

## ISSUING GUIDELINES

### ALTA Endorsement: 9.1-06 (Restrictions, Encroachments, Minerals – Unimproved Land)

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#### **Explanation:**

This endorsement to the Owner's policy insures against violations of restrictions, encroachments on the land from adjoining land, and damage by reason of mineral development. It is similar to other owner's comprehensive endorsements. It is issued on unimproved land.

#### **Underwriting Requirements:**

(1) Restrictions:

- (a) Review all restrictions. Verify whether the restrictions create easements, options to purchase or rights of first refusal to purchase, or right of reentry, possibility of reverter or right of forfeiture because of violations. If any of these provisions appear in the restrictions, separately and explicitly except to those provisions in Schedule B. For example, separately except to "easement for \_\_\_ set forth in..."
- (b) Review all restrictions. Verify whether the existing use materially violates the restrictions. If the use violates the restrictions, except to the violation in Schedule B.

(2) Encroachments:

Unless local underwriting guidelines by the Company provide otherwise, require a survey. Except in Schedule B to any encroachments over building lines, property lines, or easements.

(3) Minerals:

In order to provide the coverage of paragraph 2 because of development of minerals, comply with one of the following requirements:

- (a) verify that there are no outstanding minerals (other than royalties) or that surface rights have been waived;
- (b) (b) on single family residential property within a platted subdivision and within municipal boundaries, you may provide the coverage even if there are outstanding minerals unless you know that the subdivision has actual mineral development;
- (c) on land to be improved as an apartment complex and within municipal boundaries in a developed area, you may provide the coverage even if there are outstanding minerals unless you know that the immediate area has actual mineral development;

- (d) on land to be improved as an office building or shopping center and within municipal boundaries in a developed area, you may provide the coverage even if there are outstanding minerals unless you know that the immediate area has actual mineral development;
- (e) secure underwriter approval. Factors of relevance on other land include per cent of minerals outstanding, zoning prohibitions, waivers of surface rights, and development in the area.

If you cannot comply with these guidelines, delete paragraph 2.

(4) Notices of Violation of Environmental Covenants

If a notice of violation of an environmental covenant has been recorded, except to it in Schedule B.

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**Issuing guideline applies to the following Endorsement(s):**

ALTA 9.1-06 Restrictions, Encroachments, Minerals –  
Unimproved Land - 2006 ALTA Owner's Policy