

Item 1-MAR

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**TEXAS TITLE INSURANCE INFORMATION**

Title insurance insures you against loss resulting from certain risks to your title.	El seguro de título le asegura en relación a perdidas resultantes de ciertos riesgos que pueden afectar el título de su propiedad.
The commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The commitment is a legal document. You should review it carefully to completely understand it before your closing date.	El Compromiso para Seguro de Título es la promesa de la compañía aseguradora de títulos de emitir la póliza de seguro de título. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y entenderlo completamente antes de la fecha para finalizar su transacción.

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

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

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

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these

requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

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

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

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

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

You can get a copy of the policy form approved by the Texas Department of Insurance by calling the Title Insurance Company at 1-800-\_\_\_\_\_ or by calling the title insurance agent that issued the Commitment. The Texas Department of Insurance may revise the policy form from time to time.

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

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

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

---Allow the Company to add an exception to "rights of parties in possession." If you refuse this exception, the Company or the title insurance agent may inspect the

property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

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

## Item 2-MAR

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### P-5.1. Exception or Exclusion Regarding Minerals

A. As used by this rule, minerals means coal, lignite, oil, gas and other minerals in, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto. The Policy is not an abstract of title nor does a Company have an obligation to determine the ownership of any mineral interest. A Company may insert into a Policy or any other title insuring form an exception or an exclusion for minerals as provided below:

1. On Schedule A, Item 2:

"subject to, and the Company does not insure title to, and excepts from the description of the Land, coal, lignite, oil, gas and other minerals in, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto."; or

2. On Schedule B:

"All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed."

B. When the language described in either A.1 or A.2 above is inserted, the Company upon request by the insured **must** issue one or more of the applicable endorsements as provided in Procedural rule P-50.1.

### Item 3-MAR

**P-50. Restrictions, Encroachments, Minerals Endorsement (T-19) and, Restrictions, Encroachments, Minerals Endorsement - Owner Policy (T-19.1),**

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.

C. A Company may issue its Restrictions, Encroachments, Minerals Endorsement - Owner Policy (T-19.1) to an Owner Policy (T-1) if its underwriting requirements are met. The Company shall delete any insuring provision if it does not consider that risk acceptable.

## Item 4-MAR

### **P-50.1. Minerals and Surface Damage Endorsement (T-19.2), and Minerals and Surface Damage Endorsement (T-19.3)**

Any insured matter covered in the Minerals and Surface Damage Endorsement T-19.2 or 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 T-19 or 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 **must** issue its Minerals and Surface Damage Endorsement (T-19.2) to an Owner 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 **must** issue its Minerals and Surface Damage Endorsement (T-19.2) to an Owner or Loan Policy.
3. As to other real property, the Company upon request by the insured **must** issue its Minerals and Surface Damage Endorsement (T-19.3) to an Owner or Loan Policy.
4. As to an Owner 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 **must** issue for each parcel the applicable Minerals and Surface Damage Endorsement (T-19.2 or T-19.3) to the Owner or Loan Policy.

**Item 5-MAR**

**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 lawns 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 excepted or excluded on Schedule A, Item 2 or excepted in Schedule B. This endorsement does not insure against loss resulting from subsidence.

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

**Item 6-MAR**

**Minerals and Surface Damage Endorsement (T-19.3)**

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 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 excepted or excluded on Schedule A, Item 2 or excepted in Schedule B. This endorsement does not insure against loss resulting from subsidence.

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



## Item 7-MAR

### **R-29. Premium for Restrictions, Encroachments, Minerals Endorsement (T-19) and Restrictions, Encroachments, Minerals Endorsement - Owner Policy (T-19.1)**

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.

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 Restrictions, Encroachments, Minerals Endorsement - Owner Policy (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

## **Item 8-MAR**

### **R.29.1. Premium for Minerals and Surface Damage Endorsement (T-19.2), and Minerals and Surface Damage Endorsement (T-19.3)**

A. When the Minerals and Surface Damage Endorsement (T-19.2) is issued in accordance with Rule P-50.1, the premium shall be \$50.00.

B. When the Minerals and Surface Damage Endorsement (T-19.3) is issued in accordance with Rule P-50.1, the premium shall be \$50.00.