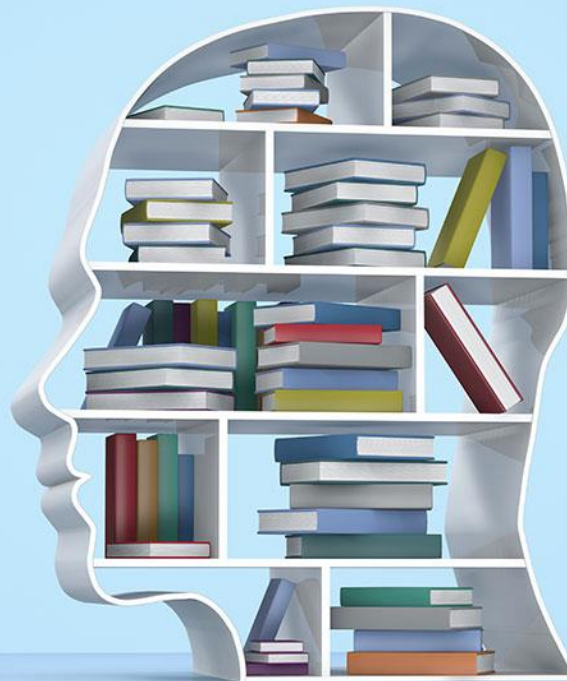


Underwriting Energy Projects and Energy Project Endorsements



Marion Aaron is Commercial Services Manager and Senior Underwriting Counsel at Stewart Title Guaranty Company. During her 34 years in practice, Ms. Aaron has served as claims counsel, litigation counsel, and underwriting counsel for national title insurance underwriters.



Presented By: Marion A. Aaron, Esq.
Wednesday, May 25th, 2022

Title Tenets Webinar Series

Underwriting Energy Projects and Energy Project Endorsements

This session will discuss:

The ALTA 36 Series Energy Endorsements,

What the underwriting criteria for the Energy Endorsements are,

What the underwriter will want to review for issuance of the Energy Endorsements, and

The Definitions, Coverages, and Exclusions contained therein.

We will also review the ALTA 35 Mineral Endorsements.

Finally, to wrap things up we will review the lifecycle of an Energy Project.



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36 Owner Endorsements

- 36 – Easement(s) or Easement(s) and Leasehold Estate
- 36.2 – Leasehold Estates
- 36.4 – CC&Rs
- 36.6 – Encroachments
- 37.7 – Fee Title

ALTA 36 Lender Endorsements

- 36.1 – Easement(s) or Easement(s) and Leasehold Estate
- 36.3 – Leasehold Estates
- 36.5 – CC&Rs
- 36.6 – Encroachments
- 37.8 – Fee Title



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36 Series Energy Project Endorsements

The appropriate endorsement will depend on the nature of the estate being insured, as well as the interest being insured.

- Lender v. Owner's Coverage
- Easements
- Easements and a Leasehold Estate
- Leasehold Estate
- Fee Title

Requires a review of a Survey.

Requires a review of plans and specifications.

Almost always will require a review of a Mineral Report and surface waivers.



ALTA 36 and 36.1 – Energy Project Leasehold/Easement



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36, 36.1 – Leasehold/Easement

Section 1 – Preamble

Section 2 - Definitions

Constituent Parcel: means one of the parcels of Land described in Schedule A that together constituent one integrated project.

Easement: means each easement described in Schedule A.

Easement Interest: means the rights of use granted in the Easement for the Easement Term

Electric Facility: means an electric generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.



Title Tenets Webinar Series

Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36, 36.1 –
Leasehold/Easement

Section 2: Definitions

Evicted or Eviction: means (a) the lawful deprivation, in whole or in part, of the right of possession or use insured by this policy, contrary to the terms of any Lease or Easement or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement for the purposes permitted by the Lease or the Easement, as applicable, in either case as a result of matter covered by this policy.

Lease: means each lease described in Schedule A.

Leasehold Estate: means the right of possession granted in the Lease for the Lease Term.

Lease Term: means the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.



Title Tenets Webinar Series

Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36, 36.1 – Leasehold/Easement

Section 2: Definitions

Plans: means the survey, site and elevation plans or other depictions or drawings prepared by dated, last revised, designated as consisting of sheets.

