Fannie Mae and/or Secretary of Veterans' Affairs and/or Secretary of Housing and Urban Development, as their names may be changed from time to time, the Company that issued the original policy may issue a General Endorsement (Form T-3) containing the language provided in Endorsement Instruction III to show Ginnie Mae and/or Fannie Mae and/or Secretary of Veterans' Affairs and/or Secretary of Housing and Urban Development, or as their names may be changed from time to time as a party insured.

The Company may issue the Endorsement upon payment of the premium prescribed by Rate Rule R-11.A.

As a condition to the issuance of the Endorsement, the Company may require a showing from the assignor that such assignor has not accelerated the maturity of the indebtedness, or if it has, that there has been a proper reinstatement of the obligation.

It shall be permissible for the Company to show the current owner of the fee simple title to the property in the said Endorsement.

(2) Assignment of Mortgage to Others - Except as to those loans secured by one-to-four family residential properties, the Form T-3, containing the language provided in Endorsement Instruction

III, may also be issued to assignees other than those set out in Procedural Rule P-9.b(1) upon payment of the premium prescribed by Rate Rule R-11.A.

ALSO SEE ENDORSEMENT INSTRUCTION T-3 III

III. USE UPON ASSIGNMENT OF LIEN.

When a lien is assigned, and upon compliance with Rules P-9.b.(1) or P-9.b.(2) and R-11, the Company may issue the T-3 Endorsement by inserting therein:

"Said Loan Policy is hereby amended to name as the Insured: _____. The lien described in Schedule A of said policy has been assigned to said named Insured by assignment dated _____ and recorded in the Office of the County Clerk of _____ County, Texas (here insert clerk's file number or book and page of recording), and Schedule A of said policy is hereby amended to cover said assignment, and it is expressly stated that the effective date of said policy is changed to the date of this Endorsement."

"As of the date of this Endorsement, Company insures the insured against loss, if any, sustained by the insured under the terms of the policy if said lien is not a valid lien against the property described in Schedule A of said policy, subject to the matters set forth in Schedule B, the terms and provisions of said policy and the following:"

(Here insert any exception necessary by reason of matters arising since the date of the Policy)

"The Company insures that all standby fees, taxes and assessments by any taxing authority against the property described in Schedule A of said policy have been paid up to and including the year _____ except subsequent taxes and assessments for prior years due to change in land usage or ownership, and except: (specify or delete the immediately preceding words "and except.")"

"This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the assignment by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws that is based on:
1. the assignment being deemed a fraudulent conveyance or fraudulent transfer; or
2. the assignment being deemed a preferential transfer."

"This endorsement shall be effective provided that, at Date of Endorsement:
1. the note or notes secured by the lien of the Insured Mortgage have been properly endorsed and delivered to the Assignee, or
2. if the note or notes are transferable records, the Assignee has "control" of the single authoritative copy of each "transferable record" as these terms are defined by applicable electronic transaction laws."

CORRESPONDING RATE RULE: R-11.A

A. Assignment of Mortgage Endorsement (Form T-3, Endorsement Instruction III):

1. If issued within twelve months after the date of the policy, the premium is the minimum Basic Premium Rate.
2. If issued more than twelve months after the date of the policy, the premium is the minimum Basic Premium Rate plus $100.00 for each additional full or partial twelve-month period.
3. However, the maximum premium collected must not be more than 50% of the premium for the loan policy amount based on the current Schedule of Basic Rates.

COMPLETING THE FORM:

- There is no form specific to providing this endorsement; use the general T-3 form and the endorsement language found in the Basic Manual under Endorsement Instructions, Section III.
- Insert the number of the loan policy, the date of the endorsement, the name of the assignee (as stated in the assignment document), and the execution date and time of filing of the assignment.
- Insert the recording information for the assignment, including the county name, volume/page number or recording number, and the name of the county clerk's records.
- Identify the priority of the insured lien, based on the down date of title.
- Insert the year through which taxes are paid, based on the tax certificate.

Table of Contents - Alphabetical
Table of Contents - Numerical

FORM T-3: GENERAL ENDORSEMENT

_____TITLE INSURANCE COMPANY

NO. _____

Attached to and made a part of _____ Title Insurance Company Policy or Interim Construction Binder Number _____, this_____ day of _____, 20_____.

Said Loan Policy is hereby amended to name as the Insured: [insert name of new insured]. The lien described in Schedule A of said policy has been assigned to said named Insured by assignment dated [insert date of assignment document] and recorded in the Office of the County Clerk of [insert county of recording] County, Texas (here insert clerk's file number or book and page of recording), and Schedule A of said policy is hereby amended to cover said assignment, and it is expressly stated that the effective date of said policy is changed to the date of this Endorsement.

As of the date of this Endorsement, Company insures the insured against loss, if any, sustained by the insured under the terms of the policy if said lien is not a valid lien against the property described in Schedule A of said policy, subject to the matters set forth in Schedule B, the terms and provisions of said policy and the following:

(Here insert any exception necessary by reason of matters arising since the date of the Policy)

The Company insures that all standby fees, taxes and assessments by any taxing authority against the property described in Schedule A of said policy have been paid up to and including the year [year] except subsequent taxes and assessments for prior years due to change in land usage or ownership, and except: (specify or delete the immediately preceding words "and except.")

This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the assignment by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws that is based on:

1. the assignment being deemed a fraudulent conveyance or fraudulent transfer; or

2. the assignment being deemed a preferential transfer."

This endorsement shall be effective provided that, at Date of Endorsement:

1. the note or notes secured by the lien of the Insured Mortgage have been properly endorsed and delivered to the Assignee, or

2. if the note or notes are transferable records, the Assignee has "control" of the single authoritative copy of each "transferable record" as these terms are defined by applicable electronic transaction laws.

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

IN WITNESS HEREOF, the _____ TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

Attest: _____TITLE INSURANCE COMPANY

_____ By: _____
Secretary President

[SEAL]

Countersigned at _____, Texas
(Use Optional)

_____
Authorized Countersignature
(Location Discretionary)

ASSIGNMENT OF RENTS/LEASES ENDORSEMENT (FORM T-27)

***UNDERWRITING GUIDELINES/INSTRUCTIONS*:**

- The Assignment of Rents and Leases Endorsement gives an insured under a Loan Policy additional coverage when part of the collateral for the insured loan is rental property and the owner has assigned rents and leases to their lender.
- The endorsement is attached to a T-2 Loan Policy.
- Confirm the property is not Residential Real Property. See Appendix D.
- Confirm that there is no prior assignment of rents and leases still in place for the property. Require a release of any previously recorded assignment. If the prior assignment is for the first lien on the property and the policy is insuring a second lien, you may not issue the endorsement.
- Record the assignment of rents and leases document.
- Include the assignment of rents and leases document in Schedule B.

CORRESPONDING PROCEDURAL RULE: P-60

A Company may issue its Assignment of Rents/Leases Endorsement (T-27) on or after the date Rate Rule R-34 is effective to a contemporaneously issued Mortgagee Policy (T-2), if its underwriting requirements are met and it is paid the premium, if any, prescribed in Rate Rule R-34.

The Company shall delete any insuring provision if it does not consider that risk acceptable.

Any insured matter covered in the Assignment of Rents/Leases Endorsement may be insured only by the use of this T-27.

The T-27 may not be issued on residential real property.

CORRESPONDING RATE RULE: R-34

When the Assignment of Rents/Leases Endorsement (T-27) is issued with a Mortgagee Policy of Title Insurance (T-2) in accordance with Rule P-60, the premium for each T-27 shall be $0.00.

COMPLETING THE FORM:

Insert the following information in the form:

- The title of the assignment of rents and leases document in section 2.a.
- The paragraph in Schedule B to which the Loan Policy took exception to the assignment of rents and leases document in section 2.a.

Table of Contents - Alphabetical
Table of Contents - Numerical

ASSIGNMENT OF RENTS/LEASES ENDORSEMENT (T-27)

The Company hereby insures the insured against loss which the insured shall sustain by reason of:

(a) any defect in the execution of the document entitled [insert title of assignment of rents and leases document here] referred to in paragraph [insert Schedule B paragraph of exception to assignment of rents and leases document here] of Schedule B; and

(b) the existence, as shown by the public records, of any prior assignment of the lessor's interest in the lease or leases specified in such document, including any assignments of rents there under, other than as set forth in Schedule B.

This endorsement is issued as 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.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

BY: _____

BALLOON MORTGAGE ENDORSEMENT (FORM T-39)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Balloon Mortgage Endorsement insures that a loan is valid and enforceable even though it includes a right to refinance with an extended term and modified interest rate.
- Confirm that the property is Residential Real Property. See Appendix D.
- Confirm that there is a balloon rider on the original deed of trust that includes a conditional right to refinance. This conditional right to refinance will say something to the effect of "once this loan matures, assuming the borrower is not in default, the lender will refinance this loan on the following terms…"
- This endorsement may be added to a loan policy if the loan is modified to add a conditional right to refinance. Please obtain underwriting approval to issue the T-39 after the policy has been issued.
- Follow lender instructions.

CORRESPONDING PROCEDURAL RULE: P-9.b(10)

When a Loan Policy is to be issued on residential real property insuring a lien that contains a balloon rider, the Company may attach to the Loan Policy the Balloon Mortgage Endorsement (Form T-39).

The balloon rider must contain a conditional right to refinance.

The lien as originally created and described in the Loan Policy must contain the balloon rider.

The Company must be paid the premium prescribed in Rate Rule R-11.H for issuance of the endorsement.

CORRESPONDING RATE RULE: R-11.H

H. Balloon Mortgage Endorsement (Form T-39):
1. When issued at the time the policy is issued, the premium is $25.00.
2. When issued after the date of the policy, the premium is $50.00.

COMPLETING THE FORM:

Insert the following information in the form:

- Name of policy number and title company

BALLOON MORTGAGE ENDORSEMENT (T-39)

Attached to Policy No. _____

Issued by

_____Title Insurance Company

The Company insures the insured mortgagee against loss or damage by reason of:

(1) The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for a Conditional Right to Refinance and a change in the rate of interest as set forth in the Mortgage Rider.
(2) Loss of priority of the lien of the insured mortgage as security for the unpaid principal balance of the loan, together with interest thereon, which loss of priority is caused by the exercise of the Conditional Right to Refinance and the extension of the loan term to the New Maturity Date set forth on the Rider and a change in the rate of interest, provided that all the conditions set forth in the Balloon Mortgage Rider have been met, the mortgagor remains the owner and occupant of the land, and there are no other liens, defects, and encumbrances, or other adverse matters affecting title arising subsequent to Date of Policy.

This endorsement does not insure against loss or damage based upon (a) usury or (b) any consumer credit protection or truth in lending law or (c) bankruptcy.

This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____Title Insurance Company

By: _____

Table of Contents - Alphabetical
Table of Contents - Numerical

CO-INSURANCE ENDORSEMENT (FORM T-48)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Co-insurance Endorsement is used when multiple insurers apportion a single risk more than $15,000,000 between them.
- Confirm that the insured has requested co-insurance.
- Verify which agent is the lead and who the co-insurers are. The title insurance company who is the lead insurer shall issue the policy in the amount of the combined risk; the co-insurers issue their own Co-insurance Endorsement.
- Obtain signatures from all insurers, including the lead, on the endorsement.

CORRESPONDING PROCEDURAL RULE: P-6C

Where the total amount of a single risk is in excess of $15,000,000.00 (Fifteen Million Dollars), and when such risk is insured by more than one title insurance company, one title insurance company may issue a policy and the other co-insurers may join in execution of the Co-Insurance Endorsement (T-48), in lieu of separate issuance of a policy subject to the terms of paragraph (a).

The premium shall be determined for the total risk being insured under the policy and the premium shall be apportioned between or among the different companies on a pro rata basis commensurate with the amount of risk insured by each title insurance company as specified in the T-48.

The Amount of Insurance stated in Schedule A shall be the total risk being insured under the policy, followed by the statement "Subject to the terms of the Co-Insurance Endorsement (T-48) attached hereto."

CORRESPONDING RATE RULE: N/A

COMPLETING THE FORM:

Insert the following information in the form:

- The policy number and name of issuer of policy.
- Information required to complete the table apportioning liability amongst insurers.

CO-INSURANCE ENDORSEMENT FORM (Form T-48)

Attached to Policy No.

Issued by

BLANK TITLE INSURANCE COMPANY
("Co-Insurer")

CO-INSURANCE ENDORSEMENT

Attached to and made a part of Issuing Co-Insurer's Policy No._____("Co-Insurance Policy"). Each title insurance company executing this Co-Insurance Endorsement, other than the Issuing Co-Insurer, shall be referred to as a "Co-Insurer." Issuing Co-Insurer and any other co-insurers are collectively referred to as "Co-Insuring Companies."

1. Co-Insurer issues this endorsement as evidence of Co-Insurer's liability under Co-Insurance Policy and directs that this endorsement be attached to the Co-Insurance Policy adopting its Covered Risks, Exclusions, Conditions, Schedules and Endorsements, as follows:
Amount of Insurance, Percentage of Liability and Aggregate Amount of Insurance under the Co-Insurance Policy:

Co-Insuring Companies	Name and Address	Policy Number [File Number]	Amount of Insurance	Percentage of Liability
Issuing Co-Insurer			$	
Co-Insurer			$	
Co-Insurer			$	
Co-Insurer			$	
Aggregate Policy Amount			$	

2. Each of the Co-Insuring Companies shall be liable to the Insured only for its Percentage of Liability of: (a) the total of the loss or damage under the Co-Insurance Policy, but in no event greater than its respective Amount of Insurance set forth in this endorsement; and (b) costs, attorneys' fees and expenses provided for in the Conditions.

3. Any notice of claim and any other notice or statement in writing required to be given under the Co-Insurance Policy must be given to each of the Co-Insuring Companies at its address set forth above.

4. Any endorsement to the Co-Insurance Policy issued after the date of this Co-Insurance Endorsement must be signed by each of the Co-Insuring Companies by its authorized officer or agent.

5. This Co-Insurance Endorsement is effective as of the Date of Policy of the Co-Insurance Policy. This Co-Insurance Endorsement may be executed in counterparts.

This endorsement is issued as part of the Coinsurance 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.

DATED: _____

Issuing Co-Insurer:
Blank Title Insurance Company

By: _____

Co-Insurer:
Blank Title Insurance Company

By: _____

Co-Insurer:
Blank Title Insurance Company

By: _____

Additional Co-Insurer signatures may be added if needed.

Version Date 1/3/2014

COMPLETION OF IMPROVEMENTS ENDORSEMENT – OWNER'S POLICY (FORM T-3)
(Endorsement Instruction II.A)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- A Completion of Improvements Endorsement on a previously issued Owner's Policy removes exceptions for mechanics' liens and limitations of liability that were in a policy which included the cost of immediately contemplated improvements pursuant to Rule P-8. There is no cost to remove these exceptions.
- Down date title from the date the policy issued.
- Confirm completion of improvements by obtaining an affidavit from the builder and owner.
- Confirm all bills and laborers are paid by obtaining an affidavit from the builder and owner.
- If requested by the insured, this endorsement may also provide or update T-19.1 coverage, if the requirements for the T-19.1 endorsement are met. Obtain an acceptable survey showing the completed recent improvements and follow the NITIC Endorsement Manual T-19.1 guidelines to issue. The insured must also pay for the T-19.1 Endorsement. (See attached Appendix A listing all Requirements of an Acceptable Survey).
- If requested by the insured, you may also provide the Area and Boundaries Endorsement (survey coverage). Obtain an acceptable survey showing the completed recent improvements and follow the NITIC Endorsement Manual guidelines to issue. The insured must also pay for the Area and Boundaries Endorsement.

CORRESPONDING PROCEDURAL RULE: P-8a(2)

Upon the completion of the improvements on said property, the owner's acceptance thereof, and satisfactory evidence to the Company that all bills for labor and materials have been paid in full, the "Liability" paragraph and the exception in Schedule B set out in "a(1)" of this rule may be eliminated from the policy by the issuance of the promulgated Endorsement form containing the applicable promulgated language covering said elimination.

In addition to the above elimination, if a satisfactory survey made after the completion of improvements is furnished to the Company, survey coverage may be provided as set out in Rules R-16 and P-2, using the promulgated Endorsement form and containing the applicable promulgated language.

In addition, if the Company's underwriting requirements have been met, the T-19.1 Endorsement may be issued or coverage affirmed as set out in Rules R-29 and P-50, using the promulgated Endorsement form and containing the applicable promulgated language. (Endorsement Instruction II)

ALSO SEE ENDORSEMENT INSTRUCTION T-3 II.A

Upon the completion of improvements and after compliance with Procedural Rule P-8.a.(2) or b.(2), Procedural Rule P-50, and Rate Rules R-16 and R-29, if applicable, the following language may be inserted into the T-3 Endorsement:

A. In Owner 's Policies - Rule P-8.a.(2) and R-16
    1. "Exceptions No._____ in said Owner 's Policy are hereby deleted."

2. Only in the event there is a specific request that the exception as to area and boundaries, etc. be amended and when a current, acceptable survey, showing all completed improvements, is furnished to the Company, the following language contained in the applicable subdivision below may be inserted and shown as No. 2 of the T-3 Endorsement form. In the event no amendment is to take place, No. 2 should read "Survey coverage not requested." The types of exception and the correct wording to be inserted are as follows:
    a. Area and boundaries exception previously amended - "The company affirms the amendment of the exception as to area and boundaries of the above numbered policy, such amendment to be effective as of the date of this Endorsement."
    b. Area and boundaries exception NOT previously amended - "Exception as to area and boundaries of the above numbered policy is hereby eliminated save and except any shortages in area."
    c. In the event a review of the survey shows additional matters to be excepted from coverage - "The following exceptions are added to Schedule B of the policy: (List specific exceptions regarding matters shown by the survey)."
3. Only in the event there is a specific request that the T-19.1 Endorsement be issued and when the Company's underwriting requirements have been met, the following language contained in the applicable subdivision below may be inserted and shown as No. 3 of the T-3 Endorsement form. In the event the endorsement is not to be issued or the coverage affirmed, No. 3 should read "T-19.1 not requested." The correct wording to be inserted is as follows:
    a. T-19.1 Endorsement previously issued - "The company affirms the coverage provided in the T-19.1 Endorsement issued in connection with the above numbered policy, such coverage to be effective as of the date of this Endorsement." "The following subparagraph(s) of this endorsement are deleted: _____"
    b. T-19.1 Endorsement NOT previously issued - "T-19.1 Endorsement in the form attached hereto is made a part of the above numbered policy." "The following subparagraph(s) of this endorsement are deleted: _____"

CORRESPONDING RATE RULE: none

See the Rate Rules for the T-19.1 Endorsement and the Area and Boundaries Endorsement if using the T-3 to give these Endorsements.

COMPLETING THE FORM:

- There is no form specific to providing this endorsement; use the general T-3 form and the endorsement language found in the Basic Manual under T-3 Endorsement Instructions, Section II Paragraph A.1. Identify the exceptions in the policy that listed the P-8 language.
- Insert the owner's policy number and the date of the endorsement.
- Delete the "mechanics' liens" and "limitation of liability" exceptions from the policy by inserting the exception numbers where they appear in the policy in paragraph 1 of the endorsement.

- If a current, acceptable survey is provided and the owner requests the survey endorsement, complete number 2 on the T-3 with the language found in the Basic Manual under T-3 Endorsement Instructions, Section II Paragraph A.2.
- If requested by the insured, update or issue the T-19.1 Endorsement by inserting the language from II.A. If any insuring provision in T-19.1 is deleted, insert the related paragraph number of the deleted provision in the corresponding blank.

Table of Contents - Alphabetical
Table of Contents - Numerical

FORM T-3: GENERAL ENDORSEMENT

_____TITLE INSURANCE COMPANY

NO. _____

Attached to and made a part of _____ Title Insurance Company Policy or Interim Construction Binder Number _____, this_____ day of _____, 20_____.

(See Endorsement Instruction II.A for specific wording to be inserted.)

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

IN WITNESS HEREOF, the _____ TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

Attest: _____**TITLE INSURANCE COMPANY**

_____ By: _____
Secretary President

[SEAL]

Countersigned at _____, Texas
(Use Optional)

_____
Authorized Countersignature
(Location Discretionary)

COMPLETION OF IMPROVEMENTS ENDORSEMENT – LOAN POLICY (FORM T-3)
(Endorsement Instruction II.B)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- A Completion of Improvements Endorsement on a previously issued Loan Policy removes exceptions for mechanics' liens and limitations of liability that were in a policy which included the cost of immediately contemplated improvements pursuant to Rule P-8 (that is, a construction loan policy). There is no cost to remove these exceptions.
- Down date title from the date the policy issued or the last down date endorsement.
- Confirm completion of improvements by obtaining an affidavit from the builder and owner.
- Confirm all bills and laborers are paid by obtaining an affidavit from the builder and owner.
- If requested by the insured, the endorsement may also provide or update T-19 coverage, if the requirements for the T-19 endorsement are met. Obtain an acceptable survey showing the completed recent improvements and follow the NITIC Endorsement Manual T-19 guidelines to issue. The insured must also pay for the T-19 Endorsement. (See attached Appendix A listing all Requirements of an Acceptable Survey).
- If requested by the insured, you may also provide the Area and Boundaries Endorsement (survey coverage). Obtain an acceptable survey showing the completed recent improvements and follow the NITIC Endorsement Manual guidelines to issue. The insured must also pay for the Area and Boundaries Endorsement.

CORRESPONDING PROCEDURAL RULE: P-8b(2)

Upon the completion of the improvements on said property, the owner's acceptance thereof, and satisfactory evidence to the Company that all bills for labor and materials have been paid in full, the "Liability" paragraph and the exception in Schedule B set out in "b(1)" of this rule may be eliminated from the policy by the issuance of the promulgated Endorsement form containing the applicable promulgated language covering said elimination.

In addition to the above elimination, if a satisfactory survey made after the completion of improvements is furnished to the Company, survey coverage may be provided as set out in Rules R-16 and P-2, using the promulgated Endorsement form and containing the applicable promulgated language.

In addition, if the Company's underwriting requirements have been met, the T-19.1 Endorsement may be issued or coverage affirmed as set out in Rules R-29 and P-50, using the promulgated Endorsement form and containing the applicable promulgated language. (Endorsement Instruction II)

ALSO SEE ENDORSEMENT INSTRUCTIONS T-3 II.B

Upon the completion of improvements and after compliance with Procedural Rule P-8.a.(2) or b.(2), Procedural Rule P-50, and Rate Rules R-16 and R-29, if applicable, the following language may be inserted into the T-3 Endorsement:

B. In Loan Policies - Rule P-8.b.(2)

1. "Exception No. _____ of Schedule B and the Pending Disbursement Clause in said policy are hereby deleted."
2. "Said policy is hereby amended so that its coverage as to all loss or damage against mechanics' and materialmen's liens shall relate to the date of this Endorsement instead of the date of said policy."
3. Only in the event there is a specific request that the exception as to area and boundaries, etc., be amended and when a current, acceptable survey, showing all completed improvements is furnished to the Company, the following language contained in the applicable subdivision below may be inserted and shown as No. 3 of the T-3 Endorsement form. In the event no amendment is to take place, No. 3 should read "No survey coverage requested." The types of exceptions and the correct wording to be inserted are as follows:
    a. Area and boundaries exception previously amended - "The Company affirms the amendment of the exception as to area and boundaries of the above numbered policy, such amendment to be effective as of the date of this Endorsement."
    b. Area and boundaries exception NOT previously amended - "Exception as to area and boundaries of the above numbered policy is hereby eliminated save and except any shortages in the area."
    c. In the event a review of the survey shows additional matters to be excepted from coverage – "The following exceptions are added to Schedule B of the policy: (List specific exceptions regarding matters shown by the survey)."
4. Only in the event there is a specific request that the T-19 Endorsement be issued and when the Company's underwriting requirements have been met, the following language contained in the applicable subdivision below may be inserted and shown as No. 4 of the T-3 Endorsement form. In the event the endorsement is not to be issued or the coverage affirmed, No. 4 should read "T-19 not requested." The correct wording to be inserted is as follows:
    a. T-19 Endorsement previously issued - "The company affirms the coverage provided in the T-19 Endorsement issued in connection with the above numbered policy, such coverage to be effective as of the date of this Endorsement." "The following subparagraph(s) of this endorsement are deleted: _____"
    b. T-19 Endorsement NOT previously issued – "T-19 Endorsement in the form attached hereto is made a part of the above numbered policy." "The following subparagraph(s) of this endorsement are deleted: _____"

CORRESPONDING RATE RULE: none

See the Rate Rules for the T-19 Endorsement and the Area and Boundaries Endorsement if using the T-3 to give these Endorsements.

COMPLETING THE FORM:

- There is no form specific to providing this endorsement; use the general T-3 form and the endorsement language found in the Basic Manual under T-3 Endorsement Instructions, Section II Paragraph B. Identify the exceptions in the policy that listed the P-8 language.

- Insert the loan policy number and the date of the endorsement.
- Delete the “mechanics’ liens” and “limitation of liability” exceptions from the policy by inserting the exception numbers where they appear in the policy in paragraph 1 of the endorsement.
- If a current, acceptable survey is provided and the lender requests the survey endorsement, complete number 2 on the T-3 with the language found in the Basic Manual under T-3 Endorsement Instructions, Section II Paragraph B.
- If requested by the insured, update or issue the T-19 Endorsement by inserting the language from II.B. If any insuring provision in T-19 is deleted, insert the related paragraph number of the deleted provision in the corresponding blank.

Table of Contents - Alphabetical
Table of Contents - Numerical

FORM T-3: GENERAL ENDORSEMENT

_____TITLE INSURANCE COMPANY

NO. _____

Attached to and made a part of _____ Title Insurance Company Policy or Interim Construction Binder Number _____, this_____ day of _____, 20_____.

(See Endorsement Instruction II.B for specific wording to be inserted.)

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

IN WITNESS HEREOF, the _____ TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

Attest: _____**TITLE INSURANCE COMPANY**

_____ By: _____
Secretary President

[SEAL]

Countersigned at _____, Texas
(Use Optional)
(Location Discretionary)

_____
Authorized Countersignature

CONDOMINIUM ENDORSEMENT (FORM T-28)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Condominium Endorsement insures that a condominium unit is part of a lawfully formed and maintained residential condominium.
- The endorsement may be attached to a Loan Policy only.
- Confirm that the property is Residential Real Property. See Appendix D. This means the endorsement may not be given on so called "office condominiums".
- Review the condominium declaration to verify that the development was lawfully organized under Property Code Chapter 81 or Chapter 82, as applicable.
- Add language in Schedule B deleting any provision(s) of the endorsement that are not applicable to the transaction. (See Appendix B)
- The Condominium Endorsement is not permitted if the Planned Unit Development Endorsement (Form T-17) is issued on the policy.

CORRESPONDING PROCEDURAL RULE: P-9.b(15)

A Company may issue the Condominium Endorsement (Form T-28) to a contemporaneously issued Loan Policy, if its underwriting requirements are met and if it is paid the premium, if any, described in Rate Rule R-11.l. The Company may delete any insuring provision if it does not consider that risk acceptable.

The Company may not issue the Condominium Endorsement if the land covered by the policy is not residential real property.

Any insured matter that may be covered by the Condominium Endorsement may be insured only by the Form T-28.

This endorsement may not be issued in conjunction with the Planned Unit Development Endorsement (Form T-17).

CORRESPONDING RATE RULE: R-11.L

The premium for the Condominium Endorsement (Form T-28) is $0.00.

COMPLETING THE FORM:

- Insert the loan policy number.
- Delete subsections (or add language to Schedule B) that are not acceptable risks, as indicated on Appendix B.

CONDOMINIUM ENDORSEMENT (T-28)

Attached to Policy No. _____

Issued by
BLANK TITLE INSURANCE COMPANY
HEREIN CALLED THE COMPANY

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

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the jurisdiction in which the unit and its common elements are located.

2. The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the title to the unit and its common elements.

3. Present violations of any restrictive covenants which restrict the use of the unit and its common elements and which are contained in the condominium documents, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the public records and is not excepted in Schedule B. The restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.

4. The priority of any lien for charges and assessments at Date of Policy provided for in the condominium statutes and condominium documents over the lien of any insured mortgage identified in Schedule A.

5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.

6. Any obligation to remove any improvements which exist at Date of Policy because of any present encroachments or because of any future unintentional encroachment of the common elements upon any unit or of any unit upon the common elements or another unit.

7. The failure of title by reason of a right of first refusal to purchase the unit and its common elements which was exercised or could have been exercised at Date of Policy.

This endorsement is issued as 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.
[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

By:

CONTIGUITY ENDORSEMENT (FORM T-25, FORM T-25.1)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Contiguity Endorsement insures that the boundary lines between two or more parcels of land are contiguous, and that there are no gaps, strips, or gores between the boundary lines.
- The endorsement may be attached to an Owner's Policy or a Loan Policy.
- Confirm that the land is not Residential Real Property. See Appendix D.
- Confirm that the properties that will be described in the endorsement are insured in the policy.
- All parcels of land must be on the same survey.
- The survey must not indicate the presence of any gaps, strips, or gores between the parcels listed in paragraph (1) of the T-25 form.
- If there are more than three parcels of land, or if the parcels are irregularly shaped, use Insuring Form T-25.1 rather than T-25.

CORRESPONDING PROCEDURAL RULE: P-56

A. A Company may issue its Contiguity Endorsement (T-25 or T-25.1) to a concurrently issued Loan Policy (T-2) or Owner's Policy (T-1) on land which is not residential real property:
    1. If title to each tract described in the T-25 is insured by the policy; and
    2. if the Company receives a survey acceptable to it; and
    3. if its underwriting requirements are met and it is paid the premium prescribed in Rate Rule R-32.

B. The Company may add any exception to the endorsement that it considers, in its sole discretion, to be appropriate.

C. Any matter covered in the T-25 may be insured only by the use of this endorsement.

D. If the insured non-residential land is composed of four or more parcels, or if the insured non-residential land is composed of irregularly shaped parcels, a Company may, in its discretion, issue the T-25.1.

CORRESPONDING RATE RULE: R-32

When the Contiguity Endorsement (Form T-25 or Form T-25.1) is issued with a Loan Policy of Title Insurance (Form T-2) or Owner's Policy (Form T-1) in accordance with Rule P-56, the premium for the Form T-25 or Form T-25.1 shall be $100 for each policy.

COMPLETING THE FORM:

- Insert the number of the loan policy or owner's policy in the blank in the heading.
- Complete paragraph T-25 as shown in the form, such as "north boundary line of Tract 1 to be contiguous to the south boundary line of Tract 2 and the east boundary line of Tract 2 to be contiguous to the west boundary line of Tract 3".
- For Form T-25, determine if there are any appropriate exceptions to contiguity, and list those in the endorsement.

CONTIGUITY ENDORSEMENT (T-25)

Attached to Policy No. _____

Issued by
BLANK TITLE INSURANCE COMPANY
HEREIN CALLED THE COMPANY

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

(1) the failure of [of the _____ boundary line of Parcel A] of the land to be contiguous to [the _____ boundary line of Parcel B] **[for more than two parcels, continue as follows: "; of [the _____ boundary line of Parcel B] of the land to be contiguous to [the _____ boundary line of Parcel C]" and so on until all contiguous parcels described in the policy have been accounted for]**; or

(2) the presence of any gaps, strips or gores separating any of the contiguous boundary lines described above.

This endorsement is issued as 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.

Table of Contents - Alphabetical
Table of Contents - Numerical

CONTIGUITY ENDORSEMENT T-25.1

Attached to Policy No. _____

Issued by
BLANK TITLE INSURANCE COMPANY
HEREIN CALLED THE COMPANY

The Company insures against loss or damage sustained by the insured by reason of the presence of any gaps, strips, or gores lying between [**describe contiguous parcels**].

This endorsement is issued as 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.

