




This section contains various endorsements that are commonly used with Owner and/or Mortgagee policies.


COMMONLY USED ENDORSEMENTS

Endorsement Name	ATG Form No.	ALTA† Form No.	CLTA‡ Form No.	Policy		
Access Endorsement	2063			OPA	MPA	
Arbitration Modification Endorsement	2045				MPA	
Assignment of Title insurance Policy Endorsement	2089			OPA		
Balloon Mortgage Endorsement 1	2046				MPA	
 Comprehensive Endorsement 1	2008				MPA	
 Condominium Blanket Endorsement 1	2014	4	115.1		MPA	
 Condominium Blanket Endorsement 2	2061	4.1			MPA	
Date Down Endorsement 1	2016					OMC
Date Down Endorsement 2	2017			OPA	MPA	MPC
Encroachment Note Endorsement	2019			OPA	MPA	
Endorsement Against Loss - Encroachment	2018				MPA	
Endorsement Against Loss - Liens or Encumbrances	2020			OPA	MPA	
Environmental Protection Lien	2021	8.1	110.9		MPA	
Form E Endorsement	2023			OPA	MPA	MPC
Gap Coverage Endorsement	2024					OMC
Homestead Subordination Endorsement	2056				MPA	
Inflation Endorsement	2025			OPA		
Installment Contract Purchaser's Endorsement "A"	2026			OPA		
Installment Contract Purchaser's Endorsement "B"	2027			OPA		
Leasehold-Owner's Endorsement	2081	13		OPA		
Leasehold-Loan Endorsement	2082	13.1			MPA	
Legal Description Endorsement	2029			OPA	MPA	
Location Endorsement 1	2030				MPA	OMC

COMMONLY USED ENDORSEMENTS

Endorsement Name	ATG Form No.	ALTA† Form No.	CLTA‡ Form No.	Policy		
Location Endorsement 2	2031				MPA	OMC
Manufactured Housing Unit Endorsement	2044	7	116.5	OPA	MPA	
Multiple Mortgage Endorsement	2058				MPA	
P.I.N. Endorsement	2079			OPA	MPA	
 Planned Unit Development Endorsement 1	2034	5	115.2		MPA	
Planned Unit Development Endorsement 2	2060	5.1		OPA		
 Restrictions, Encroachments, and Minerals Endorsement	2035	9	100.2		MPA	
Revolving Credit Endorsement 1	2036				MPA	
 Standard Exception Waiver Endorsement 1 (<i>Residential Policy</i>)	2038			OPA		
Survey Endorsement	2062			OPA	MPA	
Variable Rate Mortgage Endorsement	2043	6	111.5		MPA	
Variable Rate Mortgage Endorsement - Negative Amortization	2203	6.2	111.8		MPA	
Zoning Endorsement 3	2039			OPA	MPA	
Zoning Endorsement 3.1	2040			OPA	MPA	

This chart includes selected endorsements. Contact the Underwriting Department, 800.252.0402, if you receive a request for an endorsement that is not shown here.

 Great caution should be used when issuing this endorsement. It exposes ATG to considerable liability. Consult the endorsement instructions or contact the Underwriting Department for a complete discussion of the requirements necessary to issue this endorsement.

† ALTA – American Land Title Association

‡ CLTA – California Land Title Association.

ACCESS ENDORSEMENT-ATG® FORM 2063

MPA and OPA

Coverage: All ATG policies insure access in paragraph 4 of the insuring provisions on the jacket. This endorsement provides the additional coverage of identifying exactly where the property has legal access.

Procedure: This endorsement may be issued on owner's and mortgagee's policies. To issue this endorsement, you must find out whether the property abuts a public road. You may have to look at a survey, the plat of survey or some other county maps. You may also have to check with the local municipality's transportation department to determine whether the property has permission for a curb cut and access to a particular road. Sometimes the county provides some kind of access certificate to a road. Please be sure that the street you identify as providing access has been dedicated to the public and is not a private road. If it is a private road, then the property owner must have some ownership interest in the private road, allowing the owner to use it.

EXHIBIT 10-1: ACCESS ENDORSEMENT – ATG® FORM 2063

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

ACCESS ENDORSEMENT

ATG insures the Insured against loss or damage sustained by the Insured by reason of any inaccuracy in the following assurance:

The land described in Schedule A is contiguous to a physically open street known as: _____

_____.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

ATG FORM 2063
© ATG (REV. 11/98)

FOR USE IN: ALL STATES

ARBITRATION MODIFICATION ENDORSEMENT – ATG[®] FORM 2045

Coverage: Paragraph 13 of the Conditions and Stipulations of the MPA governs arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between ATG and the insured arising out of or relating to the policy, any service of ATG in connection with the issuance of the policy, or the breach of a policy provision or other obligation.

