

FIDELITY NATIONAL TITLE INSURANCE COMPANY

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TEXAS ENDORSEMENTS COMMERCIAL PROPERTIES (Updated February 1, 2007)

OWNER POLICY

Access (Form T-23) - Insures the land abuts and has vehicular and pedestrian access to and from a particular street, road, or highway, and the street is physically open. There is a \$100.00 premium charge for this endorsement. **Applies to non-residential property only.**

Additional Insured (Form T-26) - Names a person as an additional insured in instances where the additional insured is (a) the trustee or successor trustee of a living trust to whom the insured transfers title or the beneficiaries of the trust, (b) any partner, member or stockholder that acquires the interests of the other owners of the original insured, or (c) a family partnership or family corporation owned by members of the insured's family and the insured. The premium charge is 10% of the basic rate premium for the owner policy, with a minimum of \$25.

Completion of Improvements (Form T-3) – Available only if the Owner Policy was issued in connection with the construction of immediately contemplated improvements. The policy must be issued for an amount that includes the cost of improvements. Issued at end of construction to remove the mechanic's lien and limitation of liability exceptions. There is no charge for this endorsement.

Contiguity (Form T-25) - Insures the boundary line of one parcel to be contiguous to the boundary line(s) of one or more adjacent parcels. There is a \$100.00 premium charge for this endorsement. **Applies to non-residential property only.**

Down Date (Form T-3) – Available only with an Owner Policy issued in connection with the construction of immediately contemplated improvements. The policy must be issued for an amount that includes the cost of improvements. The effective date of the Owner

Policy is brought forward to a more current date. There is a charge of \$50.00 for each down date endorsement.

Increased Value (Form T-34) -- Not issued with the original policy, but is available if the property increases in value at a subsequent date. This endorsement only increases the Owner Policy amount and does not “down date” the Owner Policy or change the name of the insured. The premium is calculated on the increased value with a credit for the premium paid on the original policy.

Leasehold Owner Policy (Form T-4) – Issued only when insuring a leasehold estate in Schedule A. There is no additional charge for this endorsement.

Non-Imputation (Form T-24) -- Available with a concurrently issued Owner Policy. It provides that the company will not assert a defense based on the exclusion from coverage relating to the action, inaction or knowledge of certain partners imputed to “incoming” partners, members or shareholders. There is a premium charge of 5% of the basic rate for this endorsement. **Applies to non-residential property only.**

Restrictions, Encroachments, Minerals (Form T-19.1) - This endorsement is identical to the ALTA Comprehensive endorsement; among other things, it provides coverage for losses arising from certain violations of restrictive covenants, such as violations of setback lines and encroachments or protrusions of improvements over property lines or into easements. The company may delete any insuring provision in the endorsement that it does not consider to be an acceptable risk. The premium for this endorsement is 15% of the basic rate if the survey exception is not amended; the premium is 10% of the basic rate if the survey exception is amended in the same owner policy. **Applies to non-residential property only.**

Survey Exception Amendment (Form T-3) – Available for the Owner Policy if an acceptable survey is provided. The premium charge is 15% of the basic rate premium for the Owner Policy.

Waiver of Arbitration – Form attached to Commitment must be signed or insured must otherwise request deletion of arbitration provision in writing.

MORTGAGEE POLICY

Access (Form T-23) -- Insures the land abuts and has vehicular and pedestrian access to and from a particular street, road, or highway, and the street is physically open. There is a \$100.00 premium charge for this endorsement. **Applies to non-residential property only.**

Aggregation (Form T-16) -- Also known as a tie-in endorsement, it ties together multiple mortgagee and/or loan policies that insure liens securing the same debt. There is a \$25.00 premium charge for this endorsement.

Assignment of Mortgage to Government Agencies (Form T-3) – Issued for an assignment to certain government agencies. This endorsement is only for an assignment that is made subsequent to the date of the Mortgagee Policy. The premium charge is \$237.

Assignment of Mortgage to Others (Form T-3) – Issued for an assignment to a mortgagee other than those government agencies covered by the previous endorsement. This endorsement is only for an assignment that is made subsequent to the date of the Mortgagee Policy. The premium charge is \$237.

Assignment of Rents/Leases (Form T-27) – Insures against any defect in the execution of an identified assignment of rents and leases, and further insures against the existence of any prior assignment of rents and leases. No premium may be charged for this endorsement.

Balloon Mortgage (Form T-39) - Insures that a lien is not invalid, unenforceable, and no loss of priority due to terms providing for a balloon payment. There is a \$25.00 premium charge if issued with a policy, or a \$50.00 premium charge if issued subsequently.