BLANK TITLE INSURANCE COMPANY

By: _____
President
(ATTEST IS OPTIONAL)

Authorized Countersignature

_____
Printed Name of Title Insurance Agent
or Direct Operation

Table of Contents - Alphabetical
Table of Contents - Numerical

CORRECTION OF POLICY OR BINDER (FORM T-3)
(Endorsement Instruction IV)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- A basic T-3 endorsement is used to correct typographical errors, omissions or additions to the original policy. It corrects the policy to the way the policy should have been issued in the first place. It does not extend the date of coverage, add additional coverage that was not originally planned and paid for, etc.
- There is no form language for the correction, but it should be clear what is being corrected. It is best to state that the original language in a particular paragraph is deleted and then to state what the correct language should have been.

CORRESPONDING PROCEDURAL RULE: Endorsement Instruction IV

The use of Endorsement T-3 in the Basic Manual is permitted for the purpose of stating a correction in the policy or binder as to typographical error, omission or addition of materials relating to facts that existed at the date of issue that clearly does not change the policy or binder as to any facts existing after date of issue nor extend its coverage beyond the point that should have been covered by the proper issue of a policy or binder.

CORRESPONDING RATE RULE: none

COMPLETING THE FORM:

- Insert the number of the loan policy or owner's policy in the blank in the heading.
- In the spot denoted "(See "Endorsement" Instructions for specific wording.)", write a free form paragraph about exactly what is being corrected.

Table of Contents - Alphabetical
Table of Contents - Numerical

Form T-3: General Endorsement

_____ TITLE INSURANCE COMPANY

NO. _____

Attached to and made a part of _____ Title Insurance Company Policy or Interim Construction Binder Number _____, this _____ day of _____, 20_____.

(See "Endorsement" Instructions for specific wording.)

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

IN WITNESS HEREOF, the _____ TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

Attest: _____

TITLE INSURANCE COMPANY
_____ By _____

Secretary President
(SEAL)

Countersigned at _____, Texas. _____

(Use Optional) Authorized Signature

(Location discretionary)

DOWN DATE ENDORSEMENT (INTERIM CONSTRUCTION BINDER) (FORM T-3)
(Endorsement Instruction VII)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- Upon request of the lender, the T-3 Endorsement can be used to extend the effective date of the Construction Binder and update the commitment under the Construction Binder to include all new items recorded of record. The effective date may be extended while construction is ongoing and after the completion of construction while permanent financing is arranged.
- Obtain a copy of the original, issued Construction Binder and any prior T-3 Endorsements issued. The T-3 Endorsement may only be issued by the same underwriter that issued the original Construction Binder.
- Run a down date to determine what has been recorded in the real property records since the original effective date of the Construction Binder. Each one of these items will need to be listed in the T-3 Endorsement.

CORRESPONDING PROCEDURAL RULE: P-9.b(4)

When a Loan Title Policy Binder on Interim Construction Loan is issued as provided in Procedural Rule P-16, and construction advances are being made subsequent to such issue, upon request and compliance with Rate Rule R-11.c, the title insurance company that issued the Loan Title Policy Binder on Interim Construction Loan may extend the effective date of the said Loan Title Policy Binder on Interim Construction Loan by issuing the General Endorsement (Form T-3), containing the language provided in Endorsement Instruction VII. Items (A) 1 and 2 of that language may not be deleted.

SEE ALSO ENDORSEMENT INSTRUCTION VII

When a Company is called upon to endorse a Loan Title Policy Binder on Interim Construction Loan at the time of periodic construction advances in the same transaction, and upon compliance with Rule P-9.b.(4), said Company may issue the T-3 Endorsement by inserting the following applicable provisions therein:

Said Binder is hereby amended so that the date and time set forth in the first paragraph thereof shall be the _____day of _____, ___, at _____ o'clock ___.M., subject to:

1. The exceptions shown in Schedule B of said Binder and in any prior Endorsement to said Binder,

2. Matters which would be shown by a correct survey and inspection of the premises subsequent to the date of said Binder,

3. The following additions to Schedule B-Part 1 of said Binder: (Specify or delete this paragraph and include as exceptions only those additional matters which the Company has determined are superior to the lien described in Schedule A of said Binder.),

4. The following additions to Schedule B-Part 2 of said Binder (which affect the title to the estate or interests in the land described or referred to in Schedule A of said Binder, but Company agrees to insure the insured against loss, if any, sustained by the insured under the terms of the Policy to be issued if such matters are not subordinate to the lien described in Schedule A of said Binder): (Specify or delete this paragraph.).

"Notwithstanding the limitation in paragraph 4 of Schedule B-Part 1 of said Binder, the Company insures that no such liens have been filed with the County Clerk of the county in which such property is located prior to the date of this Endorsement except those liens set forth in Schedule B of said Binder or in any prior Endorsement to said Binder, and except: (Specify or insert "None" if applicable.)"

CORRESPONDING RATE RULE: R-11.C

Down Date Endorsement (Form T-3, Endorsement Instructions V or VII):

1. If the land in the policy is Residential Real Property, the premium is $50.00
2. If the land in the policy is not Residential Real Property, the premium is $100.00.

COMPLETING THE FORM:

- Add the original Construction Binder's policy number into the introductory paragraph.
- Add the new effective date of the Construction Binder, which is the same date as your down date, to the second introductory paragraph.
- In paragraph 3, list anything recorded after the original effective date that will be superior to the construction deed of trust described in Schedule A of the original issued Construction Binder. This is generally everything recorded after the original effective date of the Construction Binder.
- In paragraph 4, list any Schedule B item recorded after the original effective date that will be subordinate to the construction deed of trust described in Schedule A of the original issued Construction Binder.
- In the "Notwithstanding" paragraph after paragraph 4, insert "none" unless discussed otherwise with underwriting counsel.

Form T-3: General Endorsement

_____ TITLE INSURANCE COMPANY

NO. _____

Attached to and made a part of _____ Title Insurance Company Policy or Interim Construction Binder Number _____, this _____ day of _____, 20_____.

Said Binder is hereby amended so that the date and time set forth in the first paragraph thereof shall be the _____day of _____, ___, at _____ o'clock ___.M., subject to:

1. The exceptions shown in Schedule B of said Binder and in any prior Endorsement to said Binder,

2. Matters which would be shown by a correct survey and inspection of the premises subsequent to the date of said Binder,

3. The following additions to Schedule B-Part 1 of said Binder: (Specify or delete this paragraph and include as exceptions only those additional matters which the Company has determined are superior to the lien described in Schedule A of said Binder.),

4. The following additions to Schedule B-Part 2 of said Binder (which affect the title to the estate or interests in the land described or referred to in Schedule A of said Binder, but Company agrees to insure the insured against loss, if any, sustained by the insured under the terms of the Policy to be issued if such matters are not subordinate to the lien described in Schedule A of said Binder): (Specify or delete this paragraph.).

"Notwithstanding the limitation in paragraph 4 of Schedule B-Part 1 of said Binder, the Company insures that no such liens have been filed with the County Clerk of the county in which such property is located prior to the date of this Endorsement except those liens set forth in Schedule B of said Binder or in any prior Endorsement to said Binder, and except: (Specify or insert "None" if applicable.)"

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

IN WITNESS HEREOF, the _____ TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

Attest: _____

TITLE INSURANCE COMPANY
_____ By _____

Secretary President

(SEAL)

Countersigned at _____, Texas. _____

(Use Optional) Authorized Signature

(Location discretionary)

DOWN DATE ENDORSEMENT (LOAN POLICY) (FORM T-3)
(Endorsement Instruction V)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- As a lender advances funds on a construction loan, it can request a T-3 Down Date Endorsement to its Loan Policy. This endorsement will show everything recorded since the effective date of the Loan Policy (or last issued T-3 Down Date Endorsement), extend the effective date of the Loan Policy to the date of the endorsement, and increase the amount insured under the policy to the amount advanced for construction on the loan, as per the Pending Disbursements paragraph of P-8.
- Obtain a copy of the original, issued Loan Policy and any T-3 Down Date Endorsements issued. The T-3 Endorsement may only be issued by the same underwriter that issued the original Loan Policy.
- Run a down date to determine what has been recorded in the real property records since the original effective date of the Loan Policy. Each one of these items will need to be listed in the T-3 Endorsement.
- Request in writing from lender the amount of funds advanced to date from the loan.
- **Note**: The "final down date", in which the Pending Disbursement clause is deleted, should be handled through the issuance of the Completion of Improvements Endorsement – Loan Policy.

CORRESPONDING PROCEDURAL RULE: P-9.b(4)

Down Date Endorsement - When a Loan Policy is issued in the manner provided in Procedural Rule P-8.b. and construction advances are being made subsequent to such issue, upon request and payment of the premium prescribed in Rate Rule R-11.c, the title insurance company that issued the Loan Policy may extend the effective date of the said Loan Policy and state the amount of coverage then existing under the policy, by issuing the General Endorsement (Form T-3), containing the language provided in Endorsement Instruction V. Items (A) 1, 2, and 3 of that language may not be deleted.

SEE ALSO ENDORSEMENT INSTRUCTION V

When a Company is called upon to endorse a Loan Title Policy at the time of periodic construction advances in the same transaction, and upon compliance with Rule P-9.b.(4), said Company may issue the T-3 Endorsement by inserting the following applicable provisions therein:

A. Said policy is hereby amended so that its coverage shall relate to the date of this Endorsement instead of the date of the policy, subject to:

   1. The exceptions shown in Schedule B of said policy and in any prior Endorsement to said policy,
   2. Matters which would be shown by a correct survey and inspection of the premises subsequent to the date of said policy,
   3. Any and all liens arising by reason of unpaid bills or claims for work performed or material furnished in connection with the improvements being placed upon the subject land : The Company does, however, insure against loss, if any, sustained by

the insured under the terms of the policy, if any such liens have been filed with the County Clerk of the County in which such property is located prior to the date of this Endorsement, except those liens set forth in Schedule B of said policy or in any prior Endorsement to said policy, and except: (Specify or delete immediately preceding words "and except."),

4. The following additions to Schedule B of said policy: (Specify or delete this paragraph and include as exceptions only those additional matters which the Company has determined are superior to the lien described in Schedule A, Item 4, of said policy.),
5. The following matters which affect the title to the estate or interest in the land described or referred to in Schedule A of said policy, but Company insures the insured against loss, if any, sustained by the insured under the terms of the policy if such matters are not subordinate to the lien described in Schedule A, Item 4, of said policy: (Specify or delete this paragraph).

B. The coverage under said policy as of the date hereof is $_____.

CORRESPONDING RATE RULE: R-11.C

Down Date Endorsement (Form T-3, Endorsement Instructions V or VII):

1. If the land in the policy is Residential Real Property, the premium is $50.00
2. If the land in the policy is not Residential Real Property, the premium is $100.00.

COMPLETING THE FORM:

- Add the original Loan Policy number into the introductory paragraph.
- Add the new effective date of the Loan Policy, which is the same date as your down date, to the second introductory paragraph.
- In paragraph A(3), list anything recorded after the original effective date that will be superior to the insured deed of trust, such as mechanic's liens evidencing unpaid liens for labor or material. If there are none found, delete ", and except".
- In paragraph A(4), list any other items recorded after the original effective date. If there are none found, delete paragraph A(4).
- In paragraph A(5), list any other items discovered during the title search that are subordinate to the insured lien. If there are none found, delete paragraph A(5).
- In Paragraph B, insert the total amount of all construction advances made through the date of the Endorsement.

Table of Contents - Alphabetical
Table of Contents - Numerical

Form T-3: General Endorsement

_____ TITLE INSURANCE COMPANY

NO. _____

Attached to and made a part of _____ Title Insurance Company Policy or Interim Construction Binder Number _____, this _____ day of _____, 20_____.

A. Said policy is hereby amended so that its coverage shall relate to the date of this Endorsement instead of the date of the policy, subject to:

1. The exceptions shown in Schedule B of said policy and in any prior Endorsement to said policy,
2. Matters which would be shown by a correct survey and inspection of the premises subsequent to the date of said policy,
3. Any and all liens arising by reason of unpaid bills or claims for work performed or material furnished in connection with the improvements being placed upon the subject land : The Company does, however, insure against loss, if any, sustained by the insured under the terms of the policy, if any such liens have been filed with the County Clerk of the County in which such property is located prior to the date of this Endorsement, except those liens set forth in Schedule B of said policy or in any prior Endorsement to said policy, and except: (Specify or delete immediately preceding words "and except."),
4. The following additions to Schedule B of said policy: (Specify or delete this paragraph and include as exceptions only those additional matters which the Company has determined are superior to the lien described in Schedule A, Item 4, of said policy.),
5. The following matters which affect the title to the estate or interest in the land described or referred to in Schedule A of said policy, but Company insures the insured against loss, if any, sustained by the insured under the terms of the policy if such matters are not subordinate to the lien described in Schedule A, Item 4, of said policy: (Specify or delete this paragraph).

B. The coverage under said policy as of the date hereof is $_____.

IN WITNESS HEREOF, the _____ TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

Attest: _____

TITLE INSURANCE COMPANY
_____ By _____

Secretary President
(SEAL)

Countersigned at _____, Texas. _____

(Use Optional) Authorized Signature

(Location discretionary)

DOWN DATE ENDORSEMENT (OWNER'S POLICY) (FORM T-3)
(Endorsement Instruction VIII)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Down Date Endorsement amends the Owner's Policy to increase the liability amount to the amount actually spent on improvements as of the effective date of the endorsement. This endorsement also extends the effective date of the policy and insures against loss if any mechanics' liens, other than those shown in the endorsement, are filed of record prior to the date of the endorsement.
- Obtain a copy of the original, issued Owner's Policy and any T-3 Down Date Endorsements issued. The T-3 Endorsement may only be issued by the same underwriter that issued the original Owner's Policy.
- Run a down date to determine what has been recorded in the real property records since the original effective date of the Policy. Each one of these items will need to be listed in the T-3 Endorsement.
- Request in writing from property owner evidence the amount of funds spent to date on improvements to the property. This would include receipts from contractors or loan draws from the lender.
- **Note**: The "final down date", in which the Pending Disbursement clause is deleted, should be handled through the issuance of the **COMPLETION OF IMPROVEMENTS ENDORSEMENT** – OWNER'S POLICY.

CORRESPONDING PROCEDURAL RULE: P-9.A(3)

Completion of Improvements Endorsement - When an Owner's Policy is issued in the manner provided in Procedural Rule P-8.a, and the coverage thereunder increases as provided in Rate Rule R-2, Procedural Rule P-8, or otherwise as provided in these Rules, upon request and compliance with Rate Rule R-15.b, the title insurance company that issued the Owner's Policy may extend the effective date of the said Owner's Policy and state the amount then existing under such Policy by issuing the General Endorsement (Form T-3) containing the language provided in Endorsement Instruction VIII. Items (A) 1, 2, and 3 of that language may not be deleted.

SEE ALSO ENDORSEMENT INSTRUCTION VIII

When a Company is called upon to endorse its Owner 's Title Policy to evidence increase in coverage thereunder, and upon compliance with Rule P-9.a.(3), said Company may issue the T-3 Endorsement by inserting the following applicable provisions therein:

A. Said Policy is hereby amended so that its coverage shall relate to the date of this Endorsement instead of the date of the Policy, subject to:
    1. The exceptions shown in Schedule B of said Policy and in any prior Endorsement to said Policy,
    2. Matters which would be shown by a correct survey and inspection of the premises subsequent to the date of said Policy,
    3. Any and all liens arising by reason of unpaid bills or claims for work performed or material furnished in connection with the improvements being placed upon the subject land. The Company does, however, insure the insured against loss, if any,

sustained by the insured under the terms of the policy, if any such liens have been filed with the County Clerk of the County in which such property is located prior to the date of this Endorsement except those liens set forth in Schedule B of said Policy or in any prior Endorsement to said Policy, and except: (Specify or delete the words "and except" immediately preceding.),

4. The following additions to Schedule B of said Policy: (Specify or delete this paragraph.).

B. The coverage under said Policy as of the date hereof is $_____.

CORRESPONDING RATE RULE: R-15.b

b. Increase in Coverage During Construction (Form T-3, Endorsement Instruction VIII) –

1. If the land in the policy is Residential Real Property, the premium is $50.00.
2. If the land in the policy is not Residential Real Property, the premium is $100.00.

COMPLETING THE FORM:

- Add the original Owner Policy number into the introductory paragraph.
- Add the new effective date of the policy, which is the same date as your down date, to the second introductory paragraph.
- In paragraph A(3), list anything recorded after the original effective date that will be superior to the insured deed of trust, such as mechanic's liens evidencing unpaid liens for labor or material. If there are none found, delete ", and except".
- In paragraph A(4), list any other items recorded after the original effective date. If there are none found, delete paragraph A(4).
- In paragraph A(5), list any other items discovered during the title search tht are subordinate to the insured lien. If there are none found, delete paragraph A(5).
- In Paragraph B, insert the total amount of all construction advances made through the date of the Endorsement.

Table of Contents - Alphabetical
Table of Contents - Numerical

Form T-3: General Endorsement

_____ TITLE INSURANCE COMPANY

NO. _____

Attached to and made a part of _____ Title Insurance Company Policy or Interim Construction Binder Number _____, this _____ day of _____, 20_____.

A. Said Policy is hereby amended so that its coverage shall relate to the date of this Endorsement instead of the date of the Policy, subject to:

1. The exceptions shown in Schedule B of said Policy and in any prior Endorsement to said Policy,
2. Matters which would be shown by a correct survey and inspection of the premises subsequent to the date of said Policy,
3. Any and all liens arising by reason of unpaid bills or claims for work performed or material furnished in connection with the improvements being placed upon the subject land. The Company does, however, insure the insured against loss, if any, sustained by the insured under the terms of the policy, if any such liens have been filed with the County Clerk of the County in which such property is located prior to the date of this Endorsement except those liens set forth in Schedule B of said Policy or in any prior Endorsement to said Policy, and except: (Specify or delete the words "and except" immediately preceding.),
4. The following additions to Schedule B of said Policy: (Specify or delete this paragraph.).

B. The coverage under said Policy as of the date hereof is $_____.

IN WITNESS HEREOF, the _____ TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

Attest: _____

TITLE INSURANCE COMPANY
_____ By _____

Secretary President
(SEAL)

Countersigned at _____, Texas. _____

(Use Optional) Authorized Signature

(Location discretionary)

ENERGY PROJECT – MINERALS AND SURFACE DAMAGE ENDORSEMENT (T-19.4)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- **Underwriting approval is required to issue this endorsement.**
- This endorsement may be issued on an Owner's Policy or a Loan Policy.
- This endorsement must be issued simultaneously with one of the following endorsements:
  - Energy Project – Leasehold/Easement Owner's Policy Endorsement (T-55)
  - Energy Project – Leasehold/Easement Loan Policy Endorsement (T-55.1)
  - Energy Project – Leasehold Owner's Policy Endorsement (T-55.2)
  - Energy Project – Leasehold Loan Policy Endorsement (T-55.3)
  - Energy Project – Fee Estate Owner's Policy Endorsement (T-55.4)
  - Energy Project – Fee Estate Loan Policy Endorsement (T-55.5)

CORRESPONDING PROCEDURAL RULE: P-50.2

A. A Company may issue the Energy Project – Minerals and Surface Damage Endorsement (Form T-19.4) to an Owner's Policy or Loan Policy upon request of the insured if:

1. The policy includes an exclusion or an exception regarding minerals;
2. The endorsement is issued simultaneously with an Energy Project – Leasehold/Easement Owner's Policy Endorsement (T-55), Energy Project – Leasehold/Easement Loan Policy Endorsement (T-55.1), Energy Project – Leasehold Owner's Policy Endorsement (T-55.2), Energy Project – Leasehold Loan Policy Endorsement (T-55.3), Energy Project – Fee Estate Owner's Policy Endorsement (T-55.4), or Energy Project – Fee Estate Loan Policy Endorsement (T-55.5); and
3. Its underwriting requirements are met.

B. Subparagraph c. of the endorsement must be completed according to the instructions in the form by inserting the word "None" or by identifying the interest excepted from the description of the Land in Schedule A and/or specifically excepted in Schedule B that is intended to be excluded from coverage.

C. Any matter covered by the Energy Project – Minerals and Surface Damage Endorsement (Form T-19.4) may be insured only by the use of this endorsement, except that coverage regarding minerals may also be insured by the Restrictions, Encroachments, Minerals Endorsements (Forms T-19 or Form T-19.1) or the Minerals and Surface Damage Endorsements (Forms T-19.2 or Form T-19.3).

CORRESPONDING RATE RULE: R-29.2

The premium for the Energy Project–Minerals and Surface Damage Endorsement (Form T-19.4) is 5 percent of the Basic Premium Rate for a single issue policy for the policy Amount.

COMPLETING THE FORM T-19.4:

- Insert the policy number in the appropriate blank on the form.
- If the endorsement is not applicable to all the insured property, insert the tract or parcel number of the property to which the endorsement will apply in the appropriate blank.
- Complete paragraph (c) as appropriate.

Table of Contents - Alphabetical
Table of Contents - Numerical

ENERGY PROJECT – MINERALS AND SURFACE DAMAGE ENDORSEMENT
(T-19.4)

Attached to Policy No._____; Applies to Parcel(s)_____
Issued by
BLANK TITLE INSURANCE COMPANY
HEREIN CALLED COMPANY

The Company insures the insured against loss which the insured shall sustain by reason of damage to, enforced removal, or alteration of any Severable Improvements located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals or any other subsurface substances excepted from the description of the Land, excepted or excluded on Schedule A, Item 2, or excepted in Schedule B. As used in this endorsement, "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

This endorsement does not insure against loss resulting from:
a. contamination, explosion, fire, vibration, fracturing, earthquake, flood or subsidence;
b. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances; or
c. the exercise of the rights described in: [Insert "None" or identify the interest excepted from the description of the Land in Schedule A and/or specifically excepted in Schedule B that is intended to be excluded from coverage].
This endorsement is issued as 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.
[Witness clause optional]
TITLE INSURANCE COMPANY
By: Authorized signatory

ENERGY PROJECT – LEASEHOLD/EASEMENT OWNER'S ENDORSEMENT (Form T-55)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- **Underwriting approval is required to issue this endorsement.**

CORRESPONDING PROCEDURAL RULE: P-72

A. A Company may issue the Severable Improvements Endorsement (Form T-54), Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55), Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1), Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3), Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4), or Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5) if:

1. The Land is not Residential Real Property;
2. Severable Improvements Endorsement (T-54) may be issued to a Loan Policy (Form T-2) or Owner's Policy (Form T-1) on land which contains improvements and the area and boundary amendment is made pursuant to Procedural Rule P-2.
3. An Energy Project Endorsement (Form T-55, T-55.1, T-55.2, T-55.3, T-55.4, or T-55.5) may be issued if:
   a. Severable Improvements that would constitute an Electricity Facility are affixed to the Land, or to be affixed to the Land in locations according to the Plans, as those terms are used in the corresponding Energy Project Endorsement;
   b. The estate or interest in the Land that is insured:
      i. by the Owner's Policy (Form T-1) includes:
         (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55),
         (b) a leasehold estate in the case of an Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), or
         (c) a fee simple estate in the case of an Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4);
      ii. by the Loan Policy (Form T-2) includes:
         (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1);
         (b) a leasehold estate in the case of an Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3); or
   (c) a fee simple estate in the case of an Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5); and
4. The Company's underwriting requirements are met.

B. When an Energy Project Endorsement or Severable Improvements Endorsement is issued, the Amount of the policy must include the value of the Severable Improvements.

C. In a transaction where an Electricity Facility is completed and existing, the company may delete from an endorsement the definition of Plans and the references thereto.

D. The Company may add any exception to an Energy Project Endorsement or Severable Improvements Endorsement that it considers, in its sole discretion, to be appropriate. The Company shall delete any insuring provision in whole or in part if it does not consider that risk acceptable.

E. Any matter covered by an Energy Project Endorsement or a Severable Improvements Endorsement may be insured only by use of that endorsement.

CORRESPONDING RATE RULE: R-37.B

The premium for the Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55) is 5% of the Basic Premium Rate.

COMPLETING THE FORM:

ENERGY PROJECT – LEASEHOLD/EASEMENT OWNER'S ENDORSEMENT (Form T-55)

Attached to Policy No.

Issued by

[Title Company]

1. The insurance provided by this endorsement is subject to the exclusions in Section 6 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For purposes of this endorsement only:

a "Constituent Parcel" means one of the parcels of Land described in Schedule A that together constitute one integrated project.

b. "Easement" means each easement described in Schedule A.

c. "Easement Interest" means the right of use granted in the Easement for the Easement Term.

d. "Easement Term" means the duration of the Easement Interest, as set forth in the Easement, including any renewal or extended term if a valid option to renew or extend is contained in the Easement.

e. "Electricity Facility" means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.

f. "Evicted" or "Eviction" means (a) the lawful deprivation, in whole or in part, of the right of possession or use insured by this policy, contrary to the terms of any Lease or Easement or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement for the purposes permitted by the Lease or the Easement, as applicable, in either case as a result of a matter covered by this policy.

g. "Lease" means each lease described in Schedule A.

h. "Leasehold Estate" means the right of possession granted in the Lease for the Lease Term.

i. "Lease Term" means the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.

j. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer), dated_____, last revised _____,_and designated as (insert name of project or project number) consisting of _____sheets.

k. "Remaining Term" means the portion of the Easement Term or the Lease Term remaining after the Insured has been Evicted.

l. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

3. Valuation of Title as an Integrated Project:

a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Insured is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate or the Easement Interest for the Remaining Term, as applicable, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any reduction in value of another insured Lease or Easement as computed in Section 3(b) below.

b. A computation of loss or damage resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.

c. The Insured Claimant shall have the right to have the Leasehold Estate, the Easement Interest, and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent or use payments no longer required to be paid for the Remaining Term.

d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

a. In the event of an Eviction, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Eviction, reduced by the salvage value of the Severable Improvement.

b. The policy does not insure against loss or damage (and the Company will

not pay any costs, attorneys' fees or expenses) relating to:

i. the attachment, perfection or priority of any security interest in any Severable Improvement;

ii. the vesting or ownership of title to or rights in any Severable Improvement;

iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or

iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(ii) of the Conditions.

a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Eviction.

b. Rent, easement payments or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate or the Easement Interest, as applicable, may be obligated to pay to any person having paramount title to that of the lessor in the Lease or the grantor in the Easement, as applicable.

c. The amount of rent, easement payments or damages that, by the terms of the Lease or the Easement, as applicable, the Insured must continue to pay to the lessor or grantor after Eviction with respect to the portion of the Leasehold Estate or Easement Interest, as applicable, from which the Insured has been Evicted.

d. The fair market value, at the time of the Eviction, of the estate or interest the Lease or Easement, as applicable, and made by the Insured as lessor or grantor of all or part of the Leasehold Estate or Easement Interest, as applicable.

e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees or easement or subeasement grantees on account of the breach of any lease or sublease or easement or subeasement specifically permitted by the Lease or the Easement, as applicable, and made by the Insured as lessor or grantor of all or part of the Leasehold Estate or Easement Interest, as applicable.

f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate or a replacement easement reasonably equivalent to the Easement Interest, as applicable.

g. If any Electricity Facility is not substantially completed at the time of Eviction, the actual cost incurred by the Insured up to the time of Eviction, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Evicted. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.

6. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as 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.

[Witness clause optional]

ENERGY PROJECT – LEASEHOLD/EASEMENT – LOAN ENDORSEMENT (Form T-55.1)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- **Underwriting approval is required to issue this endorsement.**

CORRESPONDING PROCEDURAL RULE: P-72

A. A Company may issue the Severables Improvements Endorsement (Form T-54), Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55), Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1), Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3), Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4), or Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5) if:

1. The Land is not Residential Real Property;
2. Severable Improvements Endorsement (T-54) may be issued to a Loan Policy (Form T-2) or Owner's Policy (Form T-1) on land which contains improvements and the area and boundary amendment is made pursuant to Procedural Rule P-2.
3. An Energy Project Endorsement (Form T-55, T-55.1, T-55.2, T-55.3, T-55.4, or T-55.5) may be issued if:
   a. Severable Improvements that would constitute an Electricity Facility are affixed to the Land, or to be affixed to the Land in locations according to the Plans, as those terms are used in the corresponding Energy Project Endorsement;
   b. The estate or interest in the Land that is insured:
      i. by the Owner's Policy (Form T-1) includes:
         (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55),
         (b) a leasehold estate in the case of an Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), or
         (c) a fee simple estate in the case of an Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4);
      ii. by the Loan Policy (Form T-2) includes:
         (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1);
         (b) a leasehold estate in the case of an Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3); or
   (c) a fee simple estate in the case of an Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5); and
4. The Company's underwriting requirements are met.

B. When an Energy Project Endorsement or Severable Improvements Endorsement is issued, the Amount of the policy must include the value of the Severable Improvements.

C. In a transaction where an Electricity Facility is completed and existing, the company may delete from an endorsement the definition of Plans and the references thereto.

D. The Company may add any exception to an Energy Project Endorsement or Severable Improvements Endorsement that it considers, in its sole discretion, to be appropriate. The Company shall delete any insuring provision in whole or in part if it does not consider that risk acceptable.

E. Any matter covered by an Energy Project Endorsement or a Severable Improvements Endorsement may be insured only by use of that endorsement.

CORRESPONDING RATE RULE: R-37.C

The premium for the Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1) is 5% of the Basic Premium Rate.

COMPLETING THE FORM:

ENERGY PROJECT – LEASEHOLD/EASEMENT – LOAN ENDORSEMENT

(Form T-55.1)

Attached to Policy No.

Issued by

[Title Company]

1. The insurance provided by this endorsement is subject to the exclusions in Section 6 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For purposes of this endorsement only:

a. "Constituent Parcel" means one of the parcels of Land described in Schedule A that together constitute one integrated project.

b. "Easement" means each easement described in Schedule A.

c. "Easement Interest" means the right of use granted in the Easement for the Easement Term.

d. "Easement Term" means the duration of the Easement Interest, as set forth in the Easement, including any renewal or extended term if a valid option to renew or extend is contained in the Easement.

e. "Electricity Facility" means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.

f. "Evicted" or "Eviction" means (a) the lawful deprivation, in whole or in part, of the right of possession or use insured by this policy, contrary to the terms of any Lease or Easement or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement for the purposes permitted by the Lease or the Easement, as applicable, in either case as a result of a matter covered by this policy.

g. "Lease" means each lease described in Schedule A.

h. "Leasehold Estate" means the right of possession granted in the Lease for the Lease Term.

i. "Lease Term" means the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.

j. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer), dated_____, last revised_____, and designated as_(insert name of project or project number)_consisting of_____sheets.

k. "Remaining Term" means the portion of the Easement Term or the Lease Term remaining after the Insured has been Evicted.

l. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

m. "Tenant" means the tenant under the Lease or a grantee under the Easement, as applicable, and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.

3. Valuation of Title as an Integrated Project:

a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Tenant is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate or the Easement Interest for the Remaining Term, as applicable, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any reduction in value of another insured Lease or Easement as computed in Section 3(b) below.

b. A computation of loss or damages resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.

c. The Insured Claimant shall have the right to have the Leasehold Estate, the Easement Interest, and any Electricity Facility affected by a defect insured against by the policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent or use payments no longer required to be paid for the Remaining Term.

d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

a. In the event of an Eviction, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Eviction, reduced by the salvage value of the Severable Improvement.

b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees or expenses) relating to:

i. the attachment, perfection or priority of any security interest in any Severable Improvement;

ii. the vesting or ownership of title to or rights in any Severable Improvement;

iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or

iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy and thereafter is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(iii) of the Conditions:

a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Eviction.

b. Rent, easement payments or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate or the Easement Interest, as applicable, may be obligated to pay to any person having paramount title to that of the lessor in the Lease or the grantor in the Easement, as applicable.

c. The amount of rent, easement payments or damages that, by the terms of the Lease or the Easement, as applicable, the Insured must continue to pay to the lessor or grantor after Eviction with respect to the portion of the Leasehold Estate or Easement Interest, as applicable, from which the Insured has been Evicted.

d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease, sublease or easement specifically permitted by the Lease or Easement, as applicable, and made by the Tenant as lessor or grantor of all or part of the Leasehold Estate or Easement Interest, as applicable.

e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees or easement or subeasement grantees on account of the breach of any lease or sublease or easement or subeasement specifically permitted by the Lease or the Easement, as applicable,

and made by the Tenant as lessor or grantor of all or part of the Leasehold Estate or Easement Interest, as applicable.

f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate or a replacement easement reasonably equivalent to the Easement Interest, as applicable.

g. If any Electricity Facility is not substantially completed at the time of Eviction, the actual cost incurred by the insured up to the time of Eviction, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Evicted. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.

6. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as 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.

[Witness clause optional]

ENERGY PROJECT – LEASEHOLD – OWNER'S ENDORSEMENT (Form T-55.2)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- **Underwriting approval is required to issue this endorsement.**

CORRESPONDING PROCEDURAL RULE: P-72

A. A Company may issue the Severables Improvements Endorsement (Form T-54), Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55), Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1), Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3), Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4), or Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5) if:

1. The Land is not Residential Real Property;
2. Severable Improvements Endorsement (T-54) may be issued to a Loan Policy (Form T-2) or Owner's Policy (Form T-1) on land which contains improvements and the area and boundary amendment is made pursuant to Procedural Rule P-2.
3. An Energy Project Endorsement (Form T-55, T-55.1, T-55.2, T-55.3, T-55.4, or T-55.5) may be issued if:
   a. Severable Improvements that would constitute an Electricity Facility are affixed to the Land, or to be affixed to the Land in locations according to the Plans, as those terms are used in the corresponding Energy Project Endorsement;
   b. The estate or interest in the Land that is insured:
      i. by the Owner's Policy (Form T-1) includes:
         (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55),
         (b) a leasehold estate in the case of an Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), or
         (c) a fee simple estate in the case of an Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4);
      ii. by the Loan Policy (Form T-2) includes:
         (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1);
         (b) a leasehold estate in the case of an Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3); or
   (c) a fee simple estate in the case of an Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5); and
4. The Company's underwriting requirements are met.

B. When an Energy Project Endorsement or Severable Improvements Endorsement is issued, the Amount of the policy must include the value of the Severable Improvements.

C. In a transaction where an Electricity Facility is completed and existing, the company may delete from an endorsement the definition of Plans and the references thereto.

D. The Company may add any exception to an Energy Project Endorsement or Severable Improvements Endorsement that it considers, in its sole discretion, to be appropriate. The Company shall delete any insuring provision in whole or in part if it does not consider that risk acceptable.

E. Any matter covered by an Energy Project Endorsement or a Severable Improvements Endorsement may be insured only by use of that endorsement.

CORRESPONDING RATE RULE: R-37.D

The premium for the Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2) is 5% of the Basic Premium Rate.

COMPLETING THE FORM:

ENERGY PROJECT – LEASEHOLD – OWNER'S ENDORSEMENT
(Form T-55.2)

Attached to Policy No.
Issued by
[Title Company]

1. The insurance provided by this endorsement is subject to the exclusions in Section 6 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For purposes of this endorsement only:

a. "Constituent Parcel" means one of the parcels of Land described in Schedule A that together constitute one integrated project.

b. "Electricity Facility" means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.

c. "Evicted" or "Eviction" means (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of any Lease or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.

d. "Lease" means each lease described in Schedule A.

e. "Leasehold Estate" means the right of possession granted in the Lease for the Lease Term.

f. "Lease Term" means the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.

g. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer), dated_____, last revised_____, and designated as (insert name of project or project number) consisting of _____sheets.

h. "Remaining Term" means the portion of the Lease Term remaining after the Insured has been Evicted.

g. ”Severable Improvement” means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

3. Valuation of Title as an Integrated Project:

a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Insured is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate for the Remaining Term, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any reduction in value of another insured Lease as computed in Section 3(b) below.

b. A computation of loss or damage resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.

c. The Insured Claimant shall have the right to have the Leasehold Estate and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent no longer required to be paid for the Remaining Term.

d. The provisions of this Section 3 shall not diminish the Insured’s rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

a. In the event of an Eviction, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured’s interest in any Severable Improvement resulting from the Eviction, reduced by the salvage value of the Severable Improvement.

b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys’ fees or expenses) relating to:

i. the attachment, perfection or priority of any security interest in any Severable Improvement;
ii. the vesting or ownership of title to or rights in any Severable Improvement;
iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or
iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(ii) of the Conditions.

a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Eviction.

b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.

c. The amount of rent or damages that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate from which the Insured has been Evicted.

d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease specifically permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate.

e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease specifically permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate.

f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate.

g. If any Electricity Facility is not substantially completed at the time of Eviction, the actual cost incurred by the Insured up to the time of Eviction, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Evicted. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.

6. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as 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.

[Witness clause optional

[Title Company]

ENERGY PROJECT – LEASEHOLD – LOAN ENDORSEMENT (Form T-55.3)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- **Underwriting approval is required to issue this endorsement.**

CORRESPONDING PROCEDURAL RULE: P-72

A. A Company may issue the Severables Improvements Endorsement (Form T-54), Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55), Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1), Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3), Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4), or Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5) if:

1. The Land is not Residential Real Property;
2. Severable Improvements Endorsement (T-54) may be issued to a Loan Policy (Form T-2) or Owner's Policy (Form T-1) on land which contains improvements and the area and boundary amendment is made pursuant to Procedural Rule P-2.
3. An Energy Project Endorsement (Form T-55, T-55.1, T-55.2, T-55.3, T-55.4, or T-55.5) may be issued if:
   a. Severable Improvements that would constitute an Electricity Facility are affixed to the Land, or to be affixed to the Land in locations according to the Plans, as those terms are used in the corresponding Energy Project Endorsement;
   b. The estate or interest in the Land that is insured:
      i. by the Owner's Policy (Form T-1) includes:
         (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55),
         (b) a leasehold estate in the case of an Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), or
         (c) a fee simple estate in the case of an Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4);
      ii. by the Loan Policy (Form T-2) includes:
         (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1);
         (b) a leasehold estate in the case of an Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3); or
   (c) a fee simple estate in the case of an Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5); and
4. The Company's underwriting requirements are met.

B. When an Energy Project Endorsement or Severable Improvements Endorsement is issued, the Amount of the policy must include the value of the Severable Improvements.

C. In a transaction where an Electricity Facility is completed and existing, the company may delete from an endorsement the definition of Plans and the references thereto.

D. The Company may add any exception to an Energy Project Endorsement or Severable Improvements Endorsement that it considers, in its sole discretion, to be appropriate. The Company shall delete any insuring provision in whole or in part if it does not consider that risk acceptable.

E. Any matter covered by an Energy Project Endorsement or a Severable Improvements Endorsement may be insured only by use of that endorsement.

CORRESPONDING RATE RULE: R-37.E

The premium for the Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3) is 5% of the Basic Premium Rate.

COMPLETING THE FORM:

ENERGY PROJECT – LEASEHOLD – LOAN ENDORSEMENT

(Form T-55.3)

Attached to Policy No.

Issued by

[Title Company]

The insurance provided by this endorsement is subject to the exclusions in Section 6 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For purposes of this endorsement only:

a. "Constituent Parcel" means one of the parcels of Land described in Schedule A that together constitute one integrated project.

b. "Electricity Facility" means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.

c. "Evicted" or "Eviction" means (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of any Lease or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.

d. "Lease" means each lease described in Schedule A.

e. "Leasehold Estate" means the right of possession granted in the Lease for the Lease Term.

f. "Lease Term" means the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.

g. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer), dated_____, last revised_____, and designated as (insert name of project or project number) consisting of_____sheets.

h. "Remaining Term" means the portion of the Lease Term remaining after the Insured has been Evicted.

i. ”Severable Improvement” means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

j. “Tenant” means the tenant under the Lease and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.

3. Valuation of Title as an Integrated Project:

a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Tenant is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate for the Remaining Term, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any reduction in value of another insured Lease as computed in Section 3(b) below.

b. A computation of loss or damage resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.

c. The Insured Claimant shall have the right to have the Leasehold Estate and any Electricity Facility affected by a defect insured against by the policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent no longer required to be paid for the Remaining Term.

d. The provisions of this Section 3 shall not diminish the Insured’s rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

a. In the event of an Eviction, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured’s interest in any Severable Improvement resulting from the Eviction, reduced by the salvage value of the Severable Improvement.

b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys’ fees or expenses) relating to:

i. the attachment, perfection or priority of any security interest in any Severable Improvement;

ii. the vesting or ownership of title to or rights in any Severable Improvement;

iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or

iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy and thereafter is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(iii) of the Conditions:

a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damage as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Eviction.

b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.

c. The amount of rent or damages that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate from which the Insured has been Evicted.

d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease specifically permitted by the Lease and made by the Tenant as lessor of all or part of the Leasehold Estate.

e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease specifically permitted by the Lease and made by the Tenant as lessor of all or part of the Leasehold Estate.

f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate.

g. If any Electricity Facility is not substantially completed at the time of Eviction, the actual cost incurred by the Insured up to the time of Eviction, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Evicted. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services,

construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.

6. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as 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.

[Witness clause optional]

[Title Company]

ENERGY PROJECT – FEE ESTATE – OWNER'S ENDORSEMENT (Form T-55.4)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- **Underwriting approval is required to issue this endorsement.**

CORRESPONDING PROCEDURAL RULE: P-72

A. A Company may issue the Severables Improvements Endorsement (Form T-54), Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55), Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1), Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3), Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4), or Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5) if:

1. The Land is not Residential Real Property;
2. Severable Improvements Endorsement (T-54) may be issued to a Loan Policy (Form T-2) or Owner's Policy (Form T-1) on land which contains improvements and the area and boundary amendment is made pursuant to Procedural Rule P-2.
3. An Energy Project Endorsement (Form T-55, T-55.1, T-55.2, T-55.3, T-55.4, or T-55.5) may be issued if:
   a. Severable Improvements that would constitute an Electricity Facility are affixed to the Land, or to be affixed to the Land in locations according to the Plans, as those terms are used in the corresponding Energy Project Endorsement;
   b. The estate or interest in the Land that is insured:
      i. by the Owner's Policy (Form T-1) includes:
         (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55),
         (b) a leasehold estate in the case of an Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), or
         (c) a fee simple estate in the case of an Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4);
      ii. by the Loan Policy (Form T-2) includes:
         (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1);
         (b) a leasehold estate in the case of an Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3); or
   (c) a fee simple estate in the case of an Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5); and
4. The Company's underwriting requirements are met.

B. When an Energy Project Endorsement or Severable Improvements Endorsement is issued, the Amount of the policy must include the value of the Severable Improvements.

C. In a transaction where an Electricity Facility is completed and existing, the company may delete from an endorsement the definition of Plans and the references thereto.

D. The Company may add any exception to an Energy Project Endorsement or Severable Improvements Endorsement that it considers, in its sole discretion, to be appropriate. The Company shall delete any insuring provision in whole or in part if it does not consider that risk acceptable.

E. Any matter covered by an Energy Project Endorsement or a Severable Improvements Endorsement may be insured only by use of that endorsement.

CORRESPONDING RATE RULE: R-37.F

The premium for the Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4) is 5% of the Basic Premium Rate.

COMPLETING THE FORM:

ENERGY PROJECT – FEE ESTATE – OWNER'S ENDORSEMENT

(Form T-55.4)

Attached to Policy No.

Issued by

[Title Company]

1. The insurance provided by this endorsement is (a) only effective for the parcel or those parcels of the Land as to which the Title is fee simple and (b) subject to the exclusions in Section 6 of this endorsement and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For purposes of this endorsement only:

a. "Constituent Parcel" means one of the parcels of Land described in Schedule A that together with any other parcel or parcels of Land described in Schedule A constitute one integrated project.

b. "Electricity Facility" means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.

c. "Ejected" or "Ejection" means (a) the lawful divestment, in whole or in part, of the Title to the Land or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement, as applicable, in either case as a result of a matter covered by this policy.

d. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer), dated_____, last revised_____, and designated as (insert name of project or project number) consisting of_____sheets.

e. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

3. Valuation of Title as an integrated project:

a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Ejection, then, as to that portion of the Land from which the Insured is Ejected, that value shall consist of (i) the value of the fee estate including any Electricity Facility existing on the date of the Ejection, and, if applicable, (ii) any reduction in value of another insured Constituent Parcel as computed in Section 3(b) below.

b. A computation of loss or damage resulting from an Ejection affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Ejected.

c. The Insured Claimant shall have the right to have the fee estate, any Constituent Parcel, and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately.

d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

a. In the event of an Ejection, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Ejection, reduced by the salvage value of the Severable Improvement.

b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees, or expenses) relating to:

i. the attachment, perfection or priority of any security interest in any Severable Improvement;

ii. the vesting or ownership of title to or rights in any Severable Improvement;

iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or

iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured is Ejected, the following items of loss, if applicable to that portion of the Land from which the Insured is Ejected, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(ii) of the Conditions.

a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the

Land at the time of Ejection, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Ejection.

b. Payments or damages for use and occupancy of the Land prior to the Ejection that the Insured may be obligated to pay to any person having paramount title to that of the Insured.

c. The fair market value, at the time of the Ejection, of the estate or interest of the Insured in any lease or easement, as applicable, made by the Insured as lessor or grantor of all or part of the Title.

d. Damages caused by the Ejection that the Insured is obligated to pay to lessees or easement grantees on account of the breach of any lease or easement, as applicable, made by the Insured as lessor or grantor of all or part of the Title.

e. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a fee estate in a replacement parcel of land reasonably equivalent to the parcel that is the subject of the Ejection.

f. If any Electricity Facility is not substantially completed at the time of Ejection, the actual cost incurred by the Insured up to the time of Ejection, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Ejected. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.

6. This endorsement does not insure against loss, damage, or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as 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.

[Witness clause optional]

[Title Company]

ENERGY PROJECT – FEE ESTATE – LOAN ENDORSEMENT (Form T-55.5)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- **Underwriting approval is required to issue this endorsement.**

CORRESPONDING PROCEDURAL RULE: P-72

A. A Company may issue the Severables Improvements Endorsement (Form T-54), Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55), Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1), Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3), Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4), or Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5) if:

1. The Land is not Residential Real Property;
2. Severable Improvements Endorsement (T-54) may be issued to a Loan Policy (Form T-2) or Owner's Policy (Form T-1) on land which contains improvements and the area and boundary amendment is made pursuant to Procedural Rule P-2.
3. An Energy Project Endorsement (Form T-55, T-55.1, T-55.2, T-55.3, T-55.4, or T-55.5) may be issued if:
   a. Severable Improvements that would constitute an Electricity Facility are affixed to the Land, or to be affixed to the Land in locations according to the Plans, as those terms are used in the corresponding Energy Project Endorsement;
   b. The estate or interest in the Land that is insured:
      i. by the Owner's Policy (Form T-1) includes:
         (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55),
         (b) a leasehold estate in the case of an Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), or
         (c) a fee simple estate in the case of an Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4);
      ii. by the Loan Policy (Form T-2) includes:
         (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1);
         (b) a leasehold estate in the case of an Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3); or
   (c) a fee simple estate in the case of an Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5); and
4. The Company's underwriting requirements are met.

B. When an Energy Project Endorsement or Severable Improvements Endorsement is issued, the Amount of the policy must include the value of the Severable Improvements.

C. In a transaction where an Electricity Facility is completed and existing, the company may delete from an endorsement the definition of Plans and the references thereto.

D. The Company may add any exception to an Energy Project Endorsement or Severable Improvements Endorsement that it considers, in its sole discretion, to be appropriate. The Company shall delete any insuring provision in whole or in part if it does not consider that risk acceptable.

E. Any matter covered by an Energy Project Endorsement or a Severable Improvements Endorsement may be insured only by use of that endorsement.

CORRESPONDING RATE RULE: R-37.G

The premium for the Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5) is 5% of the Basic Premium Rate.

COMPLETING THE FORM:

ENERGY PROJECT – FEE ESTATE – LOAN ENDORSEMENT (Form T-55.5)

Attached to Policy No.

Issued by

[Title Company]

1. The insurance provided by this endorsement is (a) only effective for the parcel or those parcels of the Land as to which the Title is fee simple and (b) subject to the exclusions in Section 6 of this endorsement and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For purposes of this endorsement only:

a. "Constituent Parcel" means one of the parcels of Land described in Schedule A that together with any other parcel or parcels of Land described in Schedule A constitute one integrated project.

b. "Electricity Facility" means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale, or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.

c. "Ejected" or "Ejection" means (a) the lawful divestment, in whole or in part, of the Title to the Land or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement, as applicable, in either case as a result of a matter covered by this policy.

d. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer), dated_____, last revised _____, and designated as (insert name of project or project number) consisting of _____sheets.

e. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

f. "Vestee" means the party in which the Title is vested as stated in Schedule A and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.

3. Valuation of Title as an integrated project:

a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Ejection, then, as to that portion of the Land from which the Vestee is Ejected, that value shall consist of (i) the value of the fee estate including any Electricity Facility existing on the date of the Ejection, and, if applicable, (ii) any reduction in value of another insured Constituent Parcel as computed in Section 3(b) below.

b. A computation of loss or damage resulting from an Ejection affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Ejected.

c. The Insured Claimant shall have the right to have the fee estate, any Constituent Parcel, and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately.

d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

a. In the event of an Ejection, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Ejection, reduced by the salvage value of the Severable Improvement.

b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees, or expenses) relating to:

i. the attachment, perfection or priority of any security interest in any Severable Improvement;

ii. the vesting or ownership of title to or rights in any Severable Improvement;

iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or

iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy and thereafter is Ejected, the following items of loss, if applicable to that portion of the Land from which the Insured is Ejected, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of

Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(iii) of the Conditions:

a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Ejection, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Ejection.

b. Payments or damages for use and occupancy of the Land prior to the Ejection that the Insured may be obligated to pay to any person having paramount title to that of the Insured.

c. The fair market value, at the time of the Ejection, of the estate or interest of the Insured in any lease or easement, as applicable, made by the Vestee as lessor or grantor of all or part of the Title.

d. Damages caused by the Ejection that the Insured is obligated to pay to lessees or easement grantees on account of the breach of any lease or easement, as applicable, made by the Vestee as lessor or grantor of all or part of the Title.

e. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a fee estate in a replacement parcel of land reasonably equivalent to the parcel that is the subject of the Ejection.

f. If any Electricity Facility is not substantially completed at the time of Ejection, the actual cost incurred by the Insured up to the time of Ejection, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Ejected. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.

6. This endorsement does not insure against loss, damage, or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as 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.

[Witness clause optional]

[Title Company]

ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT – RESIDENTIAL (FORM T-36)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Environmental Protection Lien Endorsement provides coverage that an insured lien has priority over liens relating to environmental protection that are either recorded in the real property records or filed in the records of the clerk of the local U.S. district court when the policy is issued. The liens over which the insured lien has priority include those that arose by any state statute, other than those statutes listed in the endorsement form.
- Confirm the property is Residential Real Property. See Appendix D. It is not a requirement that the owner reside in the property.
- List specific environmental liens excepted to in Schedule B.
- There is no equivalent endorsement for properties that are not Residential Real Property. Therefore, you may not give an environmental endorsement on commercial property.

CORRESPONDING PROCEDURAL RULE: P-9.b(9)

When a Loan Policy is to be issued covering the lien securing an indebtedness against land used or to be used primarily for residential purposes, the company may, if it considers the risk insurable, attach to the policy the Environmental Protection Lien Endorsement (Form T-36) with any applicable exceptions in paragraph (b) upon the payment of the premium prescribed in Rate Rule R-11.g.

CORRESPONDING RATE RULE: R-11.G

The premium for the Environmental Protection Lien Endorsement (T-36) is $25.00.

COMPLETING THE FORM:

- Complete the policy number.
- In paragraph (b), list any statutes for which related liens are not covered. In Texas, these are “TEX. HEALTH & SAFETY CODE sect. 342.007, 342.008 and 361.194; TEX. LOCAL GOV'T. CODE sect. 214.0015 (b), (d), and (e); TEX. NAT. RES. sect. 134.150, if applicable.; TEX. LOCAL GOV'T CODE sect. 214.001.”

ENDORSEMENT T-36

Attached to Policy No.

Issued by

_____TITLE INSURANCE COMPANY

The insurance afforded by this endorsement is only effective if the land is used primarily for residential purposes.

The Company insures the insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over:

(a) any environmental protection lien which, at the Date of Policy, is recorded in those records established under state statutes at the Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchases for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B; or

(b) any environmental protection lien provided for by any state statute in effect at the Date of Policy, except environmental protection liens provided for by the following state statutes:

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsement, nor does it increase the face amount thereof.

[Witness clause optional]

_____ Title Insurance Company

By: _____

ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT – COMMERCIAL (FORM T-36.1)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- DO NOT ISSUE ENDORSEMENT T-36.1.
- Rules have not yet been promulgated governing the Environmental Protection Lien Endorsement for non-residential properties.

CORRESPONDING PROCEDURAL RULE:

None at this time.

CORRESPONDING RATE RULE:

None at this time.

COMPLETING THE FORM:

- Not applicable at this time.

Table of Contents - Alphabetical
Table of Contents - Numerical

Commercial Environmental Protection Lien Endorsement Form (Form T-36.1)

ENDORSEMENT
Attached to Policy No. _____

Issued by
BLANK TITLE INSURANCE COMPANY, herein called the "Company"

The Company insures against loss or damage sustained by the Insured by reason of an environmental protection lien that, at Date of Policy, is recorded in the Public Records or filed in the records of the clerk of the United States district court for the district in which the Land is located, unless the environmental protection lien is set forth as an exception in Schedule B.

This endorsement is issued as 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.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

By: _____
Authorized Signatory

Version Date 1/3/2014

EQUITY LOAN MORTGAGE ENDORSEMENT (FORM T-42)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Equity Loan Mortgage Endorsement insures that a home equity loan is not invalid due to the lender's failure to comply with the requirements of Article XVI, Sect. 50(a)(6) of the Texas Constitution, as set forth in the endorsement form.
- **This endorsement is required on every Loan Policy insuring a home equity loan**.
- Delete any subsection of paragraph 2(a)-(e) if the file does not contain satisfactory evidence that the condition has been met, as follows:
    a) All owners and their spouses must sign the deed of trust and no party signed via an agent under a power of attorney.
    b) There may be no home equity loan on the property other than one which will be paid off from the proceeds of the current transaction.
    c) No home equity loan on the property may have been recorded less than one year prior to the date of the closing of the subject transaction.
    d) The loan documents must contain the home equity loan disclosure.
- Obtain lender's written approval for the deletions, if any, in paragraph 2.
- In Schedule B, add an exception noting the deletion of any subsection(s) of Paragraph 2 of the endorsement, phrased as follows: "Subsection(s) ___ of Paragraph 2 of the T-42 Equity Loan Mortgage Endorsement are hereby deleted."
- After confirming that the loan is closed at the office of the lender, an attorney at law, or a title company, add subsection (f) (as set forth in Procedural Rule P-44C(2)) to paragraph 2 of the endorsement form. See Procedural Rule P-44C(1) for the definition of "the office of a title company."

CORRESPONDING PROCEDURAL RULE: P-44

A. When a Mortgagee Policy of Title Insurance (T-2) is to be issued insuring the lien securing an extension of credit made pursuant to Subsection (a)(6) of Section 50, Article XVI, Texas Constitution, the Company shall attach to the Mortgagee Policy of Title Insurance (T-2) the Equity Loan Mortgage Endorsement (T-42).
B. The Company may delete any provision of paragraph 2 of the T-42 if it does not consider the additional risk insurable.
C. The Company may add subparagraph (f) to paragraph 2 of the T-42 if it considers the risk insurable, provided that the following requirements are met:
    (1) The promissory note secured by the insured mortgage and the insured mortgage must be executed by the borrower(s)/grantor(s) at the office of a title company and the insured mortgage must be acknowledged by the borrower(s)/grantor(s) at the office of a title company. For purposes of this subparagraph C(l), "the office of a title company" shall mean the leased or owned Texas office location(s) of: (a) a title insurance company; or, (b) a direct operation; or, (c) a title insurance agent; or, (d) an attorney conducting the attorney's business in the name of a title insurance company or direct operation or title insurance agent where the attorney and the attorney's bona fide employees who close transactions are licensed as escrow officers as provided in Article 9.42.C, Texas Insurance Code.

(2) Subparagraph (f) of paragraph 2 of the Equity Loan Mortgage Endorsement (T-42) must read as follows:
"(f)The extension of credit secured by the lien of the insured mortgage being closed at a location other than the office of the lender, an attorney at law, or a title company, as set forth in Subsection (a)(6)(N) of Section 50, Article XVI, Texas Constitution."

D. The Company may not provide Express Insurance (pursuant to P-39) as to matters set forth in the Equity Loan Mortgage Endorsement (T-42).

CORRESPONDING RATE RULE: R-28A

When a Mortgagee Policy of Title Insurance (T-2) is issued and the Equity Loan Mortgage Endorsement (T-42) is issued in accordance with Rule P-44, the premium for the T-42 shall be 10% of the Basic Premium Rate.

COMPLETING THE FORM:

- Insert the policy number, date of issuance, and name of title insurance company.
- Add subsection (f) to Paragraph 2, after confirming that the loan was closed at the office of the lender, an attorney, or the title company.
- Delete any other subsections of Paragraph 2 as directed above after obtaining approval in writing from the lender.

Table of Contents - Alphabetical
Table of Contents - Numerical

EQUITY LOAN MORTGAGE ENDORSEMENT T-42

Attached to and made a part of _____ Title Insurance Company

Loan Policy No._____,

dated the _____ day of _____, 20____.

Issued by
BLANK TITLE INSURANCE COMPANY

The policy is hereby amended as follows:

1. The following new Subsection (n) is inserted in Section 1 of the Conditions:

   (n) "consumer credit protection law": any applicable federal or state regulation, law or constitutional provision relating to consumer credit protection. For purposes of the policy and paragraph 5 of the Exclusions from Coverage, consumer credit protection law includes, but is not limited to, the provisions of Subsections (a)(6), (g), and (t) of Section 50, Article XVI, Texas Constitution, and any statutory or regulatory requirements for a mortgage made pursuant to Subsection (a)(6)."

2. Notwithstanding the specific provisions of paragraph 5 of the Exclusions from Coverage relating to consumer credit protection laws, the Company insures the insured against loss, if any, sustained by the insured under the terms of the policy because of invalidity or unenforceability of the lien of the insured mortgage by reason of the following:

   a. The failure of the insured mortgage to be created under a written agreement with the consent of each owner of the estate or interest described in Schedule A and each owner's spouse, as set forth in Subsection (a)(6)(A) of Section 50, Article XVI, Texas Constitution.

   b. This subparagraph is intentionally deleted because of an Amendment to the Texas Constitution.

   c. The indebtedness secured by the lien of the insured mortgage on the land not being the only debt secured by a valid lien on the land at the time the extension of credit is made pursuant to the insured mortgage unless the other debt was made for a purpose described by Subsections (a)(l) through (a)(5) or Subsection (a)(8) of Section 50 of Article XVI, Texas Constitution, as set forth in Subsection (a)(6)(K) of Section 50, Article XVI, Texas Constitution.

   d. The extension of credit secured by the lien of the insured mortgage closing before the first anniversary of the closing date of any other extension of credit described by Subsection (a)(6) of Section 50 of Article XVI, Texas Constitution, and secured by a valid lien on the land, as set forth in Subsection (a)(6)(M)(iii) of Section 50, Article XVI, Texas Constitution.

e. The failure of the insured mortgage to contain a disclosure that the extension of credit is the type of credit defined by Section 50(a)(6), Article XVI, Texas Constitution, as set forth in Subsection (a)(6)(Q)(vi) of Section 50(a)(6), Article XVI, Texas Constitution.

f. The extension of credit secured by the lien of the insured mortgage being closed at a location other than the office of the lender, an attorney at law, or a title company, as set forth in Subsection (a)(6)(N) of Section 50, Article XVI, Texas Constitution.

3. Provided the insured mortgage secures a home equity line of credit, the Company insures the Insured that any disbursements under the home equity line of credit made subsequent to the date of this policy as provided in the insured mortgage shall be deemed to have been made as of the date of this policy and such disbursements and accrued interest shall have the same priority as any advances made as of the date of this policy, except as to (i) bankruptcies affecting the estate or interest described on Schedule "A" hereof prior to the date of any such advance or disbursement; and (ii) taxes, costs, charges, damages and other obligations to the government secured by statutory liens arising or recorded subsequent to the date of the Policy.

4. Except as provided in paragraph 2 above, the Company does not insure against invalidity or unenforceability of the lien of the insured mortgage, which arises out of the transaction evidenced by the insured mortgage and is based on any consumer credit protection law.

5. This endorsement does not insure against invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, arising out of usury or truth in lending laws.

This endorsement when countersigned below by an Authorized Countersignature is made a part of said Policy. Except as expressly modified by the provisions hereof, this endorsement is subject to the following policy matters: (i) Insuring provisions; (ii) Exclusions from Coverage; (iii) Schedule "B" Exceptions; (iv) the Conditions; and (v) any prior endorsements. Except as stated herein, this endorsement does not: (i) extend the effective date of the policy and/or any prior endorsements; or (ii) increase the face amount of the policy.

EQUITY LOAN MORTGAGE ENDORSEMENT (SUPPLEMENTAL COVERAGE) (FORM T-42.1)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- A home equity loan lender may request the T-42.1 endorsement, which would be issued in addition to the T-42 on a home equity loan, to insure that the loan complies with the requirements of Article XVI, Sect. 50(a)(6) of the Texas Constitution, to the extent those requirements are listed in the endorsement form.
- Issue the endorsement only at the request of the lender. This endorsement is not required by Texas Department of Insurance for a home equity loan but is usually required by the lender.
- Confirm that the mandatory T-42 Equity Loan Mortgage Endorsement is also being issued on the policy and confirm compliance with all requirements for the T-42.
- Delete any subsection of paragraph 1(a)-(l) if the file does not contain satisfactory evidence that the subsection's condition has been met:
  a) The lender must provide written closing instructions to the title company prior to the closing date stating the earliest date of closing. See P-47.B.(1).
  b) The loan proceeds must be fully distributed no sooner than the fourth calendar day after the date of closing. See P-47.B.(2).
  c) The owner and spouse, if any, may not sign a document prior to or on the date of closing electing not to rescind the loan. See P-47.B.(3).
  d) The title company or its agent must provide the owner(s) with a copy of all documents related to the home equity loan that were signed on the closing date. See P-47.B.(4).
  e) The title company or its agent may not collect or disburse any fees other than as shown on the final settlement statement, and that statement must have been sent to the lender prior to closing. See P-47.B.(5).
  f) There may be no blanks in the following documents, other than those for the lender's signature, at the time the owner executes them: (i) any document prepared by the title company; (ii) acknowledgement of fair market value; (iii) the insured mortgage; (iv) the promissory note; or (v) affidavits that state compliance with Article XVI, Sect. 50(a)(6) of the Texas Constitution. See P-47.B.(6).
  g) When the owner(s) signs the acknowledgement of fair market value, it must have a purported appraisal or evaluation of fair market value attached to it. See P-47.B.(7).
  h) The owner(s) must sign an acknowledgement of fair market value on the closing date. See P-47.B.(8).
  i) The property owner(s) must sign an affidavit conforming to P-47 stating that all of the land in Schedule A of the policy is the homestead of the owner(s) or the company must receive evidence as provided in P-47.B.(9)(b). No part of the property may be non homestead. See P-47.B.(9).
  j) On the date of the policy, the owner(s) may not own any other property in the county on which there is a home equity loan. See P-47.B.(10).
  k) The date of the policy must be at least one year from the date of the closing of any other home equity loan executed by the owner on the property.
  l) The title company or its agent must provide the owner with a copy of the final settlement statement at least one calendar day before the business day or subsequent calendar day of closing.

