

Stewart Title of Albuquerque, LLC

Explanation of the Notice to Purchaser Insured

The Notice to Purchaser Insured form discusses seven standard title policy exceptions, which may be deleted under certain conditions. These standard exceptions describe matters, which will not be covered in the title policy unless deleted at your request. The decision whether to accept or request deletion of these standard exceptions is yours.

1. **Parties in Possession:** Self-explanatory exception for unrecorded leases and squatters rights. These matters cannot be found in the public record but can affect your title. In most cases, we can grant this coverage at no cost based solely on a signed seller's affidavit.
2. **Unrecorded Easements:** Refers to unrecorded easements or rights of way, which could only be discovered by the physical inspection of the property. Example: right of way created in rural areas and Corrales, such as horse trails, common driveways and footpaths. We can grant this coverage at no cost depending on the location of the property. In newer subdivisions and rural areas, we may need a Plat of Survey. An ILR (Improvement Location Report) may be the only thing necessary to give this coverage in some neighborhoods. NOTE: An Improvement Location Report is not a survey. It is an inspection report only, and is not to be relied upon for building walls or other improvements.
3. **Survey Coverage:** Again, these are matters, which are not found in the public record and can only be brought to our attention by the trained and technical expertise of a licensed surveyor. Such matters as encroachments, overlaps, boundaries and easements, both private and public, can be revealed by a Plat of Survey. The State has set a premium of 15% of the owner's rate to grant this coverage in all cases. Upon review, we may be able to give this coverage in certain cases with an ILR only. This is determined on a case-by-case basis.
4. **Mechanic Lien Coverage:** Again, we are facing matters which may not be recorded, but exist by law. The mechanic lien law allows a person up to 120 days to file a lien against the property he or she has worked on. This 120 day period may or may not have elapsed by the closing date. This coverage can be obtained with an affidavit from the seller and an additional premium of \$25.00.

In the case when work has been performed during the last 120 days, the premium for this coverage is \$3.00 per thousand of the amount of the Owner's Policy. It must be reviewed on a case-by-case basis by our underwriters.

5. **Community Property:** This exception cannot be deleted for individuals.

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6. **Waterway Rights:** As of August 14, 2009, this coverage is automatically given.
7. **Mineral Extraction Coverage:** As of August 14, 2009, coverage is automatically included for reservations of the rights to extract oil, gas, and other minerals from your land, which include disturbing the surface of the land. There will remain in the policy an exception to “water rights, claims or title to water.”
8. **Taxes or assessments which are not shown as existing liens by the public records:** As of August 14, 2009, this coverage is automatically given.

The Notice to Purchaser Insured form also discloses to you the ability to request a future increase in your title policy amount. If you request such an increase, you will have to meet certain underwriting requirements and pay an additional premium.

NOW WHAT DO I DO? The decision to accept the policy with these exceptions or to ask that they be deleted depends on your individual circumstances. These standard exceptions can be deleted to fit your needs for additional coverage under the policy. *The decision as to which ones to delete should be made in consultation with your attorney, if you are unsure.* **The escrow officer cannot advise you on what standard exceptions to accept or delete.** Indicate your decision on the Notice to Purchaser Insured form and return the form to us. If you want any of the additional coverage’s, it is important that you return the Notice to Purchaser Insured form to the title company before the closing. Failure to do so may delay your closing.

DISCLAIMER: This form attempts to summarize the various standard exceptions and simplify their meaning and the steps and costs for deleting them. Nothing contained in this summary is intended, nor should it be interpreted or construed, to affect the coverage’s provided under any specific title policy; or waive any of the requirements of the Department of Insurance Title Insurance Regulations; or waive any of the title insurance underwriting requirements of our company for any specific property or circumstance.