Remaining Term: means the portion of the Easement Term or the Lease Term remaining after the Insured has been Evicted.

Severable Improvement: means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.



Title Tenets Webinar Series

Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36, 36.1 – Leasehold/Easement

Section 2: Definitions

Additional Definition in Section 2 of the ALTA 36.1 Lender's Endorsement:

Tenant: means the tenant under the Lease or a grantee under the Easement, as applicable, and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.

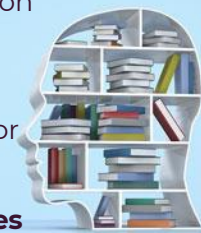


Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36, 36.1 – Leasehold/Easement

Section 3: Valuation of Title as an Integrated Project:

- a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Insured is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate or the Easement Interest for the Remaining Term, as applicable, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any reduction in value of another insured Lease or Easement as computed in Section 3(b) below.
- b. A computation of loss or damage resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.
- c. The Insured Claimant shall have the right to have the Leasehold Estate, the Easement Interest, and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent or use payments no longer required to be paid for the Remaining Term.
- d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36, 36.1 – Leasehold/Easement

Section 4: Valuation of Severable Improvements:

a. In the event of an Eviction, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Eviction, reduced by the salvage value of the Severable Improvement.

b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees or expenses) relating to:

- i. the attachment, perfection or priority of any security interest in any Severable Improvement;
- ii. the vesting or ownership of title to or rights in any Severable Improvement;
- iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or
- iv. the determination of whether any specific property is real or personal in nature.



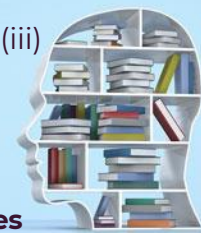
Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36, 36.1 – Leasehold/Easement

Section 5: Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(ii) of the Conditions.

a. The reasonable cost of (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Eviction.



Underwriting Energy Projects and Energy Projects Endorsements

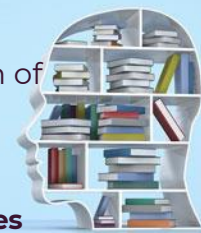
ALTA 36, 36.1 – Leasehold/Easement

Section 5: Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(ii) of the Conditions.

b. Rent, easement payments or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate or the Easement Interest, as applicable, may be obligated to pay to any person having paramount title to that of the lessor in the Lease or the grantor in the Easement, as applicable.

c. The amount of rent, easement payments or damages that, by the terms of the Lease or the Easement, as applicable, the Insured must continue to pay to the lessor or grantor after Eviction with respect to the portion of the Leasehold Estate or Easement Interest, as applicable, from which the Insured has been Evicted.



Underwriting Energy Projects and Energy Projects Endorsements

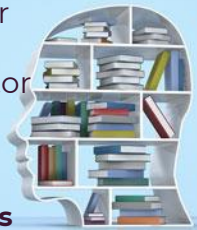
ALTA 36, 36.1 – Leasehold/Easement

Section 5: Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(ii) of the Conditions.

d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease, sublease or easement specifically permitted by the Lease or Easement, as applicable, and made by the Insured as lessor or grantor of all or part of the Leasehold Estate or Easement Interest, as applicable.

e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees or easement or subeasement grantees on account of the breach of any lease or sublease or easement or subeasement specifically permitted by the Lease or the Easement, as applicable, and made by the Insured as lessor or grantor of all or part of the Leasehold Estate or Easement Interest, as applicable.



Underwriting Energy Projects and Energy Projects Endorsements

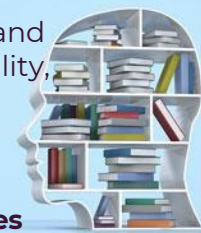
ALTA 36, 36.1 – Leasehold/Easement

Section 5: Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(ii) of the Conditions.

f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate or a replacement easement reasonably equivalent to the Easement Interest, as applicable.

g. If any Electricity Facility is not substantially completed at the time of Eviction, the actual cost incurred by the Insured up to the time of Eviction, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Evicted. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36, 36.1 –Leasehold/Easement