- Alongside each subsection of Paragraph 1 of the endorsement that will be deleted, add the following: "Item [INSERT SUBSECTION LETTER OF PARAGRAPH 1] of paragraph 1 of this Supplemental Coverage Equity Loan Mortgage Endorsement (T-42.1) is hereby deleted."
- If the home equity loan is not closed at the title company or if paragraph 2(f) of the Equity Loan Mortgage Endorsement (T-42) is deleted, delete paragraphs 2(a)—(h) and 2(l) by inserting the following language in place of the deleted sections: "Subparagraphs (a) through (h) and subparagraph (1) of paragraph 1 of the Supplemental Coverage Equity Loan Mortgage Endorsement (T-42.1) are hereby deleted in their entirety."
- Obtain lender's written approval for the deletions, if any, in paragraph 1.
- No express insurance as provided by Procedural Rule P-39 is permitted for the matters that may be insured under T-42.1.

CORRESPONDING PROCEDURAL RULE: P-47

A. General Requirements

When a Mortgagee Policy of Title Insurance (T-2) is to be issued insuring the lien securing an extension of credit made pursuant to Subsection (a)(6) of Section 50, Article XVI, Texas Constitution, the Company may attach the T-2 and the Supplemental Coverage Equity Loan Mortgage Endorsement (T-42.1) if the Company considers the risk insurable and the Company complies with this Procedural Rule P-47. The general requirements and limitations for issuance of the T-42.1 are as follows:

1) The Company shall not attach the T-42.1 to the T-2 unless:
   (a) The T-42 is attached to said Mortgagee Policy of Title Insurance; and
   (b) The Company has complied with the provisions of Procedural Rule P-44 concerning the attachment of the Equity Loan Mortgage Endorsement (T-42) to the Mortgagee Policy of Title Insurance (T-2).

2) The Company may delete any provision of paragraph 1 of the T-42.1 if it does not consider the additional risk insurable. The following language may be placed alongside each lettered sub-paragraph reference contained in paragraph 1 of the Supplemental Coverage Equity Loan Mortgage Endorsement (T-42.1) which the Company determines to delete:

   "Item _____ of paragraph 1 of this Supplemental Coverage Equity Loan Mortgage Endorsement (T-42.1) is hereby deleted."

   The Company shall complete the blank with the appropriate sub-paragraph letter of paragraph 1 of the Supplemental Coverage Equity Loan Mortgage Endorsement (T-42.1) if the above format is utilized.

3) The Company shall not provide Express Insurance (pursuant to P-39) as to matters set forth in the T-42.1, whether or not the Company issues T-42.1.

4) The Company must delete subparagraphs (a) through (h) and subparagraph (l) of paragraph 1 of the T-42.1 if:
   (a) the insured mortgage and the promissory note secured thereby are not executed at the office of a title company in accordance with Procedural Rule P-44(c)(1); or,

(b) the Company deletes subparagraph 2(f) of the Equity Loan Mortgage Endorsement (T-42).

In order to evidence the deletion required by this subsection of P-47.A.(4), the following language may be stated on the T-42.1 in place of subparagraphs (a) through (h) and subparagraph (1) of paragraph 1 of the T-42.1. The following language may be used:
"Subparagraphs (a) through (h) and subparagraph (1) of paragraph 1 of the Supplemental Coverage Equity Loan Mortgage Endorsement (T-42.1) are hereby deleted in their entirety."

B. Specific Endorsement Paragraph Requirements

The requirements and limitations applicable for each numbered insuring provision of Supplemental Coverage Equity Loan Mortgage Endorsement (T-42.1) are set forth in items 1 through 12 below:

(1) Signature Before Specified Date

The Company must delete subparagraph (a) of paragraph 1 of T-42.1 if:

(a) written instructions are not furnished by the insured to the Company or its Title Insurance Agent prior to the execution of the insured mortgage and the promissory note secured thereby;

(b) the written instructions do not state a specific calendar date that constitutes the earliest date for execution of the insured mortgage and the promissory note secured thereby.

(2) Loan Proceeds Disbursement Before Fourth Day

The Company must delete subparagraph (b) of paragraph 1 of the T-42.1 if:

(a) the Company or its Title Insurance Agent does not disburse all loan proceeds received by the Company or its Title Insurance Agent; or

(b) any of the loan proceeds received by the Company or its Title Insurance Agent are disbursed sooner than four calendar days after the insured mortgage and promissory note are executed.

(3) Execution of Election Not to Rescind

The Company must delete subparagraph (c) of paragraph 1 of T-42.1 if a document purporting to evidence an election not to rescind the extension of credit secured by the lien of the insured mortgage is executed in the presence of an escrow officer at an office of the Company or its Title Insurance Agent on or before the date that the insured mortgage and the promissory note secured thereby are executed.

(4) Document Copies

The Company must delete subparagraph (d) of paragraph 1 of the T-42.1 if the Company or its Title Insurance Agent do not provide each owner of the land with a copy of all documents related to the extension of credit secured by the lien of the insured mortgage that were executed by the owner at an office of the Company or its Title Insurance Agency on the date that the owner executed the insured mortgage and the promissory note secured thereby.

(5) Fees

The Company must delete subparagraph (e) of paragraph 1 of the T-42.1 if:

(a) any fees are collected or disbursed by the Company or its Title Insurance Agent and said fees are not shown on the final settlement statement which was prepared by the Company or its Title Insurance Agent and executed by the owner and the spouse, if any, of the owner; or

(b) no preliminary (unexecuted) settlement statement is requested from the Company or its Title Insurance Agent, by the lender named on the final settlement statement, prior to execution of the insured mortgage and promissory note by the owner or the spouse, if any, of the owner; or

(c) a preliminary (unexecuted) settlement statement was requested by and sent to the lender, and the fees on the final settlement statement executed by the owner, or the spouse, if any, of the owner exceed the amount of fees on the final (unexecuted) settlement statement sent to the lender prior to execution of the insured mortgage and promissory note secured thereby.

(6) Blanks in an Instrument

The Company must delete subparagraph (f) of paragraph 1 of the T-42.1 if either (a) or (b) below occurs:

(a) There are any blanks in an instrument left to be filled in when executed by the owner of the land in an office of the Company or its Title Insurance agent, and:

(i) the instrument was prepared by the Company or its Title Insurance Agent, or

(ii) the instrument is: (a) the purported written acknowledgment as to the fair market value; (b) the insured mortgage; (c) the promissory note secured thereby; or, (d) affidavits of compliance with Section 50(a)(6), Article XVI, Texas Constitution.

(b) There are any blanks in an instrument left to be filled in when executed by the owner of the land in any of the following instruments when same are delivered to the Company or its Title Insurance Agent: (i) the purported written acknowledgment as to the fair market value; (ii) the insured mortgage; (iii) the promissory note secured thereby; or, (iv) affidavits of compliance with Section 50(a)(6), Article XVI, Texas Constitution.

(7) Attachment of Appraisal or Evaluation

The Company must delete subparagraph (g) of paragraph 1 of the T-42.1 if the insured does not furnish to the Company or its Title Insurance Agent prior to execution of the insured mortgage and the promissory note secured thereby:

(a) a document purporting to be written acknowledgment as to the fair market value of the land; and

(b) a purported appraisal or evaluation which is attached to the purported written acknowledgment.

(8) Signature of Acknowledgment of Fair Market Value

The Company must delete subparagraph (h) of paragraph 1 of the T-42.1 if:

(a) the purported written acknowledgment as to the fair market value is not provided by the insured to the Company or its Title Insurance Agent prior to the execution of the insured mortgage or the promissory note secured thereby; or

(b) the purported written acknowledgment is not executed by the owner at an office of the Company or its Title Insurance Agent on the date that the insured mortgage and the promissory note secured thereby are executed.

(9) No Land In Excess of Homestead Allotment

The Company must delete subparagraph (i) of paragraph 1 of the T-42.1 if: (a) or (b) below is true:

(a) The Company does not receive a satisfactory affidavit from each owner of the land, and that owner's spouse, stating that:

(i) all of the land is the homestead of the owner and that owner's spouse; and,

(ii) no portion of the land is non-homestead property of the owner or owner's spouse; and

(iii) the owner of the land, and that owner's spouse do not claim other land as homestead, unless that other land is described in the affidavit.

(b) The Company does not receive one of the following:

(i) a satisfactory surveyor's certificate or letter from a Texas Licensed Registered Professional Surveyor, stating the exact amount of acreage or square footage of the land and such other facts as may be required by the Company, including whether or not the land is located within the boundaries of an incorporated municipality; or,

(ii) a computation of the acreage or square footage of the land made pursuant to a software program designed for calculation of the acreage or square footage of the land and computer generated drawings of the boundaries of the land pursuant to entry of the boundary description calls.

(10) No Other Land with a Home Equity Mortgage

The Company must delete subparagraph (j) of paragraph 1 of the T-42.1 if the Company does not receive a satisfactory affidavit from each owner of the land and that owner's spouse, if any, stating:

(a) the owner and the owner's spouse, if any, do not have or claim any other land as homestead for tax or other purposes except: (i) the land described in Schedule A of the Commitment for Title Insurance; and (ii) other land described in the affidavit; and,

(b) any business operated by the owner or the spouse of the owner, if any, and situated upon land owned or leased by the owner or owner's spouse is not subject to an extension of credit pursuant to Subsection (a)(6) of Section 50, Article XVI, Texas Constitution; and,

(c) the residence, owned or leased by the owner or owner's spouse, if any, at which the owner and the owner's spouse live is not subject to an extension of credit pursuant to Subsection (a)(6) of Section 50, Article XVI, Texas Constitution.

The Company may add the phrase "or in an adjoining county" after the phrase "described in Schedule A is located" in subparagraph (j) of paragraph 1 of the T-42.1 if (i) the land is located within the boundaries of an incorporated municipality; (ii) the municipality is located in more than one county; and, (iii) the Company considers the risk insurable.

(11) No Other Land with Released Home Equity Mortgage Within Past Twelve Months

The Company must delete subparagraph (k) of paragraph 1 of the T-42.1 if the Company does not receive a satisfactory affidavit from each owner of the land and that owner's spouse, if any, stating:

(a) the owner and the owner's spouse, if any, do not have or claim any other land as homestead for tax or other purposes except: (i) the land described in Schedule A of the Commitment for Title Insurance; and (ii) other land described in the affidavit; and,

(b) any business operated by the owner or the spouse of the owner, if any, and situated upon land owned or leased by the owner or owner's spouse has not been subject to an extension of credit pursuant to Subsection (a)(6) of Section 50, Article XVI, Texas Constitution, closed within one year prior to Date of Policy; and,

(c) the residence, owned or leased by the owner or owner's spouse, if any, at which the owner and the owner's spouse live has not been subject to an extension of credit pursuant to Subsection (a)(6) of Section 50, Article XVI, Texas Constitution, closed within one year prior to Date of Policy.

The Company may add the phrase "or in an adjoining county" after the phrase "described in Schedule A is located" in subparagraph (k) of paragraph 1 of the T-42.1 if (i) the land is located within the boundaries of an incorporated municipality; (ii) the municipality is located in more than one county; and, (iii) the Company considers the risk insurable.

(12) Final Disclosure of Fees

The Company must delete subparagraph (1) of paragraph 1 of the T-42.1 if the Company or its Title Insurance Agent does not provide each owner with a copy of the final settlement statement at least one day before the business day that the owner executes the insured mortgage and the promissory note secured thereby. As used in this item 12, the term business day shall have the meaning assigned to such term by the Texas Finance Commissioner and/or the Texas Credit Union Commission pursuant to the authority granted such agencies by sections 11.308 and 15.413 of the Texas Finance Code, respectively.

CORRESPONDING RATE RULE: R-28B

When a Mortgagee Policy of Title Insurance (T-2) is issued and the Equity Loan Mortgage Endorsement (T-42) is issued in accordance with Rule P-44 and the Supplemental Coverage Equity Loan Mortgage Endorsement (T-42.1) is issued in accordance with Rule P-47, the premium for the T-42.1 shall be 15% of the Basic Premium Rate.

COMPLETING THE FORM:

- Insert the policy number, date of issuance, and name of title insurance company.
- Delete any subsection of Paragraph 1 (or add deletion language to Schedule B) if you cannot verify its requirements.
- Obtain approval in writing from the lender as to the deletions.

Table of Contents - Alphabetical
Table of Contents - Numerical

SUPPLEMENTAL COVERAGE
EQUITY LOAN MORTGAGE ENDORSEMENT T-42.1

Attached to and made a part of _____ Title Insurance Company
Loan Policy No. _____ (herein the "Policy"),

dated the _____day of_____, 20_____.

Issued By

_____ TITLE INSURANCE COMPANY

THIS ENDORSEMENT IS VOID AND OF NO EFFECT UNLESS IT IS ATTACHED TO A LOAN POLICY OF TITLE INSURANCE (FORM T-2), WHICH CONTAINS AN EQUITY LOAN MORTGAGE ENDORSEMENT (FORM T-42) ATTACHED TO THE LOAN POLICY.

In this endorsement, the term "owner" shall refer to each owner of the land described in Schedule "A" of this Loan Policy.

Date of Endorsement: _____

1. Notwithstanding the specific provisions of paragraph 5 of the Exclusions from Coverage relating to consumer credit protection laws and the provisions of the Equity Loan Mortgage Endorsement (T-42), the Company insures the insured against loss, if any, sustained by the insured under the terms of the policy because of invalidity or unenforceability of the lien of the insured mortgage pursuant to Section 50(a)(6), Article XVI, Texas Constitution, arising solely by reason of one or more of the following:

   (a). The insured mortgage and promissory note secured thereby being executed at an office of the Company or its Title Insurance Agent before the specific calendar date stated in written closing instructions from the insured name in Schedule A delivered to the Company or its Title Insurance Agent prior to the execution of the insured mortgage and promissory note.

   (b). Any loan proceeds received by the Company or its Title Insurance Agent in connection with the extension of credit secured by the lien of the insured mortgage being disbursed by the Company or its Title Insurance Agent sooner than the fourth calendar day after the insured mortgage and promissory note secured thereby are executed.

   (c). A document expressly purporting to evidence an election not to rescind the extension of credit secured by the lien of the insured mortgage being executed by the owner and spouse, if any, of the owner, in the presence of an escrow officer of the Company or its Title Insurance Agent on or before the date that the insured mortgage and promissory note secured thereby were executed.

(d). Failure of the Company or its Title Insurance Agent to provide the owner with a copy of all documents related to the extension of credit secured by the lien of the insured mortgage that were executed by the owner at the office of the Company or its Title Insurance Agent on the date that the owner executed the insured mortgage and the promissory note secured thereby.

(e). The Company or its Title Insurance Agent collecting or disbursing any fees not shown on the final settlement statement prepared by the Company or its Title Insurance Agent and sent to the lender named on the settlement statement prior to the execution of the insured mortgage and the promissory note secured thereby.

(f). Blanks (other than signature lines, if any, for execution by the lender) in the following instruments left to be filled in when executed by the owner in an office of the Company or its Title Insurance Agent: (i) an instrument prepared by the Company or its Title Insurance Agent, (ii) the purported written acknowledgment as to the fair market value, (iii) the insured mortgage, (iv) the promissory note secured thereby, or (v) affidavits of compliance with Section 50(a)(6), Article XVI, Texas Constitution.

(g). The failure of the written document purporting to be a written acknowledgment as to the fair market value of the land to have attached, at the time of execution of such written document by the owner, a purported appraisal or a purported evaluation of the fair market value of the land. However, the Company does not insure that the purported written acknowledgment or the purported appraisal or purported evaluation complies with Subsection (a)(Q)(ix) or Subsection (h) of Section 50, Article XVI, Texas Constitution, or any laws or regulations relating to the subject matter of said subsections.

(h). The failure of the written document purporting to be an acknowledgment as to the fair market value to be executed by the owner on the date that the insured mortgage and promissory note secured thereby are executed by the owner.

(i). Part of the land described in Schedule A not being the homestead of the owner.

(j). Title to other land which, according to the public records, appears to be vested in the name of the owner as shown on Schedule A and which is not described in Schedule A and which is located in the same county in which the land described in Schedule A is located, being subject at Date of Policy to a mortgage executed by the owner, recorded in the public records, which discloses that it secures an extension of credit made pursuant to Subsection (a)(6) of Section 50, Article XVI, Texas Constitution.

(k). Title to other land which, according to the public records, appears to be vested in the name of the owner as shown on Schedule A and which is not described in Schedule A and which is located in the same county in which the land described in Schedule A is located, having been subject to a mortgage executed by the owner, recorded in the public records, which disclosed that it secured an extension of credit made pursuant to Subsection (a)(6) of Section 50, Article XVI, Texas Constitution, that was closed within one year prior to Date of Policy.

(l). Failure of the Company or its Title Insurance Agent to provide the owner a copy of the final settlement statement prepared by the Company or its Title Insurance Agent itemizing

the actual fees, points, interest, costs and charges collected or disbursed by the Company or its Title Insurance Agent at least one calendar day before the business day or subsequent calendar day that the owner executed the insured mortgage and the promissory note secured thereby. As used in this paragraph (l), the term business day shall have the meaning assigned to such term by the Texas Finance Commission and/or the Texas Credit Union Commission pursuant to the authority granted such agencies by sections 11.308 and 15.413 of the Texas Finance Code, respectively.

2. This Endorsement does not insure against invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, arising out of usury or truth in lending laws.

3. Except as provided in paragraph 1 above and except as provided in the Equity Loan Mortgage Endorsement (T-42), the Company does not insure against invalidity or unenforceability of the lien on the insured mortgage, which arises out of the transaction evidenced by the insured mortgage and is based on any consumer credit protection law.

4. This Endorsement does not represent or insure that a Title Insurance Agent of the Company is the agent of the Company other than for issuance of title insurance policies, as provided by applicable law.

This Endorsement when countersigned below by an Authorized Countersignature is made a part of said Policy. Except as expressly modified by the provisions hereof, this endorsement is subject to the following policy matters: (i) Insuring provisions; (ii) Exclusions from Coverage; (iii) Schedule "B" Exceptions; (iv) the Conditions; (v) the Equity Loan Mortgage Endorsement (T-42) and all of the terms thereof, except as it may be modified by deletion of any subparagraph of paragraph 2 thereof; and (vi) any other prior endorsements. Except as stated herein, this Endorsement does not: (i) extend the effective date of the policy and/or any prior endorsements; or (ii) increase the face amount of the policy.

Authorized Countersignature:

_____

By: _____
(Signature)

Title: _____

Printed Name: _____

Version Date 1/3/2014

EXTEND LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (T-3)
ENDORSEMENT INSTRUCTION I

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- According to the language of Form T-13 itself, the commitment under the Construction Binder only lasts for one year from the effective date of the Construction Binder. The effective date of the Binder can be extended for 6 additional consecutive periods of 6 months each. In no event can a Binder be extended more than 6 times, or more than 3 years beyond its original effective date. (R-13.A)
- Upon request of the lender, the T-3 Endorsement can be used to extend the effective date of the Construction Binder.
- Obtain a copy of the original, issued Construction Binder and any prior T-3 Endorsements issued. The T-3 Endorsement may only be issued by the same underwriter that issued the original Construction Binder.

CORRESPONDING PROCEDURAL RULE: P-16

The Loan Title Policy Binder on Interim Construction Loan (Interim Binder) shall be used only with respect to interim construction loans in which it is contemplated in good faith that the Company issuing the Interim binder shall be asked to issue its Loan Policy or Policies; issued simultaneously with Owner's Policy or Policies of Title Insurance or at the basic rate, on a permanent loan or loans covering the identical property (in one or more parcels) when improvements are completed, but which permanent loan or loans may be made by a mortgagee or mortgagees other than the mortgagee named in the Interim binder. The use of such Interim Binder shall be limited solely to interim construction loans and pledges of the interim construction notes and liens wherein: (i) the obligor on the indebtedness is an original contractor who is also the record owner of the land upon which improvements are to be constructed; and, (ii) the security document for the indebtedness is not in the form of a Mechanic's Lien Contract.

Construction loans may include sums advanced for acquisition of land and/or to take up, renew or satisfy prior existing liens on land upon which construction is to occur.

Interim Binder shall not be issued on vacant lots or tracts, except in connection with the immediate construction of improvements thereon, nor shall such Interim Binder be issued after completion of improvements to which it relates, but this does not prohibit the issuance of Extensions after completion of improvements. In all cases not specifically enumerated in this rule, a Loan Policy shall be used.

The Company shall be required to show all subordinate liens in Schedule B-Part 2 of the Interim Binder, but a statement may be made therein that such lien(s) is subordinate.

SEE ALSO ENDORSEMENT INSTRUCTION I

I. USE TO EXTEND LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN.

When the Company is called upon to extend the expiration date of a Loan Title Policy Binder on Interim Construction Loan, and after complying with Rules R-13 and P-16, it shall issue the T-3 Endorsement inserting therein:

"The expiration date of said Interim Construction Binder is extended for a period of six months from the expiration date of the original Binder, or the expiration date of the last T-3 Endorsement extending said Binder; but in no event beyond thirty-six months from the expiration date of the Binder."

CORRESPONDING RATE RULE: R-13.A

. . . A premium of $25.00 shall be charged for each consecutive six (6) month extension.

COMPLETING THE FORM:

- Add the original Construction Binder's policy number into the introductory paragraph.

Table of Contents - Alphabetical
Table of Contents - Numerical

Form T-3: General Endorsement

_____ TITLE INSURANCE COMPANY

NO. _____

Attached to and made a part of _____ Title Insurance Company Policy or Interim Construction Binder Number _____, this _____ day of _____, 20_____.

> The expiration date of said Interim Construction Binder is extended for a period of six months from the expiration date of the original Binder, or the expiration date of the last T-3 Endorsement extending said Binder; but in no event beyond thirty-six months from the expiration date of the Binder."

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

IN WITNESS HEREOF, the _____ TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

Attest: _____

TITLE INSURANCE COMPANY

_____ By _____

Secretary President

(SEAL)

Countersigned at _____, Texas. _____

(Use Optional) Authorized Signature

(Location discretionary)

FIRST LOSS ENDORSEMENT (FORM T-14)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The First Loss Endorsement allows a lender to claim a loss if a title defect materially decreases the value of the real property that is collateral for the insured loan, without requiring that the lender first accelerate the debt or pursue other remedies against the collateral.
- The endorsement is attached to a Loan Policy.
- The collateral for the loan must include at least two parcels of real property. The Policy does not have to insure all parcels.
- The endorsement is issued at the request of the lender.
- Confirm none of the collateral property is Residential Real Property. See Appendix D.

CORRESPONDING PROCEDURAL RULE: P-9.b(11)

A Company may issue the First Loss Endorsement (Form T-14) to a Loan Policy (Form T-2), if (1) its underwriting requirements are met, (2) other property not described in the Loan Policy is encumbered to secure payment of the indebtedness secured by the insured mortgage, and (3) the Company is paid the premium prescribed in Rate Rule R-11.i. The Company may not issue the Form T-14 if the land covered by the policy is residential real property.

CORRESPONDING RATE RULE: R-11.I

The premium for the First Loss Endorsement (Form T-14) is $25.00.

COMPLETING THE FORM:

- Insert the policy number and name of title insurance company.

Table of Contents - Alphabetical
Table of Contents - Numerical

FIRST LOSS ENDORSEMENT (Form T-14)

Attached to Loan Policy No. _____

Issued by

BLANK TITLE INSURANCE COMPANY

This endorsement is effective only if the Collateral includes at least two parcels of real property.

1. For the purposes of this endorsement:
(a) "Indebtedness" means all monetary obligations evidenced by the loan documents at Date of Policy as secured by the insured mortgage, but limited to the balance outstanding at the time the claim is made.
(b) "Collateral" means all property, including the land, given as security for the Indebtedness.
(c) "Material Impairment Amount" means the amount by which any matter covered by this policy for which a claim is made diminishes the value of the Collateral below the Indebtedness.

2. Subject to the provisions of Section 8 of the Conditions, in the event of a claim resulting from a matter insured against by this policy, the Company agrees to pay that portion of the Material Impairment Amount that does not exceed the limits of liability imposed by Sections 2 and 7 of the Conditions without requiring:
(a) maturity of the Indebtedness by acceleration or otherwise;
(b) pursuit by the insured of its remedies against the Collateral;
(c) pursuit by the insured of its remedies under any guaranty, bond or other insurance policy.

3. Nothing in this endorsement shall impair the Company's right of subrogation. However, the Company agrees that its right of subrogation shall be subordinate to the rights and remedies of the insured. The Company's right of subrogation shall include the right to recover the amount paid to the insured pursuant to paragraph 2 from any debtor or guarantor of the Indebtedness, after payment or other satisfaction of the remainder of the Indebtedness and other obligations secured by the lien of the insured mortgage. The Company shall have the right to recoup from the insured claimant any amount received by it in excess of the Indebtedness up to the amount of the payment under paragraph 2.

This endorsement is issued as 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.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY
BY:
Version Date 1/3/2014

INCREASED VALUE ENDORSEMENT (FORM T-34)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The T-34 Increased Value Endorsement is issued after the date of an Owner's Policy to increase the coverage of the policy if the insured property has increased in value.
- The endorsement must be issued in connection with a previously issued Owner's Policy. It does not change the effective date of the policy nor any other coverage.
- To determine the amount of increased coverage, obtain a recent appraisal of the insured property.
- Obtain underwriting approval if you are relying on evidence of value other than a recent appraisal.
- Confirm the legal description of the property in the appraisal matches that in the policy.
- The endorsement must be issued by the underwriter that issued the original Owner's Policy.

CORRESPONDING PROCEDURAL RULE: P-9a(2)

When an insured under an Owner's Policy shall have satisfied the Company as to the current value of the estate or interest insured by such Owner's Policy, and shall have paid the premium provided for in Rate Rule R-15.a, the Company shall attach to the said Owner's Policy the Increased Value Endorsement (Form T-34).

CORRESPONDING RATE RULE: R-15.a

a. Increased Value – When requested by the Insured, and upon compliance with Rule P-9a(2), endorsement form T-34 shall be attached to the Owner's Policy upon payment of a premium for such endorsement which shall be the Basic Rate computed on the new amount less the premium paid for the Owner's Policy and any form T-34 endorsements previously attached thereto, but in no event less than the then applicable minimum policy Basic Premium Rate.

COMPLETING THE FORM:

- Insert the name of title insurance company, policy number, and date of issuance.
- Insert the value of the insured property as evidenced by the current appraisal or other evidence.
- Insert the endorsement premium and date.

Table of Contents - Alphabetical
Table of Contents - Numerical

INCREASED VALUE ENDORSEMENT

Issued By

_____TITLE INSURANCE COMPANY

This Endorsement is made a part of Owner Policy Number _____, dated _____.

As of the date of this endorsement, the "Amount" on Schedule A is deleted and the following amount is substituted:

$ _____ .

Under this endorsement, we do not cover title risks or insure against matters:

a. created, suffered, assumed, or agreed to by you (the insured), or

b. known to you (the insured) but not to us (the company) at the date of this endorsement unless they appeared in the Public Records on the Policy Date.

This endorsement does not change the Policy Date. The terms of the Policy apply to this endorsement.

Endorsement Premium: $_____

Endorsement Date: _____ , 20_____

ATTEST:

_____ Title Insurance Company

_____

By: _____
President

LEASEHOLD LOAN POLICY ENDORSEMENT (FORM T-5)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The purpose of the Leasehold Loan Policy Endorsement is to set out the terms and conditions under which a leasehold estate that acts as security for a loan is to be valued when calculating loss or damages, as well as additional losses covered.
- **The endorsement is required on every Loan Policy in which a leasehold interest acts as all or part of the security for the loan.**
- Schedule A.2 should reflect that the policy is insuring a "Leasehold Estate."
- Add an exception in Schedule B to the terms and conditions of the document that creates the leasehold estate.
- If the collateral for the insured loan includes other real property in addition to the leasehold estate, add an exception to Schedule B that limits the endorsement to the applicable leasehold.
- Below is an example of how to describe the leasehold estate in Sch. A. 4. of the title commitment:

  "The leasehold estate created by the Lease executed by _____, as lessor, to _____, as lessee, dated _____, (recorded _____ in Book _____, Page _____) (notice of which is given by the Memorandum of Lease dated _____, recorded in Book _____ , Page _____), demising and leasing for a term of ___ years, beginning _____, and ending _____, the following described subject property, to-wit:

  [Insert Legal Description]"

CORRESPONDING PROCEDURAL RULE: P-9.b(5)

When a Loan Policy (Form T-2) is to be issued on a leasehold estate in the land, the Company shall attach to the said Loan Policy the Leasehold Loan Policy Endorsement (Form T-5). The Loan Policy shall show that the estate being insured is a leasehold and exception shall be shown under Schedule B to all of the terms, provisions, and conditions of the said lease creating such leasehold estate.

CORRESPONDING RATE RULE: N/A

- There is no charge for this endorsement.

COMPLETING THE FORM:

- Insert the name of title insurance company, the GF number, the policy number, and the date of issuance of the policy with the endorsement.

Table of Contents - Alphabetical
Table of Contents - Numerical

Leasehold Loan Policy Endorsement Form (Form T-5)

ENDORSEMENT ATTACHED TO AND MADE A PART OF LOAN POLICY OF TITLE INSURANCE

ISSUED BY
_____ TITLE INSURANCE COMPANY
HEREIN CALLED THE COMPANY

File No._____

Attached to and made a part of _____
Title Insurance Company Loan Policy Number _____, dated the _____ day of _____, 20____.

1. As used in this endorsement, the following terms shall mean:
   a. "Evicted" or "Eviction":
      (i) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of the Lease or
      (ii) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case, as a result of a matter covered by this policy.
   b. "Lease": the lease agreement described in Schedule A.
   c. "Leasehold Estate": the right of possession granted in the Lease for the Lease Term.
   d. "Lease Term": the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
   e. "Personal Property": property located on the Land on or after Date of Policy that, because of its character and manner of attachment to the Land, can be severed from the Land without causing material damage to it or to the Land.
   f. "Remaining Lease Term": the portion of the Lease Term remaining after the Tenant has been Evicted as a result of a matter covered by this policy.
   g. "Tenant": the tenant under the Lease and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of this policy, the Insured Claimant.
   h. "Tenant Leasehold Improvements": Those improvements, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Insured's expense or in which the Insured has an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Insured:

If in computing loss or damage it becomes necessary to value the Title as the result of a covered matter that results in an Eviction of the Tenant, then that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Insured Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this endorsement:
If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of this policy and thereafter is Evicted, the following items of loss, if applicable, shall be included in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title.

a. The reasonable cost of removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction the cost of transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, and the reasonable cost of repairing the Personal Property damaged by reason of the removal and relocation.
b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.
c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.
d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease made by Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
e. Damages that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease permitted by the Lease and made by the Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements caused by the Eviction.
f. The reasonable costs to obtain land use, zoning, building and occupancy permits, architectural and engineering services, and environmental testing and reviews for a leasehold reasonably equivalent to the Leasehold Estate.
g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering fees, construction management fees, costs of environmental testing and reviews, and landscaping costs.

This endorsement is issued as 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.