The policy jacket states that when the amount of insurance is \$1,000,000.00 or less, all arbitrable matters will be arbitrated when either ATG or the insured requests arbitration. When the amount of insurance exceeds \$1,000,000.00, arbitration will only take place if both ATG and the insured agree.

The Arbitration Modification Endorsement modifies the language of Paragraph 13 of the Conditions and Stipulations to require the consent of both parties prior to arbitration, regardless of the amount of insurance.

Procedure: The Arbitration Modification Endorsement may be issued with Mortgage Policies when the amount of insurance is \$1,000,000.00 or less.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

ARBITRATION MODIFICATION ENDORSEMENT

Paragraph 13 of the Conditions and Stipulations of the policy is hereby amended to read as follows:

Unless prohibited by applicable law, either ATG or the Insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between ATG and the Insured arising out of or relating to this policy, any service of ATG in connection with its issuance, or the breach of a policy provision or other obligation. All arbitrable matters shall be arbitrated only when agreed to by both ATG and the Insured. Arbitration pursuant to this policy and under the rules in effect on the date the demand for arbitration is made or, at the option of the Insured, the rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the rules may be obtained from ATG on request.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

ASSIGNMENT OF TITLE INSURANCE POLICY ENDORSEMENT-ATG® FORM 2089

OPA Only

Coverage: The definition of Insured under paragraph 2 of the Conditions and Stipulations of the Owner Policy limits the Insured to the named parties on Schedule A and those who take title from them by operation of law, rather than by conveyance. Most estate planning vehicles take title through a conveyance, and so would not be covered by the original owner's policy of title insurance. For insureds who are in the process of conveying their property to an estate planning vehicle, this endorsement may be issued at the time of the conveyance to ensure that the coverage under an original ATG Owner Policy will continue for the benefit of the estate planning vehicle. This endorsement does not extend the Date of Policy, does not add insurance for defects, liens or encumbrances after the Date of Policy, and does not insure the validity of the conveyance or of the estate planning vehicle.

Procedure: This endorsement may be issued on ATG Owner Policies. To issue this endorsement, take the following steps:

1. Obtain a copy of the recorded deed to the estate planning vehicle and a copy of the ATG Owner Policy. Review the deed to be sure it conveys the same property as is covered by the Owner Policy, and to determine whether all the Insureds on the Owner Policy conveyed their interests to the estate planning vehicle. (If not, please contact the Underwriting Department for instruction).
2. Complete the endorsement to show the names of the grantors who are assigning the Owner Policy, as shown on the Owner Policy, and the names of the assignees, as shown on the deed.
3. Have the assignors sign the endorsement.

The assignees should attach the endorsement to the original title policy once it is complete. Remit copies of the endorsement and Owner Policy, together with ATG's premium, to the Policy Records Department in Champaign.

**EXHIBIT 10-3: ASSIGNMENT OF TITLE INSURANCE POLICY
ENDORSEMENT – ATG® FORM 2089**

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

ASSIGNMENT OF TITLE INSURANCE POLICY ENDORSEMENT

FOR VALUE RECEIVED, _____
Assignor

hereby assigns and transfers to _____
Assignee

the benefits of its policy number _____, issued by ATTORNEYS' TITLE GUARANTY FUND, INC., insuring title in the Assignor, all subject to and in accordance with the terms, provisions, and conditions of said policy.

Dated this _____ day of _____, _____
Day Month Year

Signature of Assignor

Signature of Assignor

This assignment is subject to the following:

1. Nothing herein contained shall be construed as extending the effective date of said policies, and no liability is assumed for defects or encumbrances attaching or created subsequent to the Date of Policy.
2. The rights of the Assignee under said policy shall be subject to defenses, if any, that this company might have against the original Insured.
3. No liability is assumed for loss or damage resulting from any failure to record the instrument or instruments necessary to evidence of record the Assignee's estate or interest in the land described in Schedule A of the policy.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Date

Member No.