Section 6 – Exclusions

This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination





ALTA 36.2 and 36.3 – Energy Project Leasehold Estate



Underwriting Energy Projects and Energy Projects Endorsements

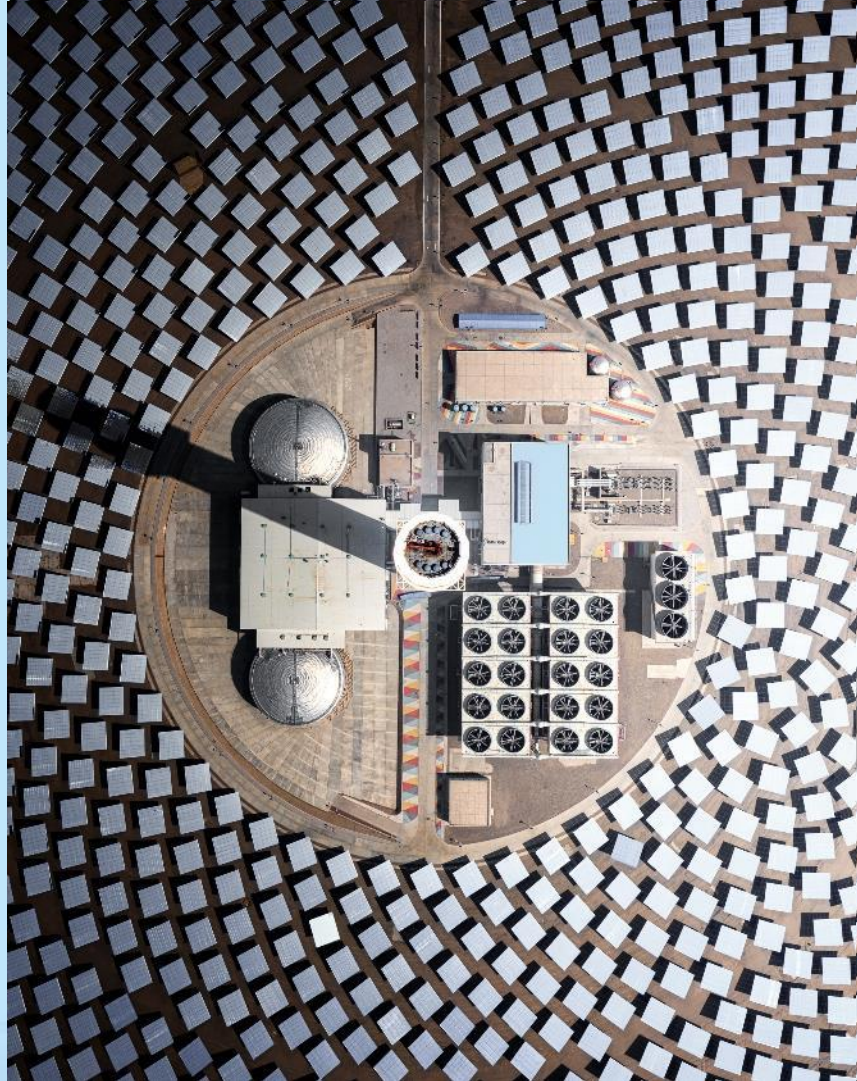
ALTA 36.2 and 36.3 for Leasehold Estates

Section 2: Definitions. Omits the definitions of Easement, Easement Interest, and Easement Term.

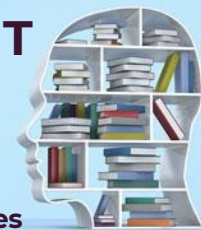
Includes the Section 3, 4, and 5 terms pertaining to the Valuation of the Title as an integrated project, Valuation of Severable Improvements, and Additional items of Loss.

Retains Section 6, exclusions.

As with the ALTA 36.1, the ALTA 36.3 also has an additional definition for a Tenant.



ALTA 36.4 and 36.5 – ENERGY PROJECT – COVENANTS, CONDITIONS AND RESTRICTIONS – LAND UNDER DEVELOPMENT



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36.4 and 36.5 COVENANTS CONDITIONS AND RESTRICTIONS – LAND UNDER DEVELOPMENT

Section 2: Definitions

Covenant: means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.

Electricity Facility: means an electricity generating facility that may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.

Plans: means the survey, site and elevation plans or other depictions or drawings prepared by dated, last revised, designated as consisting of sheets.