[Witness clause optional]
_____ TITLE INSURANCE COMPANY

By: _____
Authorized Signatory

Version Date 1/3/2014

LEASEHOLD OWNER'S POLICY ENDORSEMENT (FORM T-4)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Leasehold Owner's Policy Endorsement sets forth provisions governing the valuation of a leasehold estate as well as how to calculate loss or damage suffered by the insured lessee.
- **This endorsement (or the T-4R) is required when insuring a leasehold estate.**
- The endorsement must be issued in connection with a Form T-1 Owner's Policy when the insured real property is a leasehold estate and the "owner" is the lessee (the person who is leasing the property.) Use Endorsement Form T-4R if you issued the T-1R Owner's Policy.
- Schedule A. 2 should reflect that the policy is insuring a "Leasehold Estate."
- Add an exception in Schedule B to the terms, provisions, and conditions of the document that creates the leasehold estate.
- If the Owner's Policy (Form T-1) is issued, the Leasehold Owner's Policy Endorsement (Form T-4) is to be attached. If the Owner's Policy (Form T-1R) is issued, attach the Residential Leasehold Endorsement (Form T-4R) endorsement.
- Below is an example of how to describe the leasehold estate in Sch. A.4 of the title commitment:

  "The leasehold estate created by the Lease executed by _____, as lessor, to _____, as lessee, dated _____, (recorded _____ in Book _____, Page _____) (notice of which is given by the Memorandum of Lease dated _____, recorded in Book _____ , Page _____), demising and leasing for a term of ___ years, beginning _____, and ending _____, the following described subject property, to-wit:

  [Insert Legal Description]"

CORRESPONDING PROCEDURAL RULE: P-9(a)(1)

When an *Owner's Policy of Title Insurance* (Form T-1) is to be issued on a leasehold estate in the land, the Company shall attach to the said Form T-1 the *Leasehold Owner's Policy Endorsement* (Form T-4).

When a *Residential Owner's Policy of Title Insurance -- One-To-Four Family Residences* (Form T-1R) is to be issued on a leasehold estate in the land, the Company shall attach the *Residential Owner's Leasehold Endorsement* (Form T-4R) to the Form T-1R.

The Owner's Policy shall show that the estate being insured is a leasehold and exceptions shall be shown under Schedule B to all of the terms, provisions, and conditions of said lease creating such leasehold estate.

CORRESPONDING RATE RULE: N/A

- There is no charge for this endorsement.

COMPLETING THE FORM:

- Insert the name of title insurance company, GF number, policy number, and date of issuance.

Table of Contents - Alphabetical
Table of Contents - Numerical

LEASEHOLD OWNER'S POLICY ENDORSEMENT T-4

ENDORSEMENT ATTACHED TO AND MADE A PART
OF POLICY OF TITLE INSURANCE
ISSUED BY

_____ TITLE INSURANCE COMPANY
HEREIN CALLED THE COMPANY

File No. _____

Attached to and made a part of _____ Title Insurance Company Owner Policy Number _____, dated the _____ day of _____, 20___.

1. As used in this endorsement, the following terms shall mean:
   a. "Evicted" or "Eviction":
   (i) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of the Lease or
   (ii) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.
   b. "Lease": the lease agreement described in Schedule A.
   c. "Leasehold Estate": the right of possession granted in the Lease for the Lease Term.
   d. "Lease Term": the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
   e. "Personal Property": property located on the Land on or after Date of Policy that, because of its character and manner of attachment to the Land, can be severed from the Land without causing material damage to it or to the Land.
   f. "Remaining Lease Term": the portion of the Lease Term remaining after the Insured has been Evicted as a result of a matter covered by this policy.
   g. "Tenant Leasehold Improvements": Those improvements, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Insured's expense or in which the Insured has an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Insured:
If in computing loss or damage it becomes necessary to value the Title as the result of a covered matter that results in an Eviction of the Insured, then that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Insured Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this endorsement:
If the Insured is Evicted, the following items of loss, if applicable, shall be included in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title.

a. The reasonable cost of removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, the cost of transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, and the reasonable cost of repairing the Personal Property damaged by reason of the removal and relocation.

b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.

c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.

d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease made by the Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.

e. Damages that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements caused by the Eviction.

f. The reasonable costs to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a leasehold reasonably equivalent to the Leasehold Estate.

g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction.

Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering fees, construction management fees, costs of environmental testing and reviews, and landscaping costs.

This endorsement is issued as 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.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

By: _____
Authorized Signatory

Version Date 1/3/2014

LEASEHOLD ENDORSEMENT, RESIDENTIAL (FORM T-4R)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Residential Leasehold Endorsement (*Owner's)* sets forth provisions governing the valuation of a leasehold estate as well as how to calculate loss or damage suffered by the insured lessee.
- **This endorsement (or the T-4) is required when insuring a leasehold estate.**
- The endorsement must be issued in connection with a T-1R Owner's Policy when the insured real property is a leasehold estate in a one-to-four family residence and the "owner" is the lessee (the person who is leasing the property.)
- Schedule A.2 should reflect that the policy is insuring a "Leasehold Estate."
- Add an exception in Schedule B to the terms, provisions, and conditions of the document that creates the leasehold estate.
- When the Owner's Policy (Form T-1R) is issued, attach the Residential Leasehold Endorsement (Form T-4R) endorsement. If the Owner's Policy (Form T-1) is issued, the Leasehold Owner's Policy Endorsement (Form T-4) is to be attached.
- Below is an example of how to describe the leasehold estate in Sch. A.4 of the title commitment:

  "The leasehold estate created by the Lease executed by _____, as lessor, to _____, as lessee, dated _____, (recorded _____ in Book _____, Page _____) (notice of which is given by the Memorandum of Lease dated _____, recorded in Book _____ , Page _____), demising and leasing for a term of ___ years, beginning _____, and ending _____, the following described subject property, to-wit:

  [Insert Legal Description]"

CORRESPONDING PROCEDURAL RULE: P-9(a)(1)

When an *Owner's Policy of Title Insurance* (Form T-1) is to be issued on a leasehold estate in the land, the Company shall attach to the said Form T-1 the *Leasehold Owner's Policy Endorsement* (Form T-4).

When a *Residential Owner's Policy of Title Insurance -- One-To-Four Family Residences* (Form T-1R) is to be issued on a leasehold estate in the land, the Company shall attach the *Residential Owner's Leasehold Endorsement* (Form T-4R) to the Form T-1R.

The Owner's Policy shall show that the estate being insured is a leasehold and exceptions shall be shown under Schedule B to all of the terms, provisions, and conditions of said lease creating such leasehold estate.

CORRESPONDING RATE RULE: N/A

- There is no charge for this endorsement.

COMPLETING THE FORM:

- Insert the policy number and name of the title insurance company.

Table of Contents - Alphabetical
Table of Contents - Numerical

RESIDENTIAL OWNER'S LEASEHOLD ENDORSEMENT (FORM T-4R)

RESIDENTIAL OWNER'S LEASEHOLD ENDORSEMENT (FORM T-4R) ATTACHED TO AND MADE A PART OF OWNER'S POLICY OF TITLE INSURANCE POLICY NUMBER

ISSUED BY

_____ TITLE INSURANCE COMPANY

This endorsement is a part of Owner's Policy (Form T-1R) Number _____.

1. The following are definitions for this endorsement.
   a. "Evicted" or "Eviction":
      (i) the lawful deprivation of your right of possession insured by this policy, contrary to the terms of the Lease or
      (ii) the lawful prevention of your use of the land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case, as a result of a Covered Title Risk.
   b. "Lease": the lease described in Schedule A.
   c. "Leasehold Estate": the right of possession for the Lease Term.
   d. "Lease Term": the duration of the Leasehold Estate, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
   e. Personal Property":
      (i) furniture, appliances, and other personal, family or household goods located on the land, and
      (ii) property which can be removed from the land without causing significant damage to that property or the land.
   f. "Remaining Lease Term": the portion of the Lease Term remaining after you have been Evicted as a result of a Covered Title Risk.
   g. "Tenant Leasehold Improvements": Those improvements, including landscaping, on the land you have built or in which you have an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Insured

To determine the value of your estate or interest in the land as a result of a Covered Title Risk that results in an Eviction, the value will consist of the value of your Remaining Lease Term and any Tenant Leasehold Improvements then existing. You shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

Miscellaneous Loss:

If you are Evicted because of a Covered Title Risk, we will include the following in computing your actual loss. We will not include the following if they are included in the valuation of your estate or interest in the land.

a. We will pay reasonable costs of removing and relocating Personal Property that you may remove and relocate. We will pay the reasonable costs to repair Personal Property damaged

during removal and relocation. We will not pay transportation costs for more than one hundred miles.

b. We will pay rent or damages for use of the land before Eviction that the law requires you to pay to any person with superior title.
c. We will pay the amount of rent under the Lease that you must continue to pay after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which you have been Evicted.
d. We will pay the value of any lease or sublease of the land by you.
e. We will pay damages that you are obligated to pay to lessees or sublessees on account of the breach of the lease or sublease of the Leasehold Estate or Tenant Leasehold Improvements caused by Eviction. We will pay only these costs that Eviction caused.
f. We will pay reasonable costs you incur to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a leasehold reasonably equivalent to the Leasehold Estate.
g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, we will pay you the actual cost you incur, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs you incur to obtain land use, zoning, building and occupancy permits, architectural and engineering fees, construction management fees, costs of environmental testing and reviews, landscaping costs and fees, costs and interests on loans for the acquisition and construction.
h. Our total liability under the policy and endorsements shall not exceed the face amount of the policy.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face thereof.

BLANK TITLE INSURANCE COMPANY

By: _____

Form T-4R: Residential Owner's Leasehold Endorsement (Form T-1R)

LIMITED PRE-FORECLOSURE POLICY DOWN DATE ENDORSEMENT (FORM T-99)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Limited Pre-Foreclosure Policy Down Date Endorsement adds additional exceptions to a previously insured lien that is in default.
- Up to four T-99 endorsements may be attached to a loan policy within the first two years after the policy is issued.
- Obtain written confirmation that the loan is in default.
- Down date the title of the collateral property through the date the endorsement is to issue.
- Add any new matters discovered in the down date process to the endorsement form.

CORRESPONDING PROCEDURAL RULE: P-43B

B) Limited Pre-Foreclosure Policy Downdate Endorsement (Form T-99)

All the following requirements apply to issuance of a Limited Pre-Foreclosure Policy Downdate Endorsement:

1) The Limited Pre-Foreclosure Policy may be endorsed no more than four times pursuant to issuance of a Limited Pre-Foreclosure Policy Downdate Endorsement.
2) A Pre-Foreclosure Policy Downdate Endorsement may not be issued later than 24 months subsequent to the first {initial} issued Limited Pre-Foreclosure Policy "Date of Policy".

CORRESPONDING RATE RULE: R-26D

The premium for each Limited Pre-Foreclosure Policy Downdate endorsement shall be $50.00.

COMPLETING THE FORM:

- Insert the name of the Company and the number and date of the policy to which the endorsement is attached.
- Insert the premium for the endorsement as calculated pursuant to Rate Rule R-
- In number (3), insert the date the endorsement is to be issued.
- If no new matters were discovered in the down date of title, after number (5), insert "Item 5 {five} is hereby deleted."
- If matters were discovered in the down date of title, after number (5), insert a description of each item, including title and recording information.

Table of Contents - Alphabetical
Table of Contents - Numerical

LIMITED PRE-FORECLOSURE POLICY DOWN DATE ENDORSEMENT T-99

Attached to and made a part of _____ Title Insurance Company Pre-Foreclosure Policy Number _____ hereinafter the "Policy") dated the _____ day of _____, 20____.

1. Title Company File No.

2. Endorsement Premium: $

3. Date of Policy is hereby changed to:

4. The Date of the Policy is not amended with respect to the tax exception shown as Item 1 {one} of the Exceptions from Coverage. No insurance is afforded by this endorsement as to standby fees, taxes and assessments.

5. The Exceptions from Coverage of the Policy are amended to add the following items and recording information. Insert here, using either numbered or lettered paragraphs, an exception(s) for each recorded item(s). By exception to any matter: (i) the Company does not represent the priority or validity of the matter; (ii) the Insured does not agree that the matter is valid or superior to the Foreclosing Mortgage; and, (iii) the Insured does not ratify or confirm the matter. [Insert Item description(s) and recording information or state: "Item 5 {five} is hereby deleted"]

This endorsement when countersigned below by an Authorized Countersignature, is made a part of said Policy. Except as expressly modified by the provisions hereof, this endorsement is subject to the following Policy matters: (i) Insuring Provisions; (ii) Exclusions from Coverage; (iii) Exceptions from Coverage; (iv) the Conditions and Stipulations; and, (v) any prior endorsements. Except as stated herein, this endorsement does not: (i) extend the effective date of the Policy and/or any prior endorsements; (ii) increase the face amount of the Policy; or, (iii) modify any of the unnumbered paragraphs of the Pre-Foreclosure Combined Schedule.

Authorized Countersignature

_____ _____

(Printed Name of Title Insurance Company) (Printed Name of Title Insurance Agent or Direct Operation or Title Insurance Company)

By: _____ By: _____

(Signature) (Signature)

Title: President Title: _____

Printed Name: _____ Printed Name: _____

(ATTEST IS OPTIONAL) (ATTEST IS OPTIONAL)

Table of Contents - Alphabetical
Table of Contents - Numerical

MANUFACTURED HOUSING ENDORSEMENT (FORM T-31)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Manufactured Housing Endorsement insures that a manufactured housing unit ("MHU") is affixed to the land such that it is considered part of the real property securing the insured loan.
- The endorsement may be attached to a loan policy only.
- Confirm that the lender has requested the endorsement.
- Confirm that the real property and the MHU have the same owner(s).
- Verify that there is a Statement of Ownership ("SO") filed with the Texas Department of Housing and Community Affairs Manufactured Housing Division ("TDHCA") designating the MHU as real property. If no SO was previously filed, have one recorded. The SO was titled the Statement of Ownership and Location ("SOL") prior to September 1, 2017, but the two documents are the equivalent of one another.
- This endorsement may be issued with or without the T-31.1 Endorsement.

CORRESPONDING PROCEDURAL RULE: P-9.b(7)

Where a Loan Policy has been issued covering the lien securing an indebtedness against land and a manufactured housing unit that has been affixed to the land covered by said lien so as to become part of the real property, the Company may, if it considers the additional risk insurable and if requested by the proposed insured, attach to the policy the Manufactured Housing Endorsement (Form T-31) or the Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1) upon the payment of the premium prescribed in Rate Rule R-11.e and all expenses required by the Company (such as survey and/or inspection).

A company is not required to issue the Form T-31 in order to issue the Form T-31.1.

CORRESPONDING RATE RULE: R-11.E

E. Manufactured Housing Endorsement (Form T-31) and Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1):

1. The premium for the Manufactured Housing Endorsement (Form T-31) is $20.00.
2. The premium for the Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1) is $50.00.

COMPLETING THE FORM:

- Insert the name of the insurer, the loan policy number and date.
- Insert the legal description of the real property on which the MHU is located.

Table of Contents - Alphabetical
Table of Contents - Numerical

MANUFACTURED HOUSING ENDORSEMENT (Form T-31)

Attached to and made a part of _____
(name of company) Loan Policy No. _____ dated the ____ day of _____, 20____.

The first sentence of Section 1(i) of the Conditions of said policy is hereby amended to read as follows:
(i) "Land": The land described specifically, or by reference, in Schedule A and improvements affixed thereto which by law constitute real property, including specifically a manufactured housing unit, bearing serial number _____.

This Endorsement, when countersigned below by an Authorized Countersignature is made a part of said policy and is subject to the Schedules, Conditions and Exclusions from Coverage therein, except as modified by the provisions hereof. This Endorsement neither modifies any other terms of the policy and any prior enforcement, nor does it extend the effective date of the policy and any prior endorsement, nor does it increase the face amount thereof.

ATTEST: (name of company) _____

By _____
Secretary President

COUNTERSIGNED AT: _____

_____
(authorized countersignature)

Version Date 1/3/2014

MANUFACTURED HOUSING ENDORSEMENT SUPPLEMENTAL COVERAGE – LOAN POLICY (FORM T-31.1)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Manufactured Housing (Supplemental Coverage) Endorsement, when attached to a Loan Policy, insures that the borrower owns the MHU, that the MHU is real property located on the subject land, that there is no personal property lien against the MHU, and that the insured lien can be foreclosed in one proceeding.
- Confirm that the lender has requested the endorsement.
- Verify that there is a Statement of Ownership ("SO") filed with the Texas Department of Housing and Community Affairs Manufactured Housing Division ("TDHCA") designating the MHU as real property. If none was previously filed, have one recorded.
- Confirm that MHU is located on the insured real property, by way of a recorded SO (if applicable), current survey, or inspection.
- Confirm that the real property and the MHU have the same owner(s).
- Search the TDHCA records to confirm that there are no outstanding tax liens or lienholders.
- The T-31.1 endorsement may be issued even if the T-31 Manufactured Housing Endorsement is not issued.
- The Statement of Ownership ("SO") was titled the Statement of Ownership and Location ("SOL") prior to September 1, 2017, but the two documents are the equivalent of one another.

CORRESPONDING PROCEDURAL RULE: P-9.b(7)

Where a Loan Policy has been issued covering the lien securing an indebtedness against land and a manufactured housing unit that has been affixed to the land covered by said lien so as to become part of the real property, the Company may, if it considers the additional risk insurable and if requested by the proposed insured, attach to the policy the Manufactured Housing Endorsement (Form T-31) or the Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1) upon the payment of the premium prescribed in Rate Rule R-11.e and all expenses required by the Company (such as survey and/or inspection).

A company is not required to issue the Form T-31 in order to issue the Form T-31.1.

CORRESPONDING RATE RULE: R-11.E

E. Manufactured Housing Endorsement (Form T-31) and Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1):
1. The premium for the Manufactured Housing Endorsement (Form T-31) is $20.00.
2. The premium for the Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1) is $50.00.

COMPLETING THE FORM:

- Insert the loan policy number to which the endorsement is attached.
- Insert the name of the insurer.

Table of Contents - Alphabetical
Table of Contents - Numerical

SUPPLEMENTAL COVERAGE MANUFACTURED HOUSING UNIT ENDORSEMENT FORM (T-31.1)

ATTACHED TO AND MADE A PART
OF POLICY OF TITLE INSURANCE
POLICY NUMBER _____
ISSUED BY

_____ TITLE INSURANCE COMPANY
HEREIN CALLED THE COMPANY

Order No.:

1. The term "Land" as defined in this policy includes the manufactured housing unit located on the land at Date of Policy.

2. Unless excepted in Schedule B, the Company insures against loss or damage, sustained by the insured if,
   (a) A manufactured housing unit is not located on the land.
   (b) The manufactured housing unit located on the land is not real property under the law of the state where the land is located.
   (c) The owner of the land is not the owner of the manufactured housing unit.
   (d) Any lien is attached to the manufactured housing unit as personal property, including
      (i) a federal, state, or other governmental tax lien,
      (ii) UCC security interest,
      (iii) a motor vehicular lien, or
      (iv) other personal property lien.
   (e) The lien of the insured mortgage is not valid and enforceable against the land in a single foreclosure procedure (loan title policy only).

This endorsement is issued as 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 Countersignature

_____
(Printed Name of Title Insurance Company)

By: _____
(Signature)

Title: President

Printed Name: _____
(ATTEST IS OPTIONAL)

_____
(Printed Name of Title Insurance Agent or Direct Operation)

By _____
(Signature)

Title: _____
Printed Name:_____

MANUFACTURED HOUSING ENDORSEMENT SUPPLEMENTAL COVERAGE – OWNER'S POLICY (FORM T-31.1)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Manufactured Housing Endorsement (Supplemental Coverage), when attached to an Owner's Policy, insures that a manufactured housing unit ("MHU") has been affixed to the land and classified as real property, and that no personal property liens are owed on the MHU.
- Verify that there is a Statement of Ownership ("SO") filed with the Texas Department of Housing and Community Affairs Manufactured Housing Division ("TDHCA") designating the MHU as real property. If none was previously filed, have one recorded and provide notice to the local tax assessors. For a purchase, the owner must complete a new SO to be recorded. For a refinance or home equity loan, the SO must have been recorded previously.
- Confirm that MHU is located on the insured real property, by way of a recorded SO (if applicable), current survey, or inspection.
- Confirm that the real property and the MHU have the same owner(s).
- Search the TDHCA records to confirm that there are no outstanding tax liens or lienholders.
- The T-31.1 endorsement may be issued even if the T-31 Manufactured Housing Endorsement is not issued.
- The Statement of Ownership ("SO") was titled the Statement of Ownership and Location ("SOL") prior to September 1, 2017, but the two documents are the equivalent of one another.

CORRESPONDING PROCEDURAL RULE: P-9a(4)

Where an Owner's Policy has been issued covering the land and a manufactured housing unit that has been affixed to the land so as to become part of the real property, the Company may, if it considers the additional risk insurable and if requested by the proposed insured, attach to the policy the Supplemental Coverage Manufactured Housing Unit Endorsement (Form T-31.1) upon the payment of the premium prescribed in Rate Rule R-15.c and all expenses required by the Company (such as survey and/or inspection).

CORRESPONDING RATE RULE: R-15.c

A premium of $50.00 shall be charged for each T-31.1 Endorsement issued, as provided in Rule P-9a(4).

COMPLETING THE FORM:

- Insert the loan policy number to which the endorsement is attached.
- Insert the name of the insurer.

SUPPLEMENTAL COVERAGE MANUFACTURED HOUSING UNIT ENDORSEMENT FORM (T-31.1)

ATTACHED TO AND MADE A PART
OF POLICY OF TITLE INSURANCE
POLICY NUMBER _____
ISSUED BY

_____ TITLE INSURANCE COMPANY
HEREIN CALLED THE COMPANY

Order No.:

1. The term "Land" as defined in this policy includes the manufactured housing unit located on the land at Date of Policy.

2. Unless excepted in Schedule B, the Company insures against loss or damage, sustained by the insured if,
   - (a) A manufactured housing unit is not located on the land.
   - (b) The manufactured housing unit located on the land is not real property under the law of the state where the land is located.
   - (c) The owner of the land is not the owner of the manufactured housing unit.
   - (d) Any lien is attached to the manufactured housing unit as personal property, including
     - (i) a federal, state, or other governmental tax lien,
     - (ii) UCC security interest,
     - (iii) a motor vehicular lien, or
     - (iv) other personal property lien.
   - (e) The lien of the insured mortgage is not valid and enforceable against the land in a single foreclosure procedure (loan title policy only).

This endorsement is issued as 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 Countersignature

_____
(Printed Name of Title Insurance Company)

By: _____
(Signature)

Title: President

Printed Name: _____
(ATTEST IS OPTIONAL)

_____
(Printed Name of Title Insurance Agent or Direct Operation)

By _____
(Signature)

Title: _____
Printed Name:_____

MINERALS AND SURFACE DAMAGE ENDORSEMENT – LOAN POLICY (FORM T-19.2)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Minerals and Surface Damage Endorsement provides coverage to a lender if the insured lien becomes uncollectible due to damage to improvements (other than crops, landscaping, lawn, shrubbery, and trees) on the subject property on or after the policy date because of an existing right to mineral extraction or development.
- The endorsement may be attached to a Loan Policy when requested by the lender.
- Confirm that the property is either (1) a platted parcel one acre or less that is improved or intended to be improved for one to four family residential use; or (2) improved or intended to be improved for office, industrial, retail, or multifamily use. If the property is something other than one of these types, use the T-19.3 endorsement.
- The endorsement cannot be issued if paragraph 4.d of the T-19 would have to be deleted, unless you obtain a waiver of surface rights from all mineral interest owners and lessees or if you obtain underwriter approval.
- Add the general mineral exception provided for in P-5.1 to Schedule B or an exclusion of the mineral estate to the legal description of the insured property on Schedule A.
- If the policy covers multiple parcels of real property, the endorsement may be issued for each parcel that qualifies for the endorsement.

CORRESPONDING PROCEDURAL RULE: P-50.1

Any insured matter covered in the Minerals and Surface Damage Endorsement Form T-19.2 or Form T-19.3 may be insured only by the use of these endorsements, except that coverage regarding minerals may be insured by the use of the Form T-19 or Form T-19.1 endorsements as provided in P-50.

When the policy includes an exclusion or an exception regarding minerals as provided in Procedural Rule P-5.1:

1. As to real property of one acre or less improved or intended to be improved for one-to-four family residential use, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Form T-19.2 to an Owner's or Loan Policy.
2. As to real property improved or intended to be improved for office, industrial, retail, mixed use retail/residential, or multifamily purposes, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Form T-19.2 to an Owner's or Loan Policy.
3. As to other real property, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Form T-19.3 to an Owner's or Loan Policy.
4. As to an Owner's or Loan Policy covering multiple parcels of real property that consist of a combination of real property described in paragraphs 1 or 2, and 3, the Company upon request by the insured and if it meets the Company's underwriting standards may issue for each parcel the applicable Form T-19.2 or Form T-19.3 to the Owner's or Loan Policy.

CORRESPONDING RATE RULE: R-29.1A

When the Minerals and Surface Damage Endorsement (Form T-19.2) is issued in accordance with Rule P-50.1, the premium shall be $50.00 for an endorsement to an Owner's Policy and $0.00 for an endorsement to a Loan Policy.

COMPLETING THE FORM:

- Insert the policy number to which the endorsement is attached.
- Add the parcel or tract number of the insured property to which the endorsement applies.
- Insert the name of the title company.

MINERALS AND SURFACE DAMAGE ENDORSEMENT (T-19.2)

Attached to Policy No. _____
Applies to Parcel(s) _____

Issued by
BLANK TITLE INSURANCE COMPANY
HEREIN CALLED COMPANY

The Company insures the insured against loss which the insured shall sustain by reason of damage to improvements (excluding crops, landscaping, lawn, shrubbery, or trees) located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals or any other subsurface substances excepted or excluded on Schedule A, Item 2 or excepted in Schedule B.

This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:

1. contamination, explosion, fire, fracturing, vibration, earthquake, flood, or subsidence; or
2. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as 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.

[Witness clause optional]

_____ TITLE INSURANCE COMPANY

By: _____
Authorized signatory

MINERALS AND SURFACE DAMAGE ENDORSEMENT – OWNER'S POLICY (FORM T-19.2)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Minerals and Surface Damage Endorsement provides coverage to owners if improvements (other than crops, landscaping, lawn, shrubbery, and trees) on their property are damaged on or after the policy date because of an existing right to mineral extraction or development.
- The endorsement may be attached to an Owner's Policy when requested by the insured.
- Confirm that the property is either (1) a platted parcel one acre or less that is improved or intended to be improved for one to four family residential use; or (2) improved or intended to be improved for office, industrial, retail, or multifamily use. If the property is something other than one of these types, use the T-19.3 endorsement.
- The endorsement cannot be issued if paragraph 4.d of the T-19.1 would have to be deleted, unless you obtain a waiver of surface rights from all mineral interest owners and lessees or if you obtain underwriter approval.
- Add the general mineral exception provided for in P-5.1 to Schedule B or an exclusion of the mineral estate to the legal description of the insured property on Schedule A.
- If the policy covers multiple parcels of real property, the endorsement may be issued for each parcel that qualifies for the endorsement.

CORRESPONDING PROCEDURAL RULE: P-50.1

Any insured matter covered in the Minerals and Surface Damage Endorsement Form T-19.2 or Form T-19.3 may be insured only by the use of these endorsements, except that coverage regarding minerals may be insured by the use of the Form T-19 or Form T-19.1 endorsements as provided in P-50.

When the policy includes an exclusion or an exception regarding minerals as provided in Procedural Rule P-5.1:

1. As to real property of one acre or less improved or intended to be improved for one-to-four family residential use, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Form T-19.2 to an Owner's or Loan Policy.
2. As to real property improved or intended to be improved for office, industrial, retail, mixed use retail/residential, or multifamily purposes, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Form T-19.2 to an Owner's or Loan Policy.
3. As to other real property, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Form T-19.3 to an Owner's or Loan Policy.
4. As to an Owner's or Loan Policy covering multiple parcels of real property that consist of a combination of real property described in paragraphs 1 or 2, and 3, the Company upon request by the insured and if it meets the Company's underwriting standards may issue for each parcel the applicable Form T-19.2 or Form T-19.3 to the Owner's or Loan Policy.

CORRESPONDING RATE RULE: R-29.1A

When the Minerals and Surface Damage Endorsement (Form T-19.2) is issued in accordance with Rule P-50.1, the premium shall be $50.00 for an endorsement to an Owner's Policy and $0.00 for an endorsement to a Loan Policy.

COMPLETING THE FORM:

- Insert the policy number to which the endorsement is attached.
- Add the parcel or tract number of the insured property to which the endorsement applies.
- Insert the name of the title company.

Table of Contents - Alphabetical
Table of Contents - Numerical

MINERALS AND SURFACE DAMAGE ENDORSEMENT (T-19.2)

Attached to Policy No. _____; Applies to Parcel(s) _____

Issued by
_____ TITLE INSURANCE COMPANY
Herein called the Company

The Company insures the insured against loss which the insured shall sustain by reason of damage to improvements (excluding crops, landscaping, lawn, shrubbery, or trees) located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals or any other subsurface substances excepted or excluded on Schedule A, Item 2 or excepted in Schedule B.

This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:

3. contamination, explosion, fire, fracturing, vibration, earthquake, flood, or subsidence; or
4. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as 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.

[Witness clause optional]

_____ TITLE INSURANCE COMPANY

By: _____
Authorized signatory

MINERALS AND SURFACE DAMAGE ENDORSEMENT – LOAN POLICY (FORM T-19.3)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Minerals and Surface Damage Endorsement provides coverage to owners if permanent improvements on their property are damaged on or after the policy date because of an existing right to mineral extraction or development.
- The endorsement may be attached to a Lender's Policy when requested by the lender.
- Confirm that the property does not fall into one of the categories to which the T-19.2 applies.
- The endorsement cannot be issued if paragraph 4.d of the T-19 would have to be deleted, unless you either obtain a waiver of surface rights from all mineral interest owners and lessees or if you obtain underwriter approval.
- Add the general mineral exception provided for in P-5.1 to Schedule B or an exclusion of the mineral estate to the legal description of the insured property on Schedule A.
- If the policy covers multiple parcels of real property, the endorsement may be issued for each parcel that qualifies for the endorsement.

CORRESPONDING PROCEDURAL RULE: P-50.1

Any insured matter covered in the Minerals and Surface Damage Endorsement Form T-19.2 or Form T-19.3 may be insured only by the use of these endorsements, except that coverage regarding minerals may be insured by the use of the Form T-19 or Form T-19.1 endorsements as provided in P-50.

When the policy includes an exclusion or an exception regarding minerals as provided in Procedural Rule P-5.1:

1. As to real property of one acre or less improved or intended to be improved for one-to-four family residential use, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Form T-19.2 to an Owner's or Loan Policy.
2. As to real property improved or intended to be improved for office, industrial, retail, mixed use retail/residential, or multifamily purposes, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Form T-19.2 to an Owner's or Loan Policy.
3. As to other real property, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Form T-19.3 to an Owner's or Loan Policy.
4. As to an Owner's or Loan Policy covering multiple parcels of real property that consist of a combination of real property described in paragraphs 1 or 2, and 3, the Company upon request by the insured and if it meets the Company's underwriting standards may issue for each parcel the applicable Form T-19.2 or Form T-19.3 to the Owner's or Loan Policy.

CORRESPONDING RATE RULE: R-29.1B

When the Minerals and Surface Damage Endorsement (Form T-19.3) is issued in accordance with Rule P-50.1, the premium shall be $50.00 for an endorsement to an Owner's Policy and $0.00 for an endorsement to a Loan Policy.

COMPLETING THE FORM:

- Insert the policy number to which the endorsement is attached.
- Add the parcel or tract number of the insured property to which the endorsement applies.
- Insert the name of the title company.

Table of Contents - Alphabetical
Table of Contents - Numerical

MINERALS AND SURFACE DAMAGE ENDORSEMENT (T-19.3)

Attached to Policy No. _____; Applies to Parcel(s) _____

Issued by
BLANK TITLE INSURANCE COMPANY
HEREIN CALLED COMPANY

The Company insures the insured against loss which the insured shall sustain by reason of damage to permanent buildings located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals or any other subsurface substances excepted or excluded on Schedule A, Item 2 or excepted in Schedule B.

This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:

1. contamination, explosion, fire, fracturing, vibration, earthquake, flood, or subsidence; or
2. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as 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.