Signature of Member or Authorized Signatory

BALLOON MORTGAGE ENDORSEMENT-ATG[®] FORM 2046

MPA Only

Coverage: The Balloon Mortgage Endorsement insures the lender against the invalidity or unenforceability of the lien of the insured mortgage because it has a balloon rider from either Fannie Mae or Freddie Mac. It also insures against the loss of priority of the insured mortgage due to the balloon rider as long as the conditions of paragraphs 2 and 5 of the rider have been met, and there are no other adverse matters affecting title that arise after the Date of Policy.

Procedure: This endorsement may only be issued on mortgagee's policies. You may issue this endorsement if the insured mortgage has attached to it either:

1. Fannie Mae's Form 3180, the Multi-State Balloon Rider with Conditional Right to Refinance, or
2. Freddie Mac's Form 3191, the Multi-State Balloon Rider with Conditional Right to Refinance.

COMPREHENSIVE ENDORSEMENT 1 – ATG® FORM 2008

MPA ONLY

Coverage: This endorsement is used for MPAs only. This endorsement covers many types of claims that could arise under a lender's policy from the conditions, covenants or restrictions (CCRs) or an encroachment. Specifically, it provides the following assurances:

1. The CCRs do not cut off, subordinate or impair the mortgage;
2. Any present violations of the CCRs are raised on Schedule B;
3. Any encroachments onto adjoining land are raised on Schedule B;
4. Any adverse encroachments (encroachments of improvements from adjoining land onto the insured land) are raised on Schedule B;
5. Future violations of the CCRs will not impair the mortgage, or if the lender has taken title, will not impair the title or cause a loss;
6. The endorsement covers losses due to encroachments upon easements shown on Schedule B;
7. The endorsement covers losses due to court orders or judgments requiring the removal of any encroachments onto adjoining land.

Procedure: To issue this endorsement, please follow these steps:

1. Examine covenants, conditions, and restrictions (CCRs) in deeds, declarations and subdivision plats. From this examination, ascertain that the CCRs will not affect, cut off, subordinate or impair the lien of the insured mortgage. Particularly, look to see if they create an encumbrance that is not subordinate on its terms to the insured mortgage. If they might, then except it from the coverage of this endorsement. Even if the CCRs impose forfeiture or reversion of title for a violation, you may still provide this endorsement if:
 - a. the CCRs state that they will be subordinate to the mortgage;
 - b. the holders of reversionary rights subordinate their rights to the mortgage, in a recorded writing;
 - c. the reversionary rights have expired by the terms of the instrument that created them; and
 - d. 40 years have elapsed since the restrictions were imposed and no action has been instituted during that time to enforce the reversionary rights.
2. Determine if there are any present violations of the covenants, conditions, and restrictions, using your survey information and information from the current owner. If there are violations, each violation must be raised as an exception on Schedule B.
3. Examine the survey information and raise any encroachments on Schedule B. This includes encroachments onto adjoining property, municipal property, building lines and easements as well as adverse encroachments.

Look at each of the encroachments raised on Schedule B. Examine them to see if they may be waived pursuant to ATG guidelines in the *ATG Basic Underwriting Handbook*. If not, call the Underwriting Department to see if you can get special approval to waive them. Paragraphs 3 and 4 on the endorsement insure all encroachments onto adjoining property, municipal property, or easements. Additionally, many encroachments onto building lines will be insured via paragraph 2. If some exceptions for encroachments cannot be waived, then you must alter paragraph 4 to except any uninsurable encroachments.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

COMPREHENSIVE ENDORSEMENT 1

ATG insures the insured against loss or damage sustained by the insured by reason of:

1. Any incorrectness in the assurance which ATG hereby gives:
 - a. That there are no covenants, conditions, or restrictions under which the lien of the mortgage referred to in Schedule A can be cut off, subordinated, or otherwise impaired;
 - b. That, except as shown in Schedule B, there are no present violations on the land of any enforceable covenants, conditions, or restrictions;
 - c. That, except as shown in Schedule B, there are no encroachments of buildings, structures, or improvements located on the land onto adjoining lands, nor any encroachments onto the land of buildings, structures, or improvements located on adjoining lands.
2. Any violations on the land of any covenants, conditions, or restrictions occurring prior to acquisition of title to the land by the Insured, provided such violations result in loss or impairment of the lien of the mortgage referred to in Schedule A, or result in loss or impairment of the title to the land if the insured shall acquire such title in satisfaction of the indebtedness secured by such mortgage.
3. Damage to existing improvements that are located or encroach upon that portion of the land subject to any easement shown in Schedule B, which damage results from the exercise of the right to use or maintain such easement for the purpose for which the same was granted or reserved.
4. Any final court order or judgment requiring removal from any land adjoining the land of any encroachment shown in Schedule B.