Severable Improvement: means property affixed to the Land at Date of Policy or to be affixed to the Land in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36.4 and 36.5 COVENANTS CONDITIONS AND RESTRICTIONS – LAND UNDER DEVELOPMENT

Section 3: Coverage – *Owner's and Lender's*

The Company insures against loss or damage sustained by the Insured by reason of:

- a. A violation of an enforceable Covenant by any Electricity Facility or Severable Improvement, unless an exception in Schedule B of the policy identifies the violation;
- b. Enforced removal of any Electricity Facility or Severable Improvement as a result of a violation of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation; or
- c. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection, describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36.4 and 36.5 COVENANTS CONDITIONS AND RESTRICTIONS – LAND UNDER DEVELOPMENT

Section 3: Coverage – *Lender's*

In addition to coverages a through c found in the 36.4 for an Owner's Policy, the ALTA 36.5 endorsement provides Lenders with coverage for:

A violation of a Covenant that:

- i. divests, subordinates, or extinguishes the lien of the Insured Mortgage.
- ii. results in the invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage; or
- iii. causes a loss of the Insured's Title acquired in satisfaction or partial satisfaction of the Indebtedness.



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36.4 and 36.5 COVENANTS CONDITIONS AND RESTRICTIONS – LAND UNDER DEVELOPMENT

Section 4: Exclusions – *Owner's and Lender's*

This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:

- a. any Covenant contained in an instrument creating a lease or easement;
- b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land;
or
- c. except as provided in Section 3.c., any Covenant pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances.





ALTA 36.6 – ENERGY PROJECT – ENCROACHMENTS



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36.6 – ENERGY PROJECT – ENCROACHMENTS

Section 2: Definitions

Electricity Facility: means an electricity generating facility that may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.

Plans: means the survey, site and elevation plans or other depictions or drawings prepared by dated , last revised, designated as consisting of sheets.

Severable Improvement: means property affixed to the Land at Date of Policy or to be affixed to the Land in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36.6 – ENERGY PROJECT – ENCROACHMENTS

Section 3: Coverage – *Owner's and Lender's*

The Company insures against loss or damage sustained by the Insured by reason of:

- a. An encroachment of any Electricity Facility or Severable Improvement located on the Land onto adjoining land or onto that portion of the Land subject to an easement, unless an exception in Schedule B of the policy identifies the encroachment;
- b. An encroachment of an improvement located on adjoining land onto the Land at Date of Policy, unless an exception in Schedule B of the policy identifies the encroachment;
- c. Enforced removal of any Electricity Facility or Severable Improvement, as a result of an encroachment by the Electricity Facility or Severable Improvement onto any portion of the Land subject to any easement, in the event that the owners of the easement shall, for the purpose of exercising the right of use or maintenance of the easement, compel removal or relocation of the encroaching Electricity Facility or Severable Improvement; or



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36.6 – ENERGY PROJECT – ENCROACHMENTS

Section 3: Coverage -- *Owner's and Lender's*

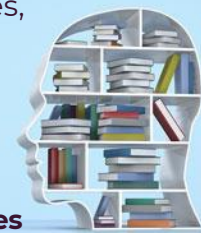
The Company insures against loss or damage sustained by the Insured by reason of:

d. Damage to any Electricity Facility or Severable Improvement that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or

e. The coverage of Sections 3.c. and 3.d. shall not apply to the encroachments listed in Exceptions(s) of Schedule B.

Section 4: Exclusions

This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence.





ALTA 36.7 and 36.8 – ENERGY PROJECT – FEE ESTATE



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36.7 AND 36.8 – ENERGY PROJECT – FEE ESTATE

Section 2: Definitions

Constituent Parcel: means one of the parcels of Land described in Schedule A that together with any other parcel or parcels of Land described in Schedule A constitute one integrated project.

Electricity Facility: means an electricity generating facility that may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36.7 AND 36.8 – ENERGY PROJECT – FEE ESTATE

Section 2: Definitions

Plans: means the survey, site and elevation plans or other depictions or drawings prepared by dated, last revised, designated as consisting of sheets.