[Witness clause optional]

_____ TITLE INSURANCE COMPANY

By: _____
Authorized signatory

MINERALS AND SURFACE DAMAGE ENDORSEMENT – OWNER'S POLICY (FORM T-19.3)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Minerals and Surface Damage Endorsement provides coverage to owners if permanent improvements on their property are damaged on or after the policy date because of an existing right to mineral extraction or development.
- The endorsement may be attached to an Owner's Policy when requested by the insured.
- Confirm that the property does not fall into one of the categories to which the T-19.2 applies.
- The endorsement cannot be issued if paragraph 4.d of the T-19.1 would have to be deleted, unless you either obtain a waiver of surface rights from all mineral interest owners and lessees or if you obtain underwriter approval.
- Add the general mineral exception provided for in P-5.1 to Schedule B or an exclusion of the mineral estate to the legal description of the insured property on Schedule A.
- If the policy covers multiple parcels of real property, the endorsement may be issued for each parcel that qualifies for the endorsement.

CORRESPONDING PROCEDURAL RULE: P-50.1

Any insured matter covered in the Minerals and Surface Damage Endorsement Form T-19.2 or Form T-19.3 may be insured only by the use of these endorsements, except that coverage regarding minerals may be insured by the use of the Form T-19 or Form T-19.1 endorsements as provided in P-50.

When the policy includes an exclusion or an exception regarding minerals as provided in Procedural Rule P-5.1:

1. As to real property of one acre or less improved or intended to be improved for one-to-four family residential use, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Form T-19.2 to an Owner's or Loan Policy.
2. As to real property improved or intended to be improved for office, industrial, retail, mixed use retail/residential, or multifamily purposes, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Form T-19.2 to an Owner's or Loan Policy.
3. As to other real property, the Company upon request by the insured and if it meets the Company's underwriting standards may issue its Form T-19.3 to an Owner's or Loan Policy.
4. As to an Owner's or Loan Policy covering multiple parcels of real property that consist of a combination of real property described in paragraphs 1 or 2, and 3, the Company upon request by the insured and if it meets the Company's underwriting standards may issue for each parcel the applicable Form T-19.2 or Form T-19.3 to the Owner's or Loan Policy.

CORRESPONDING RATE RULE: R-29.1B

When the Minerals and Surface Damage Endorsement (Form T-19.3) is issued in accordance with Rule P-50.1, the premium shall be $50.00 for an endorsement to an Owner's Policy and $0.00 for an endorsement to a Loan Policy.

COMPLETING THE FORM:

- Insert the policy number to which the endorsement is attached.
- Add the parcel or tract number of the insured property to which the endorsement applies.
- Insert the name of the title company.

Table of Contents - Alphabetical
Table of Contents - Numerical

MINERALS AND SURFACE DAMAGE ENDORSEMENT (T-19.3)

Attached to Policy No. _____; Applies to Parcel(s) _____

Issued by
_____ TITLE INSURANCE COMPANY
Here in called the Company

The Company insures the insured against loss which the insured shall sustain by reason of damage to permanent buildings located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals or any other subsurface substances excepted or excluded on Schedule A, Item 2 or excepted in Schedule B.

This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:

1. contamination, explosion, fire, fracturing, vibration, earthquake, flood, or subsidence; or
2. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as 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.

[Witness clause optional]

_____ TITLE INSURANCE COMPANY

By: _____
Authorized signatory

Table of Contents - Alphabetical
Table of Contents - Numerical

MODIFICATION, REINSTATEMENT, OR PARTIAL RELEASE – P-9.b(3) LOAN POLICY OF TITLE INSURANCE ENDORSEMENT FORM (FORM T-38)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The T-38 Endorsement insures that a loan policy is still effective even though the underlying loan terms have been changed by way of a Partial Release, Release of Additional Collateral, Modification Agreement, Reinstatement Agreement, or Release from Personal Liability.
- The endorsement does not change the effective date or amount of coverage of the loan policy it amends; however, if the modification extends the maturity date of the obligation, the endorsement extends coverage through that date.
- Review the documentation to confirm that the insured policy has been modified or reinstated, or that part of the collateral or an obligor has been released from liability for the obligation.
- Review the documentation to confirm the following:
  - The documentation does not create or grant a lien or power of sale;
  - There is no new promissory note;
  - The principal amount of the obligation did not increase, other than to capture interest that accrued or was deferred in accordance with the original security instrument; and
  - There is no additional property securing the obligation other than that described in the policy.

CORRESPONDING PROCEDURAL RULE: P-9.b(3)

When a Loan Policy has been issued covering the lien securing an indebtedness, and the holder of such Loan Policy desires to:

(a) release a part of the land described in Schedule A of said Policy; and/or

(b) release additional collateral securing indebtedness described in said Schedule A; and/or

(c) modify only one or more of the following items described in Schedule A of said policy: the mortgage, deed of trust, security instrument, guaranty or promissory note by entering into a Modification Agreement; and/or

(d) reinstate said mortgage or deed of trust by entering into a Reinstatement Agreement; and/or

(e) release the mortgagor(s) or other obligors from personal liability;

Upon payment of the premium prescribed by Rate Rule R-11.b, the Company that issued the original policy may issue a Loan Policy of Title Insurance Endorsement (Form T-38) thereto to show that policy coverage has not been reduced or terminated solely by virtue of the modification, reinstatement, or release.

An endorsement shall not be issued under this subparagraph (3) if:

(i) the modification agreement, reinstatement agreement or other instrument expressly creates or grants a lien or power of sale; or

(ii) the indebtedness secured by the lien of the insured mortgage or deed of trust is evidenced by a new promissory note; or

(iii) the insured mortgage or deed of trust is modified to secure additional principal indebtedness other than accrued or deferred interest on the specific indebtedness described on

Schedule A of the policy or advances made pursuant to the terms of the original mortgage or deed of trust; or

(iv) the insured mortgage or deed of trust is cross-collateralized or otherwise modified to cover property not described on Schedule A of the policy.

CORRESPONDING RATE RULE: R-11.B

A. Partial Release, Release of Additional Collateral, Modification Agreement, Reinstatement Agreement, or Release from Personal Liability Endorsement (Form T-38):
    1. If issued within twelve months after the date of the policy, the premium is the minimum Basic Premium Rate.
    2. If issued more than twelve months after the date of the policy, the premium is the minimum Basic Premium Rate plus $25.00 for each additional full or partial twelve-month period.
    3. However, the maximum premium collected must not be more than 50% of the premium for the loan policy amount based on the current Schedule of Basic Premium Rates.

COMPLETING THE FORM:

- Insert the policy number, GF number, and premium.
- Insert the date of the document that creates the modification, release, or reinstatement.
- Describe the document by title, date, and recording information.

Table of Contents - Alphabetical
Table of Contents - Numerical

LOAN POLICY OF TITLE INSURANCE
ENDORSEMENT FORM (Form T-38) (Pursuant to P-9.b.(3))

Partial Release, Release of Additional Collateral,
Modification Agreement, Reinstatement Agreement, or
Release From Personal Liability

ENDORSEMENT NUMBER: _____

Premium: $ _____ G. F. No.: _____

Attached to and made a part of _____ Title Insurance Company Policy No. _____ this _____ day of _____, 20____.

As to the above numbered loan policy, the company will not claim that the policy coverage has terminated or that policy coverage has been reduced, solely by reason of the execution of:

_____

(Here describe the instrument by stating whether it is a partial release, release of additional collateral, modification agreement, reinstatement agreement or release from personal liability and then more fully describe the instrument by filling the blanks below.)

dated the ____day of _____, 20___, filed for record on the _____ day of _____, 20___ at ___ M. in the office of the County Clerk of _____ County, Texas, under clerk's file number _____ and/or recorded in Volume /Book _____, Page _____ of the _____ Records of said County (the "Instrument").

If, by the terms of the Instrument, the maturity date of the indebtedness secured by the insured lien is extended beyond the original period of limitation applicable to such indebtedness, this endorsement shall be construed to include the following:

> "The issuance of this endorsement shall maintain the liability hereunder (should this insured remain as a lien holder only), for the period of limitation applicable to the indebtedness secured by the lien described on Schedule "A" calculated from the renewed and extended maturity date of such indebtedness."

This endorsement, notwithstanding anything in the Instrument to the contrary, does not change the original effective date of the loan policy or the face amount of insurance stated on Schedule "A" thereof, nor does it alter or increase the coverage of the policy.

This endorsement shall not be construed to include within its scope any modification agreement, reinstatement agreement or other instrument not specifically set forth above and described herein by volume/page or clerk's file number.

The Company shall have no liability by reason of: (i) the invalidity of the Instrument or any part thereof; or (ii) the failure to record any renewal and/or extension agreement.

This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the Instrument (the "Transaction") by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws that is based on:

1. the Transaction being deemed a fraudulent conveyance or fraudulent transfer; or
2. the Transaction being deemed a preferential transfer except where the preferential transfer results from the failure
   a. to timely record the Instrument; or
   b. of such recordation to impart notice to a purchaser for value or to a judgment or lien creditor.

This endorsement is subject to the Schedule "B" exceptions, the Exclusions from Coverage, and the Conditions of the Policy.

IN WITNESS HEREOF, the _____TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

_____ Title Insurance Company

_____
President

_____
Authorized Countersignature

---NOTICE---
No title search is performed in connection
with the issuance of this endorsement form.

Version Date 1/3/2014

NON-IMPUTATION ENDORSEMENT (FORM T-24)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- **Underwriting approval is required to issue this endorsement.**
- The Non-Imputation Endorsement limits the applicability of Exclusions 3(a), (b), and (e) in the T-1 Owner's Policy of Title Insurance, so that the policy will insure against actions or knowledge of persons previously associated with the entity, if the incoming owners did not have knowledge of the issue(s).
- The T-24 may be attached to a T-1 Owner's Policy when the ownership of the entity owning the land changes.
- Request and review documentation, including affidavits, if necessary, from the insured to gather the information needed to identify the specific persons who were or will be connected to the entity that owns the property.
- This endorsement may not be given on Residential Real Property. See Appendix D.
- Add appropriate exceptions to Schedule B.

CORRESPONDING PROCEDURAL RULE: P-55

A Company may issue its Non-Imputation Endorsement (T-24) or its Non-Imputation Endorsement (Mezzanine Financing) (T-24.1) to a concurrently issued Owner's Policy (T-1) on land which is not residential real property, if its underwriting requirements are met and if it is paid the premium, if any, prescribed in Rate Rule R-31.

The Company may add any exception to the endorsement that it considers, in its sole discretion, to be appropriate.

Any matter covered in the T-24 or the T-24.1 may be insured only by the use of the applicable Non-Imputation Endorsement.

A Company may not issue its T-24 or its T-24.1 on residential real property.

CORRESPONDING RATE RULE: R-31

When a T-24 or T-24.1 is issued with an Owner's Policy (T-1) in accordance with Rule P-55, the premium for the T-24 or T-24.1 shall be 5% of the Basic Rate for the applicable Owner's Policy.

The minimum premium for the Non-Imputation Endorsement shall be not less than $25.00.

COMPLETING THE FORM:

- Complete first blank with the Owner's Policy information.
- Complete the second blank with the policy number of the policy being endorsed.
- Identify exiting or contributing partner(s) of the currently insured partnership entity, member(s) or manager(s) of the insured limited liability company entity, or officer(s) and/or director(s) of the insured corporate entity.
- Identify the partners, members or shareholders of the incoming insured.

Table of Contents - Alphabetical
Table of Contents - Numerical

NON-IMPUTATION ENDORSEMENT T-24

Attached to and Forming a Part of_____
Policy of Title Insurance No. _____
Issued by
BLANK TITLE INSURANCE COMPANY
HEREIN THE COMPANY

The Company hereby agrees that it will not assert the provisions of Exclusions from Coverage 3(a), (b), or (e) to deny liability for loss or damage otherwise insured against under the terms of the policy solely by reason of the action or inaction or knowledge, as of Date of Policy, of

[identify exiting or contributing partner(s) of the insured partnership entity, member(s) or manager(s) of the insured limited liability company entity, or officer(s) and/or director(s) of the insured corporate entity],

whether or not imputed to the insured by operation of law, but only to the extent that

[identify the "incoming" partners, members or shareholders]

acquired its interest in the insured as a purchaser for value without actual knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by the policy.

This endorsement is made 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.

NON-IMPUTATION ENDORSEMENT (MEZZANINE FINANCING) (FORM T-24.1)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- **Obtain underwriting approval before issuing this endorsement.**
- The Non-Imputation Endorsement (Mezzanine Financing) provides coverage to a mezzanine lender whose loan is secured by a beneficial interest of the entity that owns the land. It includes protection for the lender from a denial of liability under Exclusions 3(a), (b) or (e) in the T-1 Owner's Policy for actions or knowledge of the insured and fairway coverage to avoid a lapse due to a transfer of ownership interests in the insured.
- The T-24.1 may be given on a T-1 Owner's Policy upon the request of a mezzanine lender, with the consent of the insured owner.
- This endorsement may not be given on Residential Real Property. See Appendix D.
- Request and review documentation to confirm that request came from mezzanine lender.
- Request and review documentation to confirm that the owner has consented.
- Add appropriate exceptions to Schedule B.

CORRESPONDING PROCEDURAL RULE: P-55

A Company may issue its Non-Imputation Endorsement (T-24) or its Non-Imputation Endorsement (Mezzanine Financing) (T-24.1) to a concurrently issued Owner's Policy (T-1) on land which is not residential real property, if its underwriting requirements are met and if it is paid the premium, if any, prescribed in Rate Rule R-31.

The Company may add any exception to the endorsement that it considers, in its sole discretion, to be appropriate.

Any matter covered in the Non-Imputation Endorsement (T-24) or the Non-Imputation Endorsement (Mezzanine Financing) (T-24.1) may be insured only by the use of the applicable Non-Imputation Endorsement.

A Company may not issue its Non-Imputation Endorsement (T-24) or its Non-Imputation Endorsement (Mezzanine Financing) (T-24.1) on residential real property.

CORRESPONDING RATE RULE: R-31

When a Non-Imputation Endorsement (T-24) or Non-Imputation Endorsement (Mezzanine Financing) (T-24.1) is issued with an Owner's Policy (T-1) in accordance with Rule P-55, the premium for the Non-Imputation Endorsement (T-24) or Non-Imputation Endorsement (Mezzanine Financing) (T-24.1) shall be 5% of the Basic Rate for the applicable Owner's Policy.

The minimum premium for the Non-Imputation Endorsement shall be not less than $25.00.

COMPLETING THE FORM:

- Complete first blank with the Owner's Policy information.
- Complete the second blank with the policy number of the policy being endorsed.
- In paragraph 1, insert the name of the mezzanine lender.

Table of Contents - Alphabetical
Table of Contents - Numerical

NON-IMPUTATION ENDORSEMENT (MEZZANINE FINANCING) (T-24.1)

Attached to and Forming a Part of_____ Policy of Title Insurance No. _____

Issued by

BLANK TITLE INSURANCE COMPANY

HEREIN THE COMPANY

1. The Mezzanine Lender is: _____ and each successor in ownership of its loan ("Mezzanine Loan") reserving, however, all rights and defenses as to any successor that the Company would have had against the Mezzanine Lender, unless the successor acquired the indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by this policy as affecting Title.
2. The Insured
   a. assigns to the Mezzanine Lender the right to receive any amounts otherwise payable to the Insured under this policy, not to exceed the outstanding indebtedness under the Mezzanine Loan; and
   b. agrees that no amendment of or endorsement to this policy can be made without the written consent of the Mezzanine Lender.
3. The Company does not waive any defenses that it may have against the Insured, except as expressly stated in this endorsement.
4. In the event of a loss under the policy, the Company agrees that it will not assert the provisions of Exclusions from Coverage 3(a), (b) or (e) to refuse payment to the Mezzanine Lender solely by reason of the action or inaction or Knowledge, as of Date of Policy, of the Insured provided
   a. the Mezzanine Lender had no Knowledge of the defect, lien, encumbrance or other matter creating or causing loss on Date of Policy.
   b. this limitation on the application of Exclusions from Coverage 3(a), (b) and (e) shall
      i. apply whether or not the Mezzanine Lender has acquired an interest (direct or indirect) in the Insured either on or after Date of Policy, and
      ii. benefit the Mezzanine Lender only without benefitting any other individual or entity that holds an interest (direct or indirect) in the Insured or the Land.
5. In the event of a loss under the Policy, the Company also agrees that it will not deny liability to the Mezzanine Lender on the ground that any or all of the ownership interests (direct or indirect) in the Insured have been transferred to or acquired by the Mezzanine Lender, either on or after the Date of Policy.
6. The Mezzanine Lender acknowledges
   a. that the Amount of Insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is hereafter executed by an Insured and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment under this policy; and
   b. that the Company shall have the right to insure mortgages or other conveyances of an interest in the Land, without the consent of the Mezzanine Lender.

7. If the Insured, the Mezzanine Lender or others have conflicting claims to all or part of the loss payable under the Policy, the Company may interplead the amount of the loss into Court. The Insured and the Mezzanine Lender shall be jointly and severally liable for the Company's reasonable cost for the interpleader and subsequent proceedings, including attorneys' fees. The Company shall be entitled to payment of the sums for which the Insured and Mezzanine Lender are liable under the preceding sentence from the funds deposited into Court, and it may apply to the Court for their payment.
8. Whenever the Company has settled a claim and paid the Mezzanine Lender pursuant to this endorsement, the Company shall be subrogated and entitled to all rights and remedies that the Mezzanine Lender may have against any person or property arising from the Mezzanine Loan. However, the Company agrees with the Mezzanine Lender that it shall only exercise these rights, or any right of the Company to indemnification, against the Insured, the Mezzanine Loan borrower, or any guarantors of the Mezzanine Loan after the Mezzanine Lender has recovered its principal, interest, and costs of collection.

This endorsement is issued as 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.

AGREED AND CONSENTED TO:

(Insert name of Insured)
By: _____

(Insert name of Mezzanine Lender)
By: _____

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY
By: _____
Authorized Signatory

PLANNED UNIT DEVELOPMENT ENDORSEMENT (FORM T-17)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Planned Unit Development Endorsement provides additional coverage to the lender regarding restrictive covenants, homeowners association charges and assessments, encroachments, and the exercise of rights of first refusal.
- This endorsement may be given on a Loan Policy only.
- Verify the insured property is Residential Real Property. See Appendix D.
- The endorsement may not be given if the Condominium Endorsement (Form T-28) is being issued.
- If an acceptable survey is not provided, delete Paragraphs 1 and 3 from the endorsement. (See attached Appendix A listing all Requirements of an Acceptable Survey).
- Confirm that no major permanent improvement crosses a property boundary line or utility easement and that no portion of a permanent improvement extends into a utility or drainage easement. If it does, take exception on Schedule B to the encroachments and delete Paragraph 3 of the endorsement.
- If dues or assessments against the property are not subordinate to the insured lien, take exception to any HOA dues or assessments in Schedule B and delete Paragraph 2 of the endorsement.

CORRESPONDING PROCEDURAL RULE: P-9.b(14)

Planned Unit Development Endorsement - A Company may issue the Planned Unit Development Endorsement (Form T-17) to a Loan Policy, if its underwriting requirements are met and if it is paid the premium described in Rate Rule R-11.k.

The Company may delete any insuring provision if it does not consider that risk acceptable.

The Company may not issue the Form T-17 if the land covered by the policy is not residential real property.

Any insurance matter that may be covered by the Form T-17 may be insured only by the use of the Form T-17.

CORRESPONDING RATE RULE: R-11.K

K. Planned Unit Development Endorsement (Form T-17):
1. The premium is $25.00.
2. However, when multiple Planned Unit Development Endorsements (Form T-17) are issued simultaneously on multiple Loan Policies covering the same land, the premium for the first endorsement is $25.00 and the premium for additional endorsements is $0.00.

COMPLETING THE FORM:

- Complete the blank in the subtitle after “Serial Number” with the policy number of the policy being endorsed
- Add the GF number after “Order No.:”
- Delete paragraphs from the form according to the underwriting guidelines above.

Table of Contents - Alphabetical
Table of Contents - Numerical

PLANNED UNIT DEVELOPMENT (T-17)
ENDORSEMENT ATTACHED TO AND MADE A PART
OF POLICY OF TITLE INSURANCE
SERIAL NUMBER _____
ISSUED BY

BLANK TITLE INSURANCE COMPANY
HEREIN CALLED THE COMPANY

Order No.:
The Company insures the Insured against loss or damage sustained by reason of:
1. Present violations of any restrictive covenants referred to in Schedule B which restrict the use of the land, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the public records and is not excepted in Schedule B. The restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.
2. The priority of any lien for charges and assessments at Date of Policy in favor of any association of homeowners which are provided for in any document referred to in Schedule B over the lien of any insured mortgage identified in Schedule A.
3. The enforced removal of any existing structure on the land (other than a boundary wall or fence) because it encroaches onto adjoining land or onto any easements.
4. The failure of title by reason of a right of first refusal to purchase the land which was exercised or could have been exercised at Date of Policy.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT (LOAN POLICY) (FORM T-19)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The T-19 Endorsement insures the lender against loss or damage resulting from current violations of CC&Rs, encroachments of improvements over boundary lines into setback lines or into easements, and damage to improvements caused by future use of the surface for mineral extraction or development.
- This endorsement is only available on a Loan Policy.
- Obtain an acceptable survey. (See attached Appendix A listing all Requirements of an Acceptable Survey).
- Use the NITIC *T-19 T-19.1 Chart – Survey Matters* checklist (Appendix C) to add appropriate Schedule B exceptions and delete paragraphs from the T-19, as required.
- Add applicable exceptions and deletion language to Schedule B.

CORRESPONDING PROCEDURAL RULES: P-50.A (Residential Real Property) and P-50.B

A. Any insured matter covered in the Restrictions, Encroachments, Minerals Endorsement T-19 or T-19.1 may be insured only by the use of these endorsements, except that coverage regarding minerals may be insured by the use of the T-19.2 or T-19.3 endorsements as provided in P-50.1.
B. A Company may issue its Restrictions, Encroachments, Minerals Endorsement (T-19) to a Loan Policy (T-2) if its underwriting requirements are met. The Company shall delete any insuring provision if it does not consider that risk acceptable.

CORRESPONDING RATE RULES: R-29.A (Residential Real Property) and R-29.B

A. When the Restrictions, Encroachments, Minerals Endorsement (T-19) is issued on residential real property in accordance with Rule P-50, the premium shall be 5% of the Basic Rate for a single issue policy provided that the minimum premium shall be not less than $50.00.
B. When the Restrictions, Encroachments, Minerals Endorsement (T-19) is issued on land which is not residential real property, in accordance with Rule P-50, the premium shall be 10% of the Basic Rate for a single issue policy provided that the minimum premium shall be not less than $50.00.

COMPLETING THE FORM:

- In the blank on the sub-header, add the policy number of the policy to which the endorsement is being added.
- Use the NITIC *T-19 T-19.1 Chart – Survey Matters* checklist (Appendix C) to delete paragraphs, as needed, from the endorsement.

RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT (Form T-19)
ENDORSEMENT
Attached to Policy No. _____
Issued by
BLANK TITLE INSURANCE COMPANY

1. The insurance provided by this endorsement is subject to the exclusions in Section 5 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only:
   a. "Covenant" means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.
   b. "Improvement" means an improvement, including any landscaping, lawn, shrubbery, or trees, affixed to either the Land or adjoining land that by law constitutes real property.
   c. "Private Right" means (i) an option to purchase; (ii) a right of first refusal; (iii) a right of prior approval of a future purchaser or occupant; or (iv) a private charge or assessment.
3. The Company insures against loss or damage sustained by the Insured by reason of:
   a. A violation of a Covenant that:
      i. divests, subordinates, or extinguishes the lien of the Insured Mortgage,
      ii. results in the invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage, or
      iii. causes a loss of the Insured's Title acquired in satisfaction or partial satisfaction of the Indebtedness;
   b. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
   c. Enforced removal of an Improvement located on the Land at Date of Policy as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation;
   d. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation; or
   e. Enforcement of a Private Right in a Covenant affecting the Title at Date of Policy that:
      i. results in the invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage, or
      ii. causes a loss of the Insured's Title acquired in satisfaction or partial satisfaction of the Indebtedness.
4. The Company insures against loss or damage sustained by reason of:
   a. An encroachment of:
      i. an Improvement located on the Land, at Date of Policy, onto adjoining land or onto that portion of the Land subject to an easement; or
      ii. an Improvement located on adjoining land onto the Land at Date of Policy

unless an exception in Schedule B of the policy identifies the encroachment otherwise insured against in Sections 4.a.i. or 4.a.ii.; or

b. A final court order or judgment requiring the removal from any land adjoining the Land of an encroachment identified in Schedule B; or

c. Damage to an Improvement located on the Land, at Date of Policy that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or

d. Damage to Improvements located on the Land on or after Date of Policy, resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals or any other subsurface substances excepted or excluded on Schedule A, Item 2, or excepted in Schedule B.

5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:

a. any Covenant contained in an instrument creating a lease;

b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land;

c. except as provided in Paragraph 3.d, any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances;

d. contamination, explosion, fire, fracturing, vibration, earthquake, flood, or subsidence; or

e. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as 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.

[Witness clause optional]
BLANK TITLE INSURANCE COMPANY

By: _____
Authorized Signatory

RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT (OWNER'S POLICY) (FORM T-19.1)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The T-19.1 Endorsement insures the owner against loss or damage due to a present violation of CC&Rs, encroachments of improvements over boundary lines into setback lines or into easements, and against damage to improvements caused by future use of the surface for mineral extraction or development.
- The T-19.1 is only available on an Owner's Policy with an acceptable survey. (See attached Appendix A listing all Requirements of an Acceptable Survey).
- Use the NITIC *T-19 T-19.1 Chart – Survey Matters* checklist (Appendix C) to add appropriate Schedule B exceptions and delete paragraphs from the T-19.1, as required.
- Add applicable exceptions and deletion language to Schedule B.

CORRESPONDING PROCEDURAL RULE: P-50.A and P-50.C

A. Any insured matter covered in the Restrictions, Encroachments, Minerals Endorsement T-19 or T-19.1 may be insured only by the use of these endorsements, except that coverage regarding minerals may be insured by the use of the T-19.2 or T-19.3 endorsements as provided in P-50.1.
B. A Company may issue its T-19.1 to an Owner Policy if its underwriting requirements are met. The Company shall delete any insuring provision if it does not consider that risk acceptable.

CORRESPONDING RATE RULE: R-29.C (Residential Real Property) and R-29.D

C. When the Restrictions, Encroachments, Minerals Endorsement – Owner Policy (T-19.1) is issued on residential real property in accordance with Rule P-50, the premium shall be:
   1. 10% of the Basic Rate for a single issue policy; or
   2. 5% of the Basic Rate for a single issue policy if an amendment of the exception to area and boundaries is also purchased in accordance with Rate Rule R-16.

   In either event, the minimum premium shall not be less than $50.00.
D. When the T-19.1 is issued on land which is not residential property, in accordance with Rule P-50, the premium shall be:
   1. 15% of the Basic Rate for a single issue policy; or
   2. 10% of the Basic Rate for a single issue policy if an amendment of the exception to area and boundaries is also purchased in accordance with Rate Rule R-16.

   In either event, the minimum premium shall be not less than $50.00.

COMPLETING THE FORM:

- In the blank on the sub-header, add the policy number of the policy to which the endorsement is being added.
- Use the NITIC *T-19 T-19.1 Chart – Survey Matters* checklist (Appendix C) to delete paragraphs, as needed, from the endorsement.

Table of Contents - Alphabetical
Table of Contents - Numerical

RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT – OWNER'S POLICY
(Form T-19.1)

Attached to Policy No. _____
Issued By
BLANK TITLE INSURANCE COMPANY

1. The insurance provided by this endorsement is subject to the exclusions in Section 5 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only:
   a. "Covenant" means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.
   b. "Improvement" means a building, structure, road, walkway, driveway, or curb, affixed to either the Land or adjoining land and that by law constitutes real property, but excluding any crops, landscaping, lawn, shrubbery, or trees.
   c. "Private Right" means (i) an option to purchase; (ii) a right of first refusal; or (iii) a right of prior approval of a future purchaser or occupant.
3. The Company insures against loss or damage sustained by the Insured by reason of:
   a. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
   b. Enforced removal of an Improvement located on the Land at Date of Policy as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation;
   c. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation; or
   d. Enforcement of a Private Right in a Covenant affecting the Title at Date of Policy based on a transfer of Title on or before Date of Policy that causes a loss of the Insured's Title.
4. The Company insures against loss or damage sustained by reason of:
   a. An encroachment of:
      i. an Improvement located on the Land, at Date of Policy, onto adjoining land or onto that portion of the Land subject to an easement; or
      ii. an Improvement located on adjoining land onto the Land at Date of Policy
   unless an exception in Schedule B of the policy identifies the encroachment otherwise insured against in Sections 4.a.i. or 4.a.ii.; or
   b. A final court order or judgment requiring the removal from any land adjoining the Land of an encroachment identified in Schedule B; or
   c. Damage to an Improvement located on the Land, at Date of Policy that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or
   d. Damage to Improvements located on the Land on or after Date of Policy, resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the

extraction or development of coal, lignite, oil, gas or other minerals or any other subsurface substances excepted or excluded on Schedule A, Item 2, or excepted in Schedule B.

5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
   a. any Covenant contained in an instrument creating a lease;
   b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land;
   c. except as provided in Paragraph 3.c, any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances;
   d. contamination, explosion, fire, fracturing, vibration, earthquake, flood or subsidence; or
   e. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as 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.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

By: _____
Authorized Signatory

REVERSE MORTGAGE ENDORSEMENT (FORM T-43)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Reverse Mortgage Endorsement insures against the invalidity or unenforceability of the insured lien due to failure to comply with constitutional requirements applicable to reverse mortgages.
- **This endorsement is required on every Loan Policy insuring a reverse mortgage**.
- Add applicable exceptions and deletion language as noted in P-45 to Schedule B.
- Obtain the written consent of the Lender to the deletion of any paragraph in the endorsement.

CORRESPONDING PROCEDURAL RULE: P-45

A. When a Loan Policy of Title Insurance (Form T-2) is to be issued insuring the lien securing a reverse mortgage loan made pursuant to Subsection (a)(7) of Section 50, Article XVI, Texas Constitution, the Company shall attach to the Loan Policy of Title Insurance (Form T-2) the Texas Reverse Mortgage Endorsement (Form T-43).

B. The Company may not provide Express Insurance (pursuant to Procedural Rule P-39) as to matters set forth in the Form T-43.

C. The Loan Policy of Title Insurance (Form T-2) insuring the lien securing a reverse mortgage loan may be issued in an amount not exceeding:
   1. 150% of the total advances to be made according to a plan established by the original loan agreement; or
   2. The maximum amount that may be secured by the lien of the insured mortgage, as estimated by the lender according to the written lender instructions; or,
   3. In the case of an FHA-insured loan, the Maximum Claim Amount as established by FHA.

D. The Company may delete any subdivision in Paragraph 3 of the Form T-43 if it does not consider the additional risk insurable. The following language shall be placed below Paragraph 3:

> "Subdivision _____ of Paragraph 3 of this Texas Reverse Mortgage Endorsement (Form T-43) is hereby deleted. The Company does not insure against failure to comply with the Subsection of the Constitution referred to in said subdivision of Paragraph 3."

E. The Company shall complete the blank with the appropriate subdivision of Paragraph 3 of the Form T-43 if the above format is used.

F. The Company must delete subdivisions (ii) and (iii) of Paragraph 3 of the Form T-43 if the insured mortgage and the promissory note are not executed at the office of a title company. For purposes of Procedural Rule P-45, "the office of a title company" shall mean the leased or owned Texas office location(s) of: (1) a title insurance company; or, (2) a direct operation;

or, (3) a title insurance agent; or, (4) an attorney conducting the attorney's business in the name of a title insurance company or direct operation or title insurance agent where the attorney and the attorney's bona fide employees who close transactions are licensed as escrow officers as required by Texas Insurance Code Section 2652.003. In order to evidence the deletion required by this Paragraph E, the following language shall be stated on the Texas Reverse Mortgage Endorsement (Form T-43):

> "Subdivisions (ii) and (iii) of Paragraph 3 of this Texas Reverse Mortgage Endorsement (Form T-43) are hereby deleted. The Company does not insure against the failure to comply with the Subsections of the Constitution referred to in said subdivisions of Paragraph 3."

