

ISSUING GUIDELINES

ALTA Endorsement: 9.2-06 (Restrictions, Encroachments, and Minerals – Improved Land)

Explanation:

This endorsement to the Owner's policy insures against violations of restrictions, encroachments over easements, building lines and property lines, and damage by reason of mineral development. It is similar to other owner's comprehensive endorsements. It is issued on improved 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:

- (a) Unless local underwriting guidelines by the Company provide otherwise, require a survey reflecting the current improvements. Except in Schedule B to any encroachments over building lines, property lines, or easements.
- (b) If improvements encroach over more than one half of the width of an easement, delete paragraph 2(a) of the Endorsement, unless you secure underwriter approval.
- (c) If improvements, other than fences, landscaping or driveways, encroach over adjoining land or onto a road, delete paragraph 3, unless you secure underwriter approval.
- (d) If improvements encroach over setback lines by more than one foot, delete paragraph 4, unless you secure underwriter approval.

(3) Minerals:

In order to provide the coverage of paragraph 2(b) 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) on single family residences 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 apartment complexes 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 office buildings or shopping centers 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(b).

(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.

Issuing guideline applies to the following Endorsement(s):

ALTA 9.2-06 Restrictions, Encroachments, and Minerals—Improved Land - 2006 ALTA Owner's Policy