Severable Improvement: means property affixed to the Land at Date of Policy or to be affixed to the Land in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

Vestee: means the party in which the Title is vested as stated in Schedule A and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36.7 AND 36.8 – ENERGY PROJECT – FEE ESTATE

Section 3: Valuation of Title as an Integrated Project:

- a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Insured is Evicted, that value shall consist of (i) the value of the fee estate including any Electricity Facility existing on the date of the Ejection, and, if applicable (ii) any reduction in value of another insured Constituent Parcel as computed in Section 3(b) below.
- b. A computation of loss or damage resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.
- c. The Insured Claimant shall have the right to have the fee estate, and Constituent Parcel, and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately.
- d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36.7 AND 36.8 – ENERGY PROJECT – FEE ESTATE

Section 4: Valuation of Severable Improvements:

a. In the event of an Ejection, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Ejection, reduced by the salvage value of the Severable Improvement.

b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees, or expenses) relating to: (i) the attachment, perfection, or priority of any security interest in any Severable Improvement; (ii) the vesting or ownership of title to or rights in any Severable Improvement; (iii) any defect in or lien or encumbrance on the title to any Severable Improvement; or (iv) the determination of whether any specific property is real or personal in nature.



Underwriting Energy Projects and Energy Projects Endorsements

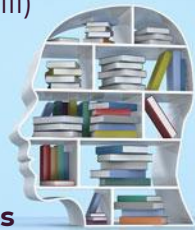
ALTA 36.7 AND 36.8 – ENERGY PROJECT – FEE ESTATE

Section 5: Additional items of loss covered by this endorsement:

If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy and thereafter is Ejected, the following items of loss, if applicable to that portion of the Land from which the Insured is Ejected, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(iii) of the Conditions:

a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Ejection, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Ejection.

b. Payments or damages for use and occupancy of the Land prior to the Ejection that the Insured may be obligated to pay to any person having paramount title to that of the Insured.



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36.7 AND 36.8 – ENERGY PROJECT – FEE ESTATE

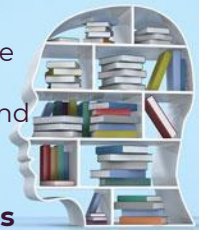
Section 5: Additional items of loss covered by this endorsement:

If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy and thereafter is Ejected, the following items of loss, if applicable to that portion of the Land from which the Insured is Ejected, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(iii) of the Conditions:

d. Damages caused by the Ejection that the Insured is obligated to pay to lessees or easement grantees on account of the breach of any lease or easement, as applicable, made by the Vestee as lessor or grantor of all or part of the Title.

e. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services, and environmental testing and reviews for a fee estate in a replacement parcel of land reasonably equivalent to the parcel that is the subject of the Ejection.

f. If any Electricity Facility is not substantially completed at the time of Ejection, the actual cost incurred by the Insured up to the time of Ejection, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Ejected. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, landscaping, and cancellation fees related to the foregoing.



Underwriting Energy Projects and Energy Projects Endorsements

ALTA 36.7 AND 36.8 – ENERGY PROJECT – FEE ESTATE

Section 6: Exclusions:

This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.



ALTA 35 Minerals



Underwriting Energy Projects and Energy Projects Endorsements

Mineral Coverage

ALTA 35 Series Endorsements:

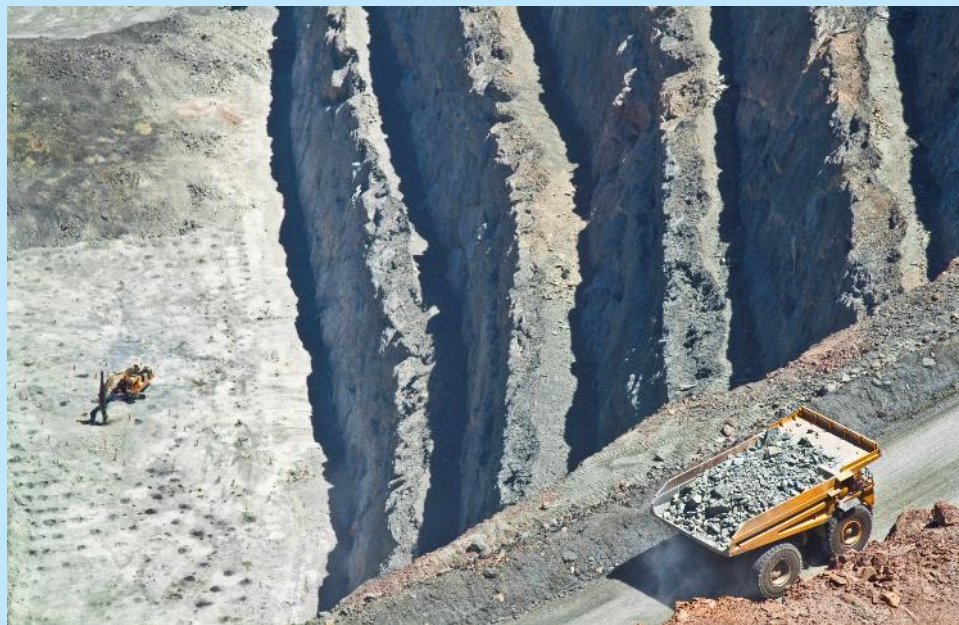
Requires an extensive search to determine whether minerals have been severed from the land.