G. The Company must delete subdivision (ii) of Paragraph 3 of the Form T-43 as provided in Paragraph D, above, if the Company is not furnished with government issued photographic identification showing that the owner of the land or the spouse of the owner of the land is 62 years or older.

H. The Company must delete subdivision (iii) of Paragraph 3 of the Form T-43 as provided in Paragraph D, above, if the borrower and borrower's spouse identified in the document furnished by the insured and purporting to be made pursuant to Subsection (k)(8) of Section 50, Article XVI, Texas Constitution, do not execute that document at an office of a title company on the date that the insured mortgage and the promissory note secured by the insured mortgage are executed.

CORRESPONDING RATE RULE: There is no charge for the T-43 on a Loan Policy.

COMPLETING THE FORM:

- Name of the insuring company.
- Policy number of the Loan Policy to which the endorsement is being added.
- Date of the Loan Policy.
- The parties' names, as indicated in the signature blocks.
- Review subdivisions i through iii of Paragraph 3. If the title agent cannot prove that it met the requirement of that subdivision, as explained in the procedural rule above, it must insert the following paragraph below Paragraph 3 of the Endorsement, and insert the subdivision number in the blank:

> "Subdivision _____ of Paragraph 3 of this Texas Reverse Mortgage Endorsement (Form T-43) is hereby deleted. The Company does not insure against failure to comply with the Subsection of the Constitution referred to in said subdivision of Paragraph 3."

Table of Contents - Alphabetical
Table of Contents - Numerical

TEXAS REVERSE MORTGAGE ENDORSEMENT (FORM T-43)

Attached to and made a part of
Title Insurance Company Loan
Policy No.
dated the ____ day of _____, 20____.

Issued by

Blank Title Insurance Company

Notwithstanding anything to the contrary contained in this policy, the following terms and provisions shall control and apply:

1. This policy insures only up to, and liability hereunder is limited to, the amount of proceeds of the loan secured by the lien instrument set forth under Schedule A hereof actually disbursed as of the date of this policy, but increases as each subsequent advance or disbursement of loan proceeds is made from time to time and as unpaid interest accrues on loan proceeds, so that any loss payable hereunder shall be limited to the amount of unpaid accrued interest and aggregate amount of loan proceeds actually disbursed and outstanding at the time a loss occurs hereunder; provided that in no event shall the liability of the Company hereunder exceed the face amount of this policy.

2. The Company insures the Insured that any disbursements of such loan proceeds made subsequent to the date of this policy shall be deemed to have been made as of the date of this policy and such disbursements and accrued interest shall have the same priority as any advances made as of the date of this policy, except as to (i) bankruptcies affecting the estate or interest described on Schedule A hereof prior to the date of any such advance or disbursement; and (ii) taxes, costs, charges, damages and other obligations to the government secured by statutory liens arising or recorded subsequent to the date of the policy.

3. Notwithstanding the provisions of paragraph 5 of the Exclusions from Coverage set out in the main policy entitled Loan Policy of Title Insurance relating to consumer credit protection laws, the Company insures the Insured against loss, if any, sustained by the Insured under the terms of the policy because of invalidity or unenforceability of the lien of the insured mortgage by reason of: (i) the failure of the insured mortgage to be created under a written agreement with the consent of each owner of the estate or interest described in Schedule A and each owner's spouse, as set forth in Subsection (k)(1) of Section 50, Article XVI, Texas Constitution; (ii) the failure of the extension of credit secured by the insured mortgage to be made to a person who is or whose spouse is 62 years or older, as set forth in Subsection (k)(2) of Section 50, Article XVI, Texas Constitution; or (iii) the failure of the written document purporting to be made pursuant to Subsection (k)(8) of Section 50, Article XVI, Texas Constitution to be executed by the owner and owner's spouse on the date that the insured mortgage and promissory note secured thereby are executed, provided that the Company does not insure that the written document complies with Subsection (k)(8) of Section 50, Article XVI, Texas Constitution.

4. The Company does not insure against loss or damage based on (a) usury; or (b) any consumer credit protection or truth-in-lending law and/or violation of Subsections (k)(3), (k)(4), (k)(5),

(k)(6), (k)(7), (k)(8), (k)(9), (k)(10), (k)(11), (m), or (p) of Section 50, Article XVI, Texas.Constitution and any regulatory or statutory requirements for a mortgage made pursuant to Subsection (a)(7) of Section 50, Article XVI, Texas Constitution except as expressly provided in paragraph 3 of this endorsement; or (c) costs, expenses or attorney's fees required to obtain a determination of the amount of interest or indebtedness.

For purposes of this endorsement, "interest" means interest, compound interest, interest on interest, interest calculated at a rate that varies from time to time in accordance with the provisions of the insured mortgage, and interest contingent on the appreciation in the fair market value of the land charged in accordance with the terms of the insured mortgage. In this endorsement, the term "owner" refers to each owner described in Schedule A of this Loan Policy. This endorsement does not represent or insure that a Title Insurance Agent of the Company is the agent of the Company other than for issuance of title insurance policies, as provided by applicable law.

This endorsement when countersigned below by an Authorized Countersignature is made a part of said policy. Except as expressly modified by the pro visions hereof, this endorsement is subject to the following policy matters: (i) Insuring Provisions; (ii) Exclusions from Coverage; (iii) Schedule B Exceptions (iv) the Conditions and Stipulations; and (v) any prior endorsements. Except as stated herein, this endorsement does not: (i) extend the effective date of the policy and/or any prior endorsements; or, (ii) increase the face amount of the policy.

Authorized Countersignature

_____

(Printed Name of Title Insurance Company)

By: _____
(Signature)

Title: President
Printed Name: _____

(ATTEST IS OPTIONAL)

_____
(Printed Name of Title Insurance Agent or

Direct Operation)

By: _____
(Signature)

Title:_____
Printed Name: _____

(ATTEST IS OPTIONAL)

Table of Contents - Alphabetical
Table of Contents - Numerical

REVOLVING CREDIT ENDORSEMENT (FORM T-35)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Revolving Credit Endorsement provides coverage for advances on a revolving line of credit arrangement. A revolving line of credit is a flexible, pre-approved borrowing limit that allows individuals or businesses to repeatedly borrow, repay, and redraw funds without reapplying. Interest is only charged on the utilized amount, and the available credit replenishes as the balance is paid down.
- The endorsement is attached to a Loan Policy.
- The endorsement is issued at the request of the lender.
- Review the deed of trust and note to confirm that they are for a revolving line of credit only and do not include advances for any construction funds.
- This endorsement may specifically NOT be issued on any construction loan policy, that is, any policy with the P-8 exceptions.

CORRESPONDING PROCEDURAL RULE: P-9.b(8)

Upon request, a Company may issue the Revolving Credit Endorsement (Form T-35) when:

a. a Loan Policy insures the validity and priority of a lien created by a mortgage or deed of trust securing a revolving credit promissory note or similar indebtedness where:
    i. a line of credit of a specific amount is extended to a borrower for the term of indebtedness,
    ii. the amount of indebtedness outstanding at any time may fluctuate up or down from time to time over the term of the indebtedness due to future disbursements or future repayments of loan proceeds (which disbursements and repayments are contemplated by the parties at the time the indebtedness is created), and
    iii. repayments by the borrower neither reduce nor increase the original line of credit extended nor affect the borrower's liability to repay the principal sum of all outstanding disbursements plus all accrued interest thereon;

b. the mortgage or deed of trust creating the lien to be insured discloses to the satisfaction of the Company that the indebtedness secured is a revolving type of indebtedness as set forth above; and

c. the Loan Policy does not include the cost of immediately contemplated improvements or contain exceptions required under Procedural Rule P-8.

CORRESPONDING RATE RULE: R-11.F

The premium for the Revolving Credit Endorsement (Form T-35) is $50.00.

COMPLETING THE FORM:

- Insert the policy number, GF number, date of issuance, and name of title insurance company.

Table of Contents - Alphabetical
Table of Contents - Numerical

Table of Contents - Alphabetical
Table of Contents - Numerical

REVOLVING CREDIT ENDORSEMENT (T-35)

Issued by
_____TITLE INSURANCE COMPANY

File No. _____

Attached to and made a part of _____ Title Insurance Company Loan Policy Number _____ dated the _____ day of _____, 20 _____.

1. The insurance for Advances added by Section 2 of this endorsement is subject to the exclusions in Section 3 of this endorsement and the Exclusions from Coverage in the Policy, except Exclusion 3(d), the provisions of the Conditions, and the exceptions contained in Schedule B.

a. "Agreement," as used in this endorsement, shall mean the note or loan agreement secured by the Insured Mortgage or the Insured Mortgage.

b. "Advances," as used in this endorsement, shall mean only those advances of principal indebtedness made after the Date of Policy as provided in the Agreement, including expenses of foreclosure, amounts advanced pursuant to the Insured Mortgage to pay taxes and insurance, assure compliance with laws or to protect the lien of the Insured Mortgage before the time of acquisition of the Title and reasonable amounts expended to prevent deterioration of improvements, together with interest on those advances.

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

a. The invalidity or unenforceability of the lien of the Insured Mortgage as security for each Advance.

b. The lack of priority of the lien of the Insured Mortgage as security for each Advance over any lien or encumbrance on the Title.

c. The invalidity or unenforceability or loss of priority of the lien of the Insured Mortgage as security for the Indebtedness and Advances resulting from (i) re-Advances and repayments of Indebtedness, (ii) lack of outstanding Indebtedness before an Advance, or (iii) the failure of the Insured Mortgage to comply with the requirements of state law of the state in which the Land is located to secure Advances.

3. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:

a. Advances made after a Petition for Relief under the Bankruptcy Code (11 U.S.C.) has been filed by or on behalf of the mortgagor.

b. The loss of priority of the lien of the Insured Mortgage, as security for Advances, to the lien of real estate taxes or assessments on the Title imposed by governmental authority arising after Date of Policy.

c. The loss of priority of the lien of the Insured Mortgage as security for any Advance, to a federal tax lien, which Advance is made after the earlier of (i) actual knowledge of the Insured that a federal tax lien was filed against the mortgagor, or (ii) the expiration of more than forty-five days after notice of a federal tax lien filed against the mortgagor.

d. The loss of priority of the lien of the Insured Mortgage as security for Advances to any federal or state environmental protection lien.

e. Usury, or any consumer credit protection or truth-in-lending law.

4. The Amount of Insurance shall include Advances.

This endorsement is issued as 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.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY
By: _____
Authorized Signatory

SEVERABLE IMPROVEMENTS ENDORSEMENT (FORM T-54)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- **Underwriting approval is required to issue this endorsement.**
- The purpose of the Severable Improvements Endorsement is to insure "severable improvements", defined as property affixed to land on or after the policy date that do not constitute real property because of their character and manner of attachment to the land and because they can be severed from the land without causing material damage.
- The endorsement is available upon request for both owner and loan policies.
- Make deletions and add exceptions to the endorsement as appropriate based on acceptable risk.

CORRESPONDING PROCEDURAL RULE: P-72

A. A Company may issue the Severables Improvements Endorsement (Form T-54), Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55), Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1), Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3), Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4), or Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5) if:

1. The Land is not Residential Real Property;
2. Severable Improvements Endorsement (T-54) may be issued to a Loan Policy (Form T-2) or Owner's Policy (Form T-1) on land which contains improvements and the area and boundary amendment is made pursuant to Procedural Rule P-2.
3. An Energy Project Endorsement (Form T-55, T-55.1, T-55.2, T-55.3, T-55.4, or T-55.5) may be issued if:
   a. Severable Improvements that would constitute an Electricity Facility are affixed to the Land, or to be affixed to the Land in locations according to the Plans, as those terms are used in the corresponding Energy Project Endorsement;
   b. The estate or interest in the Land that is insured:
      i. by the Owner's Policy (Form T-1) includes:
         (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Owner's Policy Endorsement (Form T-55),
         (b) a leasehold estate in the case of an Energy Project – Leasehold Owner's Policy Endorsement (Form T-55.2), or
         (c) a fee simple estate in the case of an Energy Project – Fee Estate Owner's Policy Endorsement (Form T-55.4);
      ii. by the Loan Policy (Form T-2) includes:
         (a) both a leasehold estate and an easement estate in the case of an Energy Project – Leasehold/Easement Loan Policy Endorsement (Form T-55.1);
         (b) a leasehold estate in the case of an Energy Project – Leasehold Loan Policy Endorsement (Form T-55.3); or

(c) a fee simple estate in the case of an Energy Project – Fee Estate Loan Policy Endorsement (Form T-55.5); and

4. The Company's underwriting requirements are met.

B. When an Energy Project Endorsement or Severable Improvements Endorsement is issued, the Amount of the policy must include the value of the Severable Improvements.

C. In a transaction where an Electricity Facility is completed and existing, the company may delete from an endorsement the definition of Plans and the references thereto.

D. The Company may add any exception to an Energy Project Endorsement or Severable Improvements Endorsement that it considers, in its sole discretion, to be appropriate. The Company shall delete any insuring provision in whole or in part if it does not consider that risk acceptable.

E. Any matter covered by an Energy Project Endorsement or a Severable Improvements Endorsement may be insured only by use of that endorsement.

CORRESPONDING RATE RULE: R-37.A

A. The premium for the Severable Improvements Endorsement (Form T-54) is 5% of the Basic Premium Rate.

COMPLETING THE FORM:

- Insert the policy number of the Loan Policy to which the endorsement is being added

Table of Contents - Alphabetical
Table of Contents - Numerical

Form T-54, Severable Improvements Endorsement
ENDORSEMENT

Attached to Policy No. _____

Issued by

COMPANY

1. As used in this endorsement, "Severable Improvement" means property affixed to the Land on or after Date of Policy that by law does not constitute real property because:
   a. of its character and manner of attachment to the Land; and
   b. it can be severed from the Land without causing material damage to it or to the Land.
2. In the event of a loss by reason of a defect, lien, encumbrance, or other matter covered by this Policy ("Defect"), the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other endorsement to the Policy):
   a. the diminution in value of the Insured's interest in any Severable Improvement resulting from the Defect, reduced by the salvage value of the Severable Improvement; and
   b. the reasonable cost actually incurred by the Insured in connection with the removal or relocation of the Severable Improvement resulting from the Defect and the cost of transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the relocation.
3. This endorsement relates solely to the calculation of the Insured's loss resulting from a claim based on a defect, lien, encumbrance or other matter otherwise insured against by the Policy. This Policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees or expenses) relating to:
   a. the attachment, perfection or priority of any security interest in the Severable Improvement;
   b. the vesting or ownership of title to or rights in any Severable Improvement;
   c. any defect in or lien or encumbrance on the title to any Severable Improvement; or
   d. the determination of whether any specific property is real or personal in nature.

This endorsement is issued as 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.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

By: _____
Authorized Signatory

TAX DELETION (TAX AMENDMENT) ENDORSEMENT – ROLLBACK TAXES (FORM T-30)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The T-30 Endorsement insures a lender against rollback taxes assessed in the future due to a change in use or ownership of the subject property.
- The rollback taxes capture that portion of the value of the property that was not taxed for prior years due to the agricultural appraisal of the property.
- The T-30 can be issued only in connection with a Loan Policy or Loan Title Policy Binder (Interim Binder).
- Confirm that either:
  - the property is not currently subject to an agricultural use or open space valuation; or
  - (i) the rollback taxes have been assessed by all the taxing authorities; (ii) the rollback taxes are collected at closing by the Company; and (iii) the Company will pay the roll back taxes at closing.

CORRESPONDING PROCEDURAL RULE: P-20.B

1. In connection with the issuance or amendment (after issuance) of any Loan Policy or of any Loan Title Policy Binder on Interim Construction Loan (Interim Binder), and upon payment of the premium required under Rate Rule R-19, the words: "and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership", as contained in the standard tax exception may be deleted by:
   (a) Deletion of such words upon the policy or binder form, either by checking the appropriate box on a Form T-2 or T-2R or by lining through the words or by producing an electronic form with the words; or
   (b) By attachment to the policy or binder of endorsement form T-30.
   The deletion of the above phrase from the standard tax exception is hereafter referred to as "insure or insuring against rollback taxes".

2. A Company may not insure against rollback taxes unless:
   a. The Company has satisfactory evidence in its file that the assessed taxes for the current year are not based on an agriculture or open-space valuation; or
   b. (i) The rollback taxes have been assessed by all of the taxing authorities;
   (ii) The rollback taxes are collected at closing by the Company, and
   (iii) The Company will pay the roll back taxes in the ordinary course of business.

CORRESPONDING RATE RULE: R-19

Applicable as provided in Rule P-20. A Mortgagee Policy or Mortgagee Title Policy Binder on Interim Construction Loan (Interim Binder) may be amended in accordance with Rule P-20 upon the payment of an additional premium of $20.00. This rate rule shall be applicable to any Interim Binder currently effective but shall be applicable only to Mortgagee Policies issued from and after July 24, 1980. A separate charge of $20.00 shall be made for any such amendment to or endorsement of a Mortgagee Policy issued subsequent to the issuance of an Interim Binder and no credit shall be given for any such amendment or endorsement to any prior Interim Binder.

COMPLETING THE FORM:

- Insert the policy number of the Loan Policy to which the endorsement is being added and the name of the insuring company.
- Either:
  - attach a completed Form T-30; or
  - delete or line through the following phrase in the Form T-2 or T-2R: “and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership”

Table of Contents - Alphabetical
Table of Contents - Numerical

FORM T-30: TAX DELETION ENDORSEMENT

Attached to and made a part of _____Title Insurance Company Mortgagee Policy or Interim Construction Binder Number _____.

The words "and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership" as set forth in Item 3., in Schedule B of the Mortgagee Policy or in Item 3, Schedule B- Part 1 of the Interim Construction Binder (whichever is applicable) to which this endorsement is attached are hereby deleted.

Nothing hereby contained shall be construed as extending or changing the effective date of the Mortgagee Policy or Interim Construction Binder (whichever is applicable) to which this endorsement is attached.

IN WITNESS WHEREOF, the _____ Title Insurance Company has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

Attest: _____
TITLE INSURANCE COMPANY

_____ By: _____

Secretary President

(SEAL)

Countersigned at _____, Texas

_____
(Use Optional)

Authorized Countersignature
(Location Discretionary)

TAXES NOT YET DUE AND PAYABLE

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- This additional language assures a lender that property taxes for a particular calendar year are not yet due and payable. This is sometimes abbreviated as "NYDP".
- Taxes are due and payable once a property owner or the owner's agent receives a bill for taxes on the subject property from any taxing unit.
- The additional protection can be issued in connection with a Loan Policy or interim binder
- This endorsement may be issued for current year's property taxes or the next year's taxes, if the current year's taxes are already due and payable. Prior to November 1, 2024, this endorsement could only be issued for the tax year in which the policy was issued.
- The endorsement may only be issued for taxing units that have not yet sent out tax bills for the year insured.

CORRESPONDING PROCEDURAL RULE: P-20.C

On a Loan Policy (Form T-2) or Loan Title Policy Binder on Interim Construction Loan (Interim Binder) (Form T-13), a Company may:

1. If satisfied that all taxes, standby fees and assessments by any taxing unit for the year inserted in the standard tax exception are not yet due and payable, add the following to the form by checking the applicable box or inserting: "Company insures that standby fees, taxes and assessments by any taxing authority are not yet due and payable for the year _____."
2. If satisfied that some, but not all taxes, standby fees, and assessments for the year inserted in the standard tax exception are not yet due and payable, add the following to the form: "Company insures that standby fees, taxes and assessments by only [insert name of applicable taxing unit or units] are not yet due and payable for the year _____."

CORRESPONDING RATE RULE: R-24

A premium of $5.00 shall be charged for addition of the language "Company insures that standby fees, taxes and assessments by any taxing authority for the year _____ are not yet due and payable."

COMPLETING THE FORM:

- On the T-2 form, Item 3 of Schedule B, or, on the T-13 form, Item 5 of Schedule B Part 1, add the following: "Company insures that standby fees, taxes and assessments by any taxing authority are not yet due and payable for the year _____."
- If taxes are due for some taxing units but not yet due and payable to *all* of the applicable taxing units, add the following: "Company insures that standby fees, taxes and assessments by only [insert name of applicable taxing unit or units] are not yet due and payable for the year _____."

Form T-2, Schedule B

***

3. Standby fees, taxes and assessments by any taxing authority for the year ___, 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.

☐ Item 3 of Schedule B is hereby amended to delete: "and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership,"

☐ Item 3 of Schedule B is hereby amended to add the following: "Company insures that standby fees, taxes and assessments by any taxing authority are not yet due and payable for the year ____."

☐ Item 3 of Schedule B is hereby amended to add the following: "Company insures that standby fees, taxes and assessments by only [insert name of applicable taxing unit or units] are not yet due and payable for the year _____."

4. Liens and leases that affect the Title, but that are subordinate to the lien of the Insured Mortgage.

5. (Insert here all other specific exceptions as to superior liens, easements, outstanding mineral and royalty interests, etc.)

[The Company may substitute lines for boxes or delete the boxes and incorporate any applicable change to the exception above in the exception.]

Authorized Countersignature
(Location Discretionary)

TEXAS RESIDENTIAL LIMITED COVERAGE JUNIOR MORTGAGEE POLICY DOWN DATE ENDORSEMENT (FORM T-45)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Texas Residential Limited Coverage Junior Mortgagee Policy Down Date Endorsement modifies the coverage provided by the Limited Coverage Junior Mortgagee Policy (Form T-44) on home equity loans of $100,000 or less where the secured property consists of five acres or less, is platted, and includes 1-to-4-family residential improvements. Other than as noted in the Exceptions, Exclusions, and Conditions and Stipulations in the policy, the lender is assured (1) the grantee in the policy is the last-named grantee in the deed records; (2) no other home equity loan was recorded on the property in the preceding twelve months; and (3) no other monetary liens have been recorded on the property since title was vested in the grantee.
- One or more T-45 endorsements may be issued within the first year after the T-44 Policy is issued, but not thereafter.
- Down date title on the secured property. For any document filed after the date of the T-44 or any prior down date endorsement:
  - If the document purports to vest title in someone other than the grantee, list it under paragraph A(1) of the endorsement form.
  - If the document is a home equity lien, list it under paragraph A(2).
  - If the document is a monetary lien other than the insured home equity lien listed under paragraph A(2), list it under paragraph A(3).
- Do not issue a commitment or pro forma endorsement in connection with the T-45 endorsement.
- Confirm property taxes are paid by obtaining a current tax certificate.
- Use the T-3 endorsement to make changes such as:
  - Deleting paragraph B from the T-45 per P-46C(1).
  - Amending Insuring Paragraph 4 of the T-44 policy to state, “Any other Monetary Lien affecting the title, recorded in the public records.”
  - Adding an exception for taxes due and payable as of the date of the policy (use current tax certificate to confirm.)

CORRESPONDING PROCEDURAL RULE: P-46C and P-46E

C. Texas Residential Limited Coverage Junior Mortgagee Policy Down Date Endorsement (T-45)

1. A Company may issue one or more Texas Residential Limited Coverage Junior Mortgagee Policy Down Date Endorsements (T-45) within one year after issuance by that Company of the Texas Residential Limited Coverage Junior Mortgagee Policy (T-44). A Company may not issue a Texas Residential Limited Coverage Junior Mortgagee Policy Down Date Endorsement (T-45) more than one year after issuance of the T-44.

2. A company may delete Paragraph B from the Texas Residential Limited Coverage Junior Mortgagee Policy Down Date Endorsement (T-45) if that paragraph is not applicable at the time of the issuance of the Endorsement.

3. If the amount of the extension of credit secured by the insured's mortgage exceeds the amount of insurance previously stated in the Texas Residential Limited Coverage Junior Mortgagee Policy (T-44), the amount of insurance shall be increased by noting that change as a Paragraph D in the T-45, subject to payment of the applicable premium as provided in Rule R-27. The Paragraph D shall read as follows: "D. The amount of insurance of the Policy is hereby amended to be $_____."

E. Procedures Applicable to Texas Residential Limited Coverage Junior Mortgagee Policy (T-44) and Texas Residential Limited Coverage Junior Mortgagee Policy Down Date Endorsement (T-45) and Texas Residential Limited Coverage Junior Mortgagee Policy Home Equity Line of Credit/Variable Rate Endorsement (T-46) and Texas Residential Limited Coverage Junior Mortgagee Policy Additional Coverage Endorsement

1. A Company may not issue a Commitment for Title Insurance prior to or in connection with the issuance of the Texas Residential Limited Coverage Junior Mortgagee Policy (T-44) or Texas Residential Limited Coverage Junior Mortgagee Policy Down Date Endorsement (T-45) or Texas Residential Limited Coverage Junior Mortgagee Policy Home Equity Line of Credit/Variable Rate Endorsement (T-46) or Texas Residential Limited Coverage Junior Mortgagee Policy Additional Coverage Endorsement.

2. No pro forma or specimen T-44 Combined Schedule or T-45 or T-46 or Texas Residential Limited Coverage Junior Mortgagee Policy Additional Coverage Endorsement may be issued.

3. A T-3 Correction Endorsement may be issued to delete errors or erroneous exceptions contained in Paragraph 2 of the Texas Residential Limited Coverage Junior Mortgagee Policy (T-44) Combined Schedule or Paragraph A of the Texas Residential Limited Coverage Junior Mortgagee Policy Down Date Endorsement (T-45).

   The requirements of Section 2, Paragraph IV, of the Basic Manual, entitled "Correction of Policy or Binder" shall apply to a Correction Endorsement for a Texas Residential Limited Coverage Junior Mortgagee Policy (T-44) Combined Schedule or Texas Residential Limited Coverage Junior Mortgagee Policy Down Date Endorsement (T-45) or Texas Residential Limited Coverage Junior Mortgagee Policy Home Equity Line of Credit/Variable Rate Endorsement (T-46) or Texas Residential Limited Coverage Junior Mortgagee Policy Additional Coverage Endorsement.

4. The Company may not provide Express Insurance (pursuant to P-39), or coverage or endorsements applicable to a Mortgagee Title Policy of Title Insurance (T-2) or Interim binder (T-13).

5. The agent portion of the premium for the T-44 or T-45 or T-46 or Texas Residential Limited Coverage Junior Mortgagee Policy Additional Coverage Endorsement shall be retained by and paid to only the title insurance agent in the county where the land described in the policy or Endorsements is located if such title insurance agent

performs either the: (i) title search; (ii) title examination; or (iii) issuance of the policy or Endorsements.

CORRESPONDING RATE RULE: R-27C

When a T-44 has been issued and a T-45 is issued in accordance with Rule P-46.C, the premium for such endorsement shall be $50.00.

COMPLETING THE FORM:

- Fill in the T-44's policy number and the insuring company.
- Fill in the endorsement date, which is the date through which the title search is certified.
- In paragraph A, list all instruments found in the down dated title search.
- In paragraph B, identify the insured mortgage or, if not applicable, delete the paragraph.
- If the lender requests, the endorsement may be issued after the funding but before the recording of the insured's home equity lien. If that is the case, show the lien in paragraph B and add the following language in paragraph B after the description of the insured lien: "Date of endorsement is the later of the date shown above or the date of recording of the Insured's mortgage lien."
- If the amount of the extension of credit secured by the insured mortgage exceeds the amount of insurance stated in the policy, collect the additional premium, and add the following to the endorsement as paragraph D: "The amount of insurance of the Policy is hereby amended to be $_____."

Table of Contents - Alphabetical
Table of Contents - Numerical

Texas Residential Limited Coverage Junior Loan
Policy Down Date Endorsement (Form T-45)

Attached to and made a part of Blank Title Insurance Company
Texas Residential Limited Coverage Junior Loan Policy No. _____ (herein the "Policy")

Issued By
BLANK TITLE INSURANCE COMPANY

Date of Endorsement: _____

A. The Company hereby insures against loss or damage sustained by the Insured resulting from:
(1) Any document recorded in the public records subsequent to Date of Policy and on or prior to Date of Endorsement which purports to vest the title to the fee estate in the land, except: [Insert Item description(s) and recording information or delete immediately preceding word, "except."]
(2) Any Home Equity Mortgage recorded in the public records subsequent to Date of Policy and on or prior to Date of Endorsement, except: [Insert Item description(s) and recording information or delete immediately preceding word, "except".]
(3) Any Monetary Lien other than: (i) the Insured's Mortgage shown in paragraph B below, or (ii) any specific Home Equity Mortgage described in item A(2) above, recorded in the public records subsequent to Date of Policy and on or prior to Date of Endorsement which affects the title, except: [Insert Item description(s) and recording information or delete immediately preceding word, "except."]

B. The Insured's Mortgage referred to in the policy is described as follows:

C. This Endorsement does not insure:

(1) That the Grantee owns the land nor that the Insured's Mortgage creates a lien on the land, nor the validity, enforceability, or priority of the lien of the Insured's Mortgage; or
(2) Against loss or damage resulting from (i) usury, (ii) any consumer credit protection law (including, but not limited to Subsections (a)(6), (g), and (t) of Section 50, Article XVI, Texas Constitution and any statutory or regulatory requirements pursuant thereto) or truth in lending law, or (iii) bankruptcy or insolvency proceedings of the Borrower; or
(3) Against standby fees, taxes and assessments by any taxing authority.

This Endorsement, when countersigned below by an Authorized Countersignature, is made a part of the policy. This Endorsement is subject to the Exceptions in the policy and Items set forth as exceptions in any prior Endorsements. Except as expressly modified by the provisions hereof, this Endorsement is also subject to the following policy matters: (i) Insuring Provisions; (ii) Exclusions From Coverage; and (iii) the Conditions and Stipulations. Except as stated herein, this Endorsement does not: (i) extend the effective date of the policy and/or any prior Endorsements; (ii) increase the face amount of the policy; or (iii) modify any of the provisions of the Combined Schedule of the policy.

[The Company may add the following if it considers the risk insurable and if the Insured's Mortgage is described in Paragraph B of this Endorsement: "Date of Endorsement is the date shown above or the date of recording of the Insured's Mortgage, whichever is later."]

[Witness Clause]

BLANK TITLE INSURANCE COMPANY

BY: _____
AUTHORIZED SIGNATORY

Version Date 6/2018

TEXAS RESIDENTIAL LIMITED COVERAGE JUNIOR MORTGAGEE POLICY VARIABLE RATE ENDORSEMENT (FORM T-46)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Texas Residential Limited Coverage Junior Loan Policy Home Equity Line of Credit/Variable Rate Endorsement modifies the coverage provided by the Limited Coverage Junior Mortgagee Policy (Form T-44) on home equity loans of $100,000 or less. The endorsement provides that the insured home equity lien will not be invalid or unenforceable, and that the adjustable interest rate provisions will not impair the priority of the lien.
- The secured property must be platted land that consists of five acres or less and includes 1-to-4-family residential improvements.
- Only one T-46 endorsement may be issued within the first year after the T-44 Policy is issued, and none thereafter.
- Review the loan documents to confirm that they provide variable (adjustable) rate interest.
- Do not issue a title commitment or pro forma endorsement in connection with the endorsement.

CORRESPONDING PROCEDURAL RULE: P-46D and P-46E

D. Texas Residential Limited Coverage Junior Mortgagee Policy Home Equity Line of Credit/Variable Rate Endorsement (T-46)

(1) A Company may issue one Texas Residential Limited Coverage Junior Mortgagee Policy Home Equity Line of Credit/Variable Rate Endorsement (T-46) within one year after issuance by that Company of the Texas Residential Limited Coverage Junior Mortgagee Policy (T-44). A Company may not issue a T-46 more than one year after issuance of the T-44.