Wherever in this endorsement any or all the words "covenants, conditions, or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, and conditions contained in any lease referred to in Schedule A.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date _____ Member No. _____ Signature of Member or Authorized Signatory

CONDOMINIUM BLANKET ENDORSEMENT 1 – ATG® FORM 2014

MPA Only

Coverage: This endorsement is used for MPAs only. Paragraphs 1 and 2 of the Condominium Blanket Endorsement 1 (ALTA 4) insure that the property set forth in Schedule A is in fact condominium property validly created and subject to the Condominium Property Act.

Paragraph 3 of the endorsement insures that there are no present violations of any building and use restrictions referred to in the condominium declaration and that any present or future violation will not give rise to a forfeiture or reversion of title.

Paragraph 4 insures against loss of priority of the lien a result of any charges or assessments provided for in the condominium statutes and documents that are due and unpaid at the Date of Policy.

Paragraph 5 insures that the property listed in Schedule A is a separate taxable entity for the purpose of imposing liens of real property taxes, special assessments and other state and local charges.

Paragraph 6 insures against any loss or damage sustained due to encroachments by existing improvements, including unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit.

Paragraph 7 provides protection against any loss or damage arising by reason of the failure of title due to the exercise of a right of first refusal, which could have been exercised at the Date of Policy.

Procedure: This endorsement may only be issued on a Mortgagee's policy. To issue this endorsement, take the following steps:

1. If you do not have a prior policy then review the condominium plat and declaration to see it complies with statutory law. Once you have completed your review, fax copies of the documents and Commitment to the Underwriting Department for a co-exam. If you have a prior policy insuring the unit then you need not complete this review;
2. Review the condominium bylaws and declaration to verify that any violation of building and use restrictions contained therein will not result in a forfeiture or revision of the title to the condominium unit;
3. Determine that there are no unpaid charges or assessments at the time of the recording of the mortgage. The condominium declaration and bylaws should be reviewed to determine whether any charges or assessments may be assessed to the condominium unit and a statement should be obtained from the Condominium Association stating that there are no unpaid charges or assessments;
4. Verify with the county assessor that the condominium unit and its percentage interest in the common elements are being separately assessed for property taxes, special assessments, and other state and local charges;
5. Check for encroachments by existing improvements, including unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit. Reference to the plat of survey should be sufficient to determine whether or not any such encroachments do exist;
6. Obtain a statement from the Condominium Association indicating that a right of first refusal has been waived, has been exercised, or does not exist.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

CONDOMINIUM BLANKET ENDORSEMENT 1

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

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the jurisdiction in which the unit and its common elements are located.
2. The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the title to the unit and its common elements.
3. Present violations of any restrictive covenants that restrict the use of the unit and its common elements and that are contained in the condominium documents, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the public records and is not excepted in Schedule B. The restrictive covenants do not contain any provisions that will cause a forfeiture or reversion of title.
4. The priority of any lien for charges and assessments at Date of Policy provided for in the condominium statutes and condominium documents over the lien of any insured mortgage identified in Schedule A.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements that exist at Date of Policy because of any present encroachments or because of any future unintentional encroachment of the common elements upon any unit or of any unit upon the common elements or another unit.
7. The failure of title by reason of a right of first refusal to purchase the unit and its common elements that was exercised or could have been exercised at Date of Policy.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date _____ Member No. _____ Signature of Member or Authorized Signatory

CONDOMINIUM BLANKET ENDORSEMENT 2 – ATG® FORM 2061

MPA Only

Coverage: Paragraphs 1 and 2 of the Condominium Blanket Endorsement 2 (ALTA 4.1) insure that the property set forth in Schedule A is in fact condominium property validly created and subject to the Condominium Property Act.

Paragraph 3 of the endorsement insures that there are no present violations of any building and use restrictions referred to in the condominium declaration and that any present or future violation will not give rise to a forfeiture or reversion of title.

Paragraph 4 insures against loss or damage as a result of any charges or assessments provided for in the condominium statutes and documents that are due and unpaid at the Date of Policy.

Paragraph 5 insures that the property listed in Schedule A is a separate taxable entity for the purpose of imposing liens of real property taxes, special assessments and other state and local charges.

Paragraph 6 insures against any loss or damage sustained due to encroachments by existing improvements, including unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit.

Paragraph 7 provides protection against any loss or damage arising by reason of the failure of title due to the exercise of a right of first refusal which could have been exercised at the