Requires a mineral report to determine the ownership of severed mineral interests.

May require mineral owners to waive their rights to access the surface of the land to explore for and extract minerals from the land.

May require an accommodation site.

Requires review of survey and may require a review of plans and specifications.



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ALTA 35 Series of Endorsement provides coverage to lenders and owners for:

- Enforced removal of or alteration of certain surface improvements due to the exercise of a right to use the surface of the land to extract subsurface substances such as oil, gas, minerals, and other substances.
- The ALTA 35 provides coverage for loss or damage to a building on the land at Date of Policy arising from the future exercise of an existing right at Date of Policy. Improvement is defined as a building.
- The ALTA 35.1 provides coverage for loss or damage to buildings, along with paved roadways, curbs, driveways, parking areas, or walkways located on the land at Date of Policy but excludes damage to crops, landscaping, lawn, shrubbery, or trees.



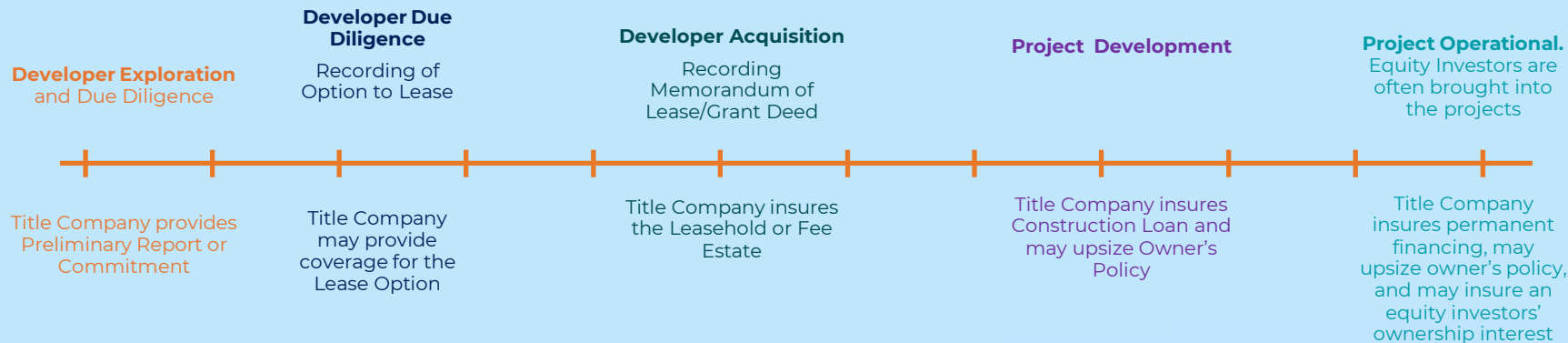
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ALTA 35.2 and 35.3 Series of Endorsement provides coverage to lenders and owners for:

- Enforced removal of or alteration of certain defined surface improvements or future improvements due to the exercise of a right to use the surface of the land to extract subsurface substances such as oil, gas, minerals and other substances as follows:
 - The ALTA 35.2 provides coverage for loss or damage to a defined set of improvements located on the land at Date of Policy. This endorsement is designed so that the actual improvements located on the land may be specifically defined. This version is appropriate for completed projects.
 - The ALTA 35.3 provides coverage for loss or damage to both existing surface improvements located on the land at Date of Policy, along with future improvements as defined in the endorsement. This version is appropriate for an energy project under development and contains definitions for Improvements, Future Improvements, and Plans.



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Source: insert source information here





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Thank you



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