(2) The T-46 shall not be issued unless the insured's mortgage described on the Texas Residential Limited Coverage Junior Mortgagee Policy Down Date Endorsement (T-45) secures a variable rate loan or home equity line of credit. For purposes of this rule, a variable rate loan is a loan made pursuant to Subsection (a)(6), of Section 50, Article XVI, Texas Constitution which permits adjustments of the interest rate, with such adjustments being implemented through changes in the payment amount and/or as otherwise allowed by applicable law. For purposes of this rule, a home equity line of credit is an open-end account made pursuant to Subsections (a)(6) and (t), of Section 50, Article XVI, Texas Constitution.

E. Procedures Applicable to Texas Residential Limited Coverage Junior Mortgagee Policy (T-44) and Texas Residential Limited Coverage Junior Mortgagee Policy Down Date Endorsement (T-45) and Texas Residential Limited Coverage Junior Mortgagee Policy Home Equity Line of Credit/Variable Rate Endorsement (T-46) and Texas Residential Limited Coverage Junior Mortgagee Policy Additional Coverage Endorsement

(1) A Company may not issue a Commitment for Title Insurance prior to or in connection with the issuance of the Texas Residential Limited Coverage Junior Mortgagee Policy (T-44) or Texas Residential Limited Coverage Junior Mortgagee Policy Down Date Endorsement (T-45) or Texas Residential Limited Coverage Junior Mortgagee Policy

Home Equity Line of Credit/Variable Rate Endorsement (T-46) or Texas Residential Limited Coverage Junior Mortgagee Policy Additional Coverage Endorsement.

(2) No pro forma or specimen T-44 Combined Schedule or T-45 or T-46 or Texas Residential Limited Coverage Junior Mortgagee Policy Additional Coverage Endorsement may be issued.

(3) A T-3 Correction Endorsement may be issued to delete errors or erroneous exceptions contained in Paragraph 2 of the Texas Residential Limited Coverage Junior Mortgagee Policy (T-44) Combined Schedule or Paragraph A of the Texas Residential Limited Coverage Junior Mortgagee Policy Down Date Endorsement (T-45). The requirements of Section 2, Paragraph IV, of the Basic Manual, entitled "Correction of Policy or Binder" shall apply to a Correction Endorsement for a Texas Residential Limited Coverage Junior Mortgagee Policy (T-44) Combined Schedule or Texas Residential Limited Coverage Junior Mortgagee Policy Down Date Endorsement (T-45) or Texas Residential Limited Coverage Junior Mortgagee Policy Home Equity Line of Credit/Variable Rate Endorsement (T-46) or Texas Residential Limited Coverage Junior Mortgagee Policy Additional Coverage Endorsement.

(4) The Company may not provide Express Insurance (pursuant to P-39), or coverage or endorsements applicable to a Mortgagee Title Policy of Title Insurance (T-2) or Interim binder (T-13).

(5) The agent portion of the premium for the T-44 or T-45 or T-46 or Texas Residential Limited Coverage Junior Mortgagee Policy Additional Coverage Endorsement shall be retained by and paid to only the title insurance agent in the county where the land described in the policy or Endorsements is located if such title insurance agent performs either the: (i) title search; (ii) title examination; or (iii) issuance of the policy or Endorsements.

CORRESPONDING RATE RULE: R-27D

When a Texas Residential Limited Coverage Junior Mortgagee Policy (Form T-44) has been issued and a Texas Residential Limited Coverage Junior Mortgagee Policy Home Equity Line of Credit/Variable Rate Endorsement (Form T-46) is issued in accordance with Rule P-46.D, the premium for such endorsement shall be $25.00.

COMPLETING THE FORM:

- Insert the policy number to which the endorsement is attached.
- Fill in the number and the date of the T-44 policy to which the endorsement will be attached.

Table of Contents - Alphabetical
Table of Contents - Numerical

TEXAS RESIDENTIAL LIMITED COVERAGE JUNIOR LOAN POLICY
HOME EQUITY LINE OF CREDIT/VARIABLE RATE ENDORSEMENT T-46

Attached to and made a part of Blank Title Insurance Company
Texas Residential Limited Coverage Junior Loan Policy No._____ (herein the "Policy")

Issued By
BLANK TITLE INSURANCE COMPANY

Date of Endorsement: _____

A. Subject to the provisions of paragraph B below and provided that the Insured's Mortgage creates a lien on the land, and the Texas Residential Limited Coverage Junior Loan Policy Down Date Endorsement (Form T-45) has been issued and describes the Insured's Mortgage in Paragraph B thereof, and with respect to subparagraph A.(3) below the Insured's Mortgage states that it secures a home equity line of credit, the Company hereby insures against loss or damage which the Insured shall sustain by reason of:
   (1) The invalidity or unenforceability of the lien of the Insured's Mortgage resulting from the provisions of the Insured's Mortgage which provide for changes in the rate of interest.
   (2) Loss of priority of the lien of the Insured's Mortgage resulting from changes in the rate of interest calculated in accordance with the formula provided in the Insured's Mortgage at the date it is recorded in the public records.
   (3) The failure of the lien for the home equity line of credit described in the Insured's mortgage to have the same priority over liens, encumbrances, and other matters disclosed by the public records as advances secured by the Insured's mortgage at the date of its recording, except as to (i) bankruptcies affecting the estate or interest described on the Combined Schedule prior to the date of any advance or disbursement; and (ii) taxes, costs, charges, damages and other obligations to the government secured by statutory liens arising or recorded subsequent to Date of Policy stated in the Combined Schedule.

B. This Endorsement does not insure:
   (1) That the Grantee owns the land nor that the Insured's Mortgage creates a lien on the land, nor the validity, enforceability, or priority of the lien of the Insured's Mortgage, except to the extent expressly stated; or
   (2) Against loss or damage resulting from (i), usury, (ii) any consumer credit protection law (including, but not limited to Subsections (a)(6), (g), and (t) of Section 50, Article XVI, Texas Constitution, and any statutory or regulatory requirements pursuant thereto) or truth in lending law, or (iii) bankruptcy or insolvency proceedings of the Borrower; or
   (3) Against standby fees, taxes and assessments by any taxing authority.

This Endorsement, when countersigned below by an Authorized Countersignature, is made a part of the policy. This Endorsement is subject to the Exceptions in the policy and Items set forth as exceptions in any prior Endorsements. Except as expressly modified by the provisions hereof, this Endorsement is also subject to the following Policy matters: (i) Insuring Provisions; (ii) Exclusions from Coverage; and (iii) the Conditions and Stipulations. Except as stated herein, this Endorsement does not: (i) extend the effective date of the policy and/or any prior Endorsements; (ii) increase the

face amount of the policy; or (iii) modify any of the provisions of the Combined Schedule of the policy.

[Witness Clause]

BLANK TITLE INSURANCE COMPANY

BY: _____
AUTHORIZED SIGNATORY

Version Date 1/3/2014

USA – ACQUISITION OF TITLE ENDORSEMENT (FORM T-12)
ALSO SEE T-6, T-9, AND T-11

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The purpose of the T-12 endorsement is to show title vested in the United States, extend the effective date of the policy, show the actual legal description of the subject property, and update the policy by removing or adding exceptions.
- The endorsement is available after the acquisition of land by the USA to endorse a previously issued T-11 Policy of Title Insurance (USA).
- Do a down date of title through the date of recording of the document(s) creating the interest acquired by the USA.

CORRESPONDING PROCEDURAL RULE:

None. The rules on issuing this endorsement are in the rate rule.

CORRESPONDING RATE RULE: R-17

R-17. Policy Forms for Use by United States Government

Certificate of Title (U.S.A.) (Form T-6), Certificate of Title for Easement (U.S.A.) (Form T-9), and Policy of Title Insurance (U.S.A.) (Form T-11) may be issued to the United States of America showing the condition of title to a tract of land prior to the acquisition of title to said land by the U.S.A. in an amount to be designated by the U.S.A. The premium for said policies shall be at the Basic Rate.

Upon acquisition of title by the U.S.A., a final Certificate of Title, or an Endorsement to the Owner's Policy, may be issued to the U.S.A., and the premium therefor shall be at the Basic Rate, and subject to the provisions of Procedural Rule P-66, less the premium which was paid for the Certificate of Title or Policy of Title Insurance, prior to the acquisition by the U.S.A.

Policy of Title Insurance (U.S.A.) (Form T-11) may be issued in favor of the United States Postal Service upon its acquisition of title to properties with the addition of the following paragraph 9 to the conditions and stipulations:

> "9. In the event that the interests of the United States Postal Service with respect to the land referred to in this policy are not represented by the Attorney General of the United States at the time any election, notice, request, permission, cooperation, assistance, or statement is required or permitted by these conditions and stipulations, then such election, notice, request, permission, cooperation, assistance or statement, as so required or permitted, and otherwise conforming hereto, shall be given or furnished by or to the United States Postal Service."

Such policy forms shall also have stricken therefrom in all places the name "United States of America" and have substituted in lieu thereof the name "United States Postal Service."

COMPLETING THE FORM:

- Insert the number of the prior T-11 policy.

- Add the estate being insured in paragraph 1(a) of the endorsement, *e.g.,* "fee simple" or "easement".
- Complete paragraph 1(b) with the vested owner as "United States of America" and the name and recording information of the vesting document.
- Complete paragraph 1(c) with the insured property's legal description.
- For paragraph 2(a), list the paragraph numbers of the exceptions in the original policy that are now being deleted.
- For paragraph 2(b), enumerate and list any new, additional exceptions to the policy.
- Insert the new extended policy date, which is the date the deed into the United States was recorded.
- If requested by the insured, Insert the new insured amount.

Table of Contents - Alphabetical
Table of Contents - Numerical

ENDORSEMENT (USA) (Form T-12)

Attached to Policy No.
Issued by
_____TITLE INSURANCE COMPANY

1. Schedule A of the above policy is hereby amended in the following particulars:
   (a) Paragraph 1 of Schedule A is hereby deleted and the following is substituted:
      1. The estate or interest in the land described or referred to in this schedule covered by this Policy is: (An easement for _____)
   (b) Paragraph 2 of Schedule A is hereby deleted and the following is substituted:
      2. Title to the estate or interest covered by this policy at the date hereof is vested in:
      THE UNITED STATES OF AMERICA
      (Follow with appropriate reference to Declaration of Taking or Deed.)
   (c) Paragraph 3 of Schedule A is hereby deleted and the following is substituted:
      3. The land referred to in this policy is situated in the County of _____, State of _____, and is described as follows:
      (Here give description of land actually acquired.)
2. Schedule B of the above policy is hereby amended in the following particulars:
   (a) Paragraphs numbered _____, _____, _____ and _____ of Schedule B are hereby deleted. (Enumerate those paragraphs eliminated by proper releases, conveyances, etc.)
   (b) Schedule B of the above policy is amended by adding the following paragraphs numbered _____ to _____ inclusive.
3. Subparagraph 2(d) of the General Exceptions of the above policy is hereby deleted.
4. The effective date of the above policy is hereby extended to _____. (Date of recording of Deed or Notice of Action, since no insurance is to be afforded as to regularity of proceedings.)

The total liability of the Company under said policy and this endorsement thereto shall not exceed in the aggregate, the sum of $_____ and costs which the Company is obligated under the Conditions and Stipulations thereof to pay.

This endorsement is made a part of said policy and is subject to the Schedules, General Exceptions and the Conditions and Stipulations therein, except as modified by the provisions hereof.

Dated:

_____TITLE INSURANCE COMPANY
By _____
(Authorized Officer)

VARIABLE RATE MORTGAGE – NEGATIVE AMORTIZATION ENDORSEMENT (FORM T-33.1)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Variable Rate Mortgage – Negative Amortization Endorsement is issued in connection with a Loan Policy where the insured loan has an adjustable interest rate, and the loan repayment schedule may result in the principal balance increasing over time. It insures against the loss of invalidity or unenforceability of the lien even though the loan has a variable rate and may result in a negative amortization.
- Confirm that the lender's instructions request this endorsement.
- Either a T-33 or a T-33.1 may be issued, but not both.
- Determine which rate rule applies: R-11.D or R-4. Do not charge the premium if the policy is issued for more than the amount of the loan (see Rate Rule R-4.)
- Confirm that the loan's interest rate may change during the repayment period.
- Confirm that the loan documents may result in an increase in principal over time.

CORRESPONDING PROCEDURAL RULE: P-9.b(6)
Variable Rate Mortgage Loan Instruments –

For purposes of this rule a "variable rate mortgage loan" shall be one that permits adjustments of the interest rate, with such adjustments being implemented through changes

- in the payment amount and/or
- in the outstanding principal loan balance or
- in the loan term.

When a Loan Policy is to be issued insuring the lien securing a variable rate mortgage loan note, the company may attach to the Loan Policy the Variable Rate Mortgage Endorsement (Form T-33) or the Variable Rate Mortgage-Negative Amortization Endorsement (Form T-33.1) upon payment of any premium prescribed by Rate Rule R-11.d.

CORRESPONDING RATE RULE: R-11.D (but see NOTE below)

D. Variable Rate Mortgage Endorsement (Form T-33) and Variable Rate Mortgage – Negative Amortization Endorsement (Form T-33.1):
    1. The premium for the Variable Rate Mortgage Endorsement (Form T-33) is $20.00.
    2. The premium for the Variable Rate Mortgage - Negative Amortization Endorsement (Form T-33.1) is:
        a. $20.00; or
        b. $0.00 if an additional premium charge is charged for the Loan Policy because of an increased policy amount.

NOTE: There is no premium charge if the Loan Policy is issued for more than the loan amount (see Rate Rule R-4).

COMPLETING THE FORM:

- Insert the number of the loan policy to which this endorsement is attached.

Table of Contents - Alphabetical
Table of Contents - Numerical

VARIABLE RATE MORTGAGE – NEGATIVE AMORTIZATION ENDORSEMENT (T-33.1)

Attached to Policy No. _____
Issued by
BLANK TITLE INSURANCE COMPANY
HEREIN CALLED THE COMPANY

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:
1. The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for: (a) interest on interest; (b) changes in the rate of interest; or (c) the addition of unpaid interest to the principal balance of the loan.
2. Loss of priority of the lien of the insured mortgage as security for the principal balance of the loan, including any unpaid interest which was added to principal in accordance with the provisions of the insured mortgage, interest on interest, or interest as changed in accordance with the provisions of the insured mortgage, which loss of priority is caused by (a) changes in the rate of interest; (b) interest on interest; or (c) increases in the unpaid principal balance of the loan resulting from the addition of unpaid interest.

"Changes in the rate of interest", as used in this endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the insured mortgage at Date of Policy.
This endorsement does not insure against loss or damage based upon (a) usury, or (b) any consumer credit protection or truth-in-lending law.

This endorsement is issued as 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.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

BY: _____

VARIABLE RATE MORTGAGE ENDORSEMENT – (FORM T-33)

UNDERWRITING GUIDELINES/INSTRUCTIONS:

- The Variable Rate Mortgage Endorsement is issued in connection with a Loan Policy where the insured loan has an adjustable interest rate. It insures against the loss of invalidity or unenforceability of the loan even though the loan has a variable interest rate.
- Either a T-33 or a T-33.1 may be issued, but not both.
- Confirm the lender's instructions request this endorsement.
- Confirm that the loan's interest rate may change during the repayment period.
- Do not charge the premium if the policy is issued for more than the amount of the loan (see Rate Rule R-4.)

CORRESPONDING PROCEDURAL RULE: P-9.b(6)

Variable Rate Mortgage Loan Instruments –

For purposes of this rule a "variable rate mortgage loan" shall be one that permits adjustments of the interest rate, with such adjustments being implemented through changes

- in the payment amount and/or
- in the outstanding principal loan balance or
- in the loan term.

When a Loan Policy is to be issued insuring the lien securing a variable rate mortgage loan note, the company may attach to the Loan Policy the Variable Rate Mortgage Endorsement (Form T-33) or the Variable Rate Mortgage-Negative Amortization Endorsement (Form T-33.1) upon payment of any premium prescribed by Rate Rule R-11.d.

CORRESPONDING RATE RULE: R-11.D (but see NOTE below)

D. Variable Rate Mortgage Endorsement (Form T-33) and Variable Rate Mortgage – Negative Amortization Endorsement (Form T-33.1):
    1. The premium for the Variable Rate Mortgage Endorsement (Form T-33) is $20.00.
    2. The premium for the Variable Rate Mortgage - Negative Amortization Endorsement (Form T-33.1) is:
        a. $20.00; or
        b. $0.00 if an additional premium charge is charged for the Loan Policy because of an increased policy amount.

NOTE: There is no premium charge if the Loan Policy is issued for more than the loan amount (see Rate Rule R-4).

COMPLETING THE FORM:

- Insert the policy number of the Loan Policy to which this endorsement is attached.

Table of Contents - Alphabetical
Table of Contents - Numerical

VARIABLE RATE MORTGAGE ENDORSEMENT (T-33)

Attached to Policy No. _____
Issued by
BLANK TITLE INSURANCE COMPANY
HEREIN CALLED THE COMPANY

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

(1) The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for changes in the rate of interest.

(2) Loss of priority of the lien of the insured mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the insured mortgage, which loss of priority is caused by the changes in the rate of interest.

"Changes in the rate of interest", as used in this endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the insured mortgage at Date of Policy.

This endorsement does not insure against loss or damage based upon (a) usury, or (b) any consumer credit protection or truth in lending law.

This endorsement is issued as 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.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

BY: _____

Table of Contents - Alphabetical
Table of Contents - Numerical

APPENDIX A

REQUIREMENTS OF AN ACCEPTABLE SURVEY

The Texas Board of Professional Land Surveying governs the licensing of surveyors. The minimum standards for professional land surveyors ("Minimum Standards of Practice") adopted by the Board are found in Title 22, Texas Administrative Code, Chapter 663, Standards of Responsibility & Rules of Conduct.

Prepared by a Texas registered professional land surveyor
Surveyor's signature and official seal affixed
Date of survey on the plat
Surveyor's certification*
Directional arrow
Monuments found or set a. "Points" are not monuments. Texas law prefers natural monuments such as rivers, trees and rocks, but also recognizes artificial monuments such as pins, marks in concrete, or
Pictorial drawing of the boundaries of the property, with distances and courses, to scale a. Definite and unambiguous representation of the location of the surveyed land according to its record description
Denote recorded instruments that define the location of adjoining boundaries
Description of the property a. Platted property i. Subdivision name, lot number, and block number or letter ii. Recording information of the subdivision plat b. Unplatted property i. Preamble with general information about the location of the property, such as the county, the survey or abstract number ii. Point of commencement iii. Point of beginning iv. Calls – distances and courses for all boundaries v. Boundaries must close
Must show discrepancies between title lines (a/k/a as deed lines) and occupation lines
Location of all easements, with recording data shown, the dimensions of each easement, and any encroachments into easements a. If easements are blanket in nature, or otherwise unplottable, then the surveyor should note the same on the survey.
Location of all setback lines, the width of the setback lines, and any encroachments into setback lines
Location and description of all improvements (including driveways, fences and detached buildings)
Measurements showing extent of encroachments and protrusions
The survey should contain a statement as to access, or lack of access, of the land to a dedicated or properly established right-of-way (public road) (often found in the certification)

*Surveyor's Certification

At a minimum, NITIC will require the certification to include the following:

1. Date the survey was made;
2. That the survey was prepared from an actual on-the-ground survey of the real property shown on the plat and described in the legal description;
3. That the survey was conducted by the surveyor or under his or her supervision;
4. That the survey is true and correct;
5. That there are no encroachments, conflicts, protrusions, or visible or apparent easements, except as shown on the plat; and
6. A statement concerning access.

A typical acceptable certification:

"The undersigned does hereby certify that this survey was this day made on the ground of the property legally described hereon and is correct and that there are no visible: discrepancies, deed line conflicts, encroachments, overlapping of improvements, visible easements or roadways, except as shown hereon and that said property has frontage on a public roadway, except as shown hereon."

An unacceptable certification:

"The undersigned does hereby certify that the foregoing Plat and Field Notes was prepared from an actual survey, made on the ground, on July 10, 2019, from the Deed Records of Smith County, Texas, and surveys of area properties, and that the corners and boundaries with marks natural and artificial are just as were found on the ground. Bearings are based on True North as determined by GPS Survey data."

Also unacceptable would be a statement in the certification that the survey was prepared without the benefit of a title examination/commitment.

Table of Contents - Alphabetical
Table of Contents - Numerical

APPENDIX B

T-28 ENDORSEMENT DELETION GUIDE

T-28 Endorsement Subsection	*Directive*
1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the jurisdiction in which the unit and its common elements are located.	Delete* if not willing to insure that the insured unit is a unit in a valid Condominium, as that term is defined by the Texas Property Code.
2. The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the title to the unit and its common elements.	Delete if the declaration does not appear to meet statutory requirements.
3. Present violations of any restrictive covenants which restrict the use of the unit and its common elements and which are contained in the condominium documents, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the public records and is not excepted in Schedule B. The restrictive covenants do not contain any provision that will cause a forfeiture or reversion of title.	Delete if the restrictions in the declaration include a reverter clause.
4. The priority of any lien for charges and assessments at Date of Policy provided for in the condominium statutes and condominium documents over the lien of any insured mortgage identified in Schedule A.	Delete if the declaration provides that a lien for unpaid assessments is not subordinate to the insured lien.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.	Delete if the unit, together with its common elements, does not have a unique property tax account.
6. Any obligation to remove any improvements which exist at Date of Policy because of any present encroachments or because of any future unintentional encroachment of the common elements upon any unit or of any unit upon the common elements or another unit.	Delete if you are aware of any dispute regarding an encroachment.
7. The failure of title because of a right of first refusal to purchase the unit and its common elements that was exercised or could have been exercised at Date of Policy.	Delete if unable to meet right of first refusal requirements for a sale transaction.

*Delete the subsection in the endorsement or add language to Schedule B stating, "Subsection ____ of the T-28 Condominium Endorsement is hereby deleted."

Table of Contents - Alphabetical
Table of Contents - Numerical

APPENDIX C

National Investors
National Investors Title Insurance Company

T-19, T-19.1 Chart --- Survey Matters

SURVEY MATTER	TAKE EXCEPTION?			ENDORSEMENT CAN BE ISSUED?		SPECIAL EXCEPTION TO ADD ON COMMITMENT AND POLICY(IES) UNLESS WAIVED BY UNDERWRITING
	OTP T-1	OTP T-1R	LP	T-19	T-19.1	
Easement						
Encroachment of curbs, pavement, parking spaces, driveways over or into utility, drainage or other recorded easements	No	Yes	No	Yes	Yes but delete #4.c.	_____ encroaches into the _____, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No. _____. (*Insuring provision #4.c. of the T-19.1 Endorsement will be deleted*.) (Owner's Title Policy only)
Building encroachment into utility or drainage easement by **LESS** than 30% of easement width	Yes	Yes	Yes	Yes	Yes but delete #4.c.	_____ encroaches into the _____, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No. _____. (*Insuring provision #4.c. of the T-19.1 Endorsement will be deleted*.)
Building encroachment into utility or drainage easement by **MORE** than 30% of easement width	Yes	Yes	Yes	Yes but delete #4.c.	Yes but delete #4.c.	_____ encroaches into the _____, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No._____. (*Insuring provision #4.c. of the T-19 Endorsement will be deleted*.) (*Insuring provision #4.c. of the T-19.1 Endorsement will be deleted*.)
Encroachment of an in-ground swimming pool into a utility or drainage easement	Yes	Yes	Yes	Yes but delete #4.c.	Yes but delete #4.c.	_____ encroaches into the _____, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No. _____. (*Insuring provision #4.c. of the T-19 Endorsement will be deleted*.) (*Insuring provision #4.c. of the T-19.1 Endorsement will be deleted*.)

SURVEY MATTER	TAKE EXCEPTION?			ENDORSEMENT CAN BE ISSUED?		SPECIAL EXCEPTION TO ADD ON COMMITMENT AND POLICY(IES) UNLESS WAIVED BY UNDERWRITING
	OTP T-1	OTP T-1R	LP	T-19	T-19.1	
Any encroachment of improvements into a pipeline easement	Yes	Yes	Yes	Yes but delete #4.c.	Yes but delete #4.c.	_____ encroaches into the _____, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No. _____. (*Insuring provision #4.c. of the T-19 Endorsement will be deleted*.) (*Insuring provision #4.c. of the T-19.1 Endorsement will be deleted*.)
Encroachment of portable or temporary structure (e.g., moveable shed or aboveground pool NOT on concrete or other permanent foundation)	Yes	Yes	No	Yes	Yes If survey coverage is purchased	_____ encroaches into the _____, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No. _____. (Owner's Title Policy only)
Encroachment of any improvement from adjacent property onto subject land	Yes	Yes	Yes	Yes	No-n/a P-39(b) may be available upon approval	_____ encroaches into the _____, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No. _____.
Building Setback Violations						
Encroachment of curbs, pavement, parking spaces, driveways over or into setback lines	No	No	No	Yes	Yes	
Residential: Building encroachment into SETBACK LINE per plat or restriction by **LESS** than 10% of the setback or building line width AND for a period of {**LESS** than 4 years}	n/a	Yes	Yes	Yes	Yes	_____ encroaches into the _____ foot setback line, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No. _____.

SURVEY MATTER	TAKE EXCEPTION?			ENDORSEMENT CAN BE ISSUED?		SPECIAL EXCEPTION TO ADD ON COMMITMENT AND POLICY(IES) UNLESS WAIVED BY UNDERWRITING
	OTP T-1	OTP T-1R	LP	T-19	T-19.1	
Residential: Building encroachment into SETBACK LINE per plat or restriction by **MORE** than 10% of the setback or building line width AND for a period of {**LESS** than 4 years}	n/a	Yes	Yes	Yes	Yes	_____ encroaches into the _____ foot setback line, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No._____.
Residential: Building encroachment into SET BACK LINE per plat or restriction by **ANY AMOUNT** AND for a period of {**MORE** than 4 years}	n/a	Yes	No	Yes	Yes	_____ encroaches into the _____ foot setback line, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No._____.
Not Residential (commercial; apartments; ranch; etc): Building encroachment into SETBACK LINE per plat or restriction by **LESS** than 10% of the setback or building line width AND for a period of {**MORE** than 2 years}	Yes	n/a	Yes	Yes	Yes	_____ encroaches into the _____ foot setback line, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No._____.
Not Residential (commercial, apartments, ranch, etc.): Building encroachment into SETBACK LINE per plat or restriction by any amount AND for a period of {**LESS** than 2 years}	Yes	n/a	Yes	Yes	Yes	_____ encroaches into the _____ foot setback line, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No. _____.
Not Residential (commercial; apartments; ranch; etc): Building encroachment by ANY AMOUNT into building or SETBACK LINE created pursuant to plat or restrictions for a period of {**MORE** than 4 years}	Yes	n/a	No	Yes	Yes	_____ encroaches into the _____ foot setback line, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No. _____. (Owner's Title Policy only)

SURVEY MATTER	TAKE EXCEPTION?			ENDORSEMENT CAN BE ISSUED?		SPECIAL EXCEPTION TO ADD ON COMMITMENT AND POLICY(IES) UNLESS WAIVED BY UNDERWRITING
	OTP T-1	OTP T-1R	LP	T-19	T-19.1	
Encroachment of portable or temporary structure into a building setback line (e.g., moveable shed or above ground pool NOT on concrete or other permanent foundation)	Yes	Yes	No	Yes	Yes If survey coverage is purchased	_____ encroaches into the _____ foot setback line, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No. _____. (Owner's Title Policy only)
Boundary Lines						
Moveable or temporary structure (e.g., sheds; aboveground pools, spas, etc.) encroaches from the insured tract onto adjacent property	Yes	Yes	Yes	Yes	Yes	_____ encroaches/protrudes into/onto the _____ _____, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No. _____.
Permanent improvement (e.g., building, garage, pool,) encroaches from insured tract onto adjacent property	Yes	Yes	Yes	Yes but with deletion of #4.b.	Yes but with deletion of #4.b.	_____ encroaches/protrudes into/onto the _____ _____, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No. _____. (*Insuring provision 4.b. of the T-19 Endorsement will be deleted*.) (*Insuring provision #4.b. of the T-19.1 Endorsement will be deleted*.)
Improvement encroaches from adjacent property onto the insured tract	Yes	Yes	Yes	Yes but see below **	Yes but see below **	_____ encroaches/protrudes into/onto the land, along the _____ property line, as evidenced by the survey dated _____, prepared by _____, RPLS No. _____, Job No. _____.
Fences						
Fence inset from a property line that abuts a public street or alley	No	No	No	Yes	Yes	
Fence inset from property line by less than one foot	Yes	Yes	No	Yes but see below **	Yes but see below **	Fence inset into land and off property line as evidenced by the survey dated _____ , prepared by_____ , RPLS No_____. (Owner's Title Policy only)

SURVEY MATTER	TAKE EXCEPTION?			ENDORSEMENT CAN BE ISSUED?		SPECIAL EXCEPTION TO ADD ON COMMITMENT AND POLICY(IES) UNLESS WAIVED BY UNDERWRITING
	OTP T-1	OTP T-1R	LP	T-19	T-19.1	
Fence is inset by more than one foot	Yes	Yes	Yes	Yes but see below **	Yes but see below **	Any claim, loss, action, cause of action or dispute involving the property lying between the fence and the _____ boundary line of the land, as evidenced by the survey dated _____ , prepared by_____ , RPLS No_____.
Fence located outside property line – owner of subject land is determined to be owner of fence. (T-19 requirement if fence off-line by more than one foot)	Yes	Yes	Yes	Yes but if by more than one foot, delete #4.b.	Yes but see below **	Any claim, loss, action, cause of action or dispute involving the fence being outside the boundary line of land, and the property lying between the fence and the _____ boundary line of the land, as evidenced by the survey dated _____ , prepared by_____ , RPLS No_____. (*Insuring provision #4.b. of the T-19 Endorsement will be deleted if fence off boundary line by more than one foot*.)

**The matter is not covered by the T-19 or T-19.1 Endorsement. The Endorsements may still be purchased, but it does not provide any insurance coverage as to the identified matter.

Table of Contents - Alphabetical
Table of Contents - Numerical

APPENDIX D

Residential VERSUS Non-Residential Property

Procedural Rule, P-1. Definitions:

(u) Residential Real Property -

1 For this definition, the word "Improvements" means improvements designed primarily for the occupancy of from one to four families and includes:
a. Improvements existing at Date of Policy; and
b. immediately contemplated Improvements when the cost of such Improvements is included in the Amount of Insurance.

2 Residential Real Property is any real property with Improvements which at Date of Policy consists of:
a. a lot or lots in a platted residential subdivision;
b. one or more individual residential condominium and cooperative units;
c. 10 acres or less; or
d. more than 10 acres, but not more than 200 acres, when the Insured in an Owner's Policy or the Borrower in a Loan Policy is a natural person or persons.

How to determine if a property is Residential Real Property

Responses to the following two questions will apply to the majority of your transactions.

- Is the property improved for 1-4 family occupancy and is a lot in a platted subdivision?
  If so, then the property is ***Residential***
- Is the property unimproved property with no construction contract?
  If so, then the property is ***Non-Residential***

INSTRUCTIONS: If the facts of your transaction do not fit one of the examples above, then apply the facts of your real estate transaction to the following questions:

1.	Are there existing improvements for 1-4 family occupancy?	
	a. ☐ Yes, go to question **3**	b. ☐ No, go to question **2**
2.	Is there a contract for construction of a 1-4 family dwelling?	
	a. ☐ Yes, go to question **3**	b. ☐ No, property is Non-Residential
3.	Is the property in a platted subdivision?	
	a. ☐ Yes, property is Residential	b. ☐ No, go to question 4
4.	Does the property contain 10 acres or less?	
	a. ☐ Yes, property is Residential	b. ☐ No, go to question 5.
5.	Does the property contain more than 10 acres, but less than 200 acres?	
	a. ☐ Yes, go to question **6**	b. ☐ No, property is Non-Residential
6.	Is the property owned by individuals?	
	a. ☐ Yes, property is Residential	b. ☐ No, property is Non-Residential

Effective 11-1-2024