Completion of Improvements (Form T-3) – Available only for a Mortgagee Policy issued in connection with a construction loan and in the amount of the construction loan. Issued at end of construction to remove the pending disbursement and mechanic's lien exceptions. There is no charge for this endorsement.

Condominium (Form T-28) – Insures that the property is part of a condominium; that the condominium documents comply with state law; that there are no present violations of any restrictions contained in the condominium documents affecting the insured property; that the insured mortgage is superior to any lien for charges and assessments created in the condominium documents; that the unit may be separately taxed; insures against loss from forced removal of any encroachment; and failure of title arising from the exercise of a right of first refusal. No premium may be charged for this endorsement. **Applies to residential property only.**

Contiguity (Form T-25) - Insures the boundary line of one parcel to be contiguous to the boundary line(s) of one or more adjacent parcels. There is a \$100.00 premium charge for this endorsement. **Applies to non-residential property only.**

Down Date (Form T-3) – Available only for a Mortgagee Policy issued in connection with a construction loan and in the amount of the construction loan. The effective date of the Mortgagee Policy is brought forward to a more current date. There is a charge of \$50.00 as each down date endorsement is issued.

Environmental Protection Lien (Form T-36) – **Applies to residential property only.** It is also available for apartment complexes where the use is strictly residential. There is a \$25.00 charge for this endorsement.

First Loss (Form T-14) – Provides coverage with a Mortgagee Policy in any instance in which a title claim diminishes the value of the collateral below the secured debt without requiring the maturity of the entire debt or pursuit of remedies against the collateral. **Applies to non-residential property only.** There is a \$25.00 charge for this endorsement.

Last Dollar (Form T-15) – Provides that the Mortgagee Policy coverage will not be reduced by payments made on the secured debt until the debt has been reduced to the liability amount of the Mortgagee Policy. Then any reduction in the secured debt will cause a dollar for dollar reduction in Mortgagee Policy coverage. **Applies to non-residential property only.** There is a \$25.00 charge for this endorsement.

Leasehold Mortgagee Policy Endorsement (Form T-5) – Issued only when insuring a leasehold estate in Schedule A. There is no additional charge for this endorsement.

Partial Release, Release of Additional Collateral, Modification Agreement, Reinstatement Agreement and/or Release from Personal Liability (Form T-38) – Only issued subsequent to the Mortgagee Policy if certain loan modifications occur. There are many restrictions and requirements as to the appropriate circumstances when this endorsement can be issued. Cost of endorsement must be calculated as of the time the endorsement is issued.

Planned Unit Development (Form T-17) -- Provides coverage related to (i) violations of enforceable covenants, conditions and restrictions; (ii) priority of the insured lien over a lien for assessments; (iii) encroachments; and (iv) rights of first referral. **Applies to residential property only.** There is a \$25.00 charge for this endorsement.

Restrictions, Encroachments, Minerals (Form T-19) -- This endorsement is identical to the ALTA Comprehensive endorsement; among other things, it provides coverage for losses arising from certain violations of restrictive covenants, such as violations of setback lines and encroachments or protrusions of improvements over property lines or into easements. The company may delete any insuring provision in the endorsement that it does not consider to be an acceptable risk. The premium for this endorsement is 10 % of the basic rate for non-residential property, and 5 % of the basic rate for residential property.

Revolving Credit (Form T-35) – Insures validity and enforceability, and no loss of priority of a lien securing and no-loss of priority revolving line of credit debt. Also provides coverage for subsequent advances. There is a \$50.00 charge for this endorsement.

Survey Exception Amendment (Form T-3) – Available if an acceptable survey is provided. There is no charge for this in connection with a Mortgagee Policy.

Tax Exception Endorsement or Amendment (Form T-30) – The tax exception in the Mortgagee Policy may be amended to delete the following language:

Item 5 is amended to delete the words “and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership.”

There is a \$20.00 charge for this amendment to the tax exception. The exception may be amended by (a) deletion of the appropriate verbiage from the policy, or (b) by issuance of endorsement form T-30.

Tax Exception Amendment -- Taxes Not Yet Due and Payable – The tax exception in the Mortgagee Policy may be amended to add the following language:

Company insures that standby fees, taxes and assessments by any taxing authority for the year _____ are not yet due and payable.

There is a \$5.00 premium charge for this amendment.

Variable Rate (Form T-33) – Provides coverage for validity, enforceability, and no loss of priority of an insured lien arising from changes in the rate of interest. There is a \$20.00 charge for this endorsement.

Waiver of Arbitration – Form attached to Commitment must be signed or insured must otherwise request deletion of arbitration provision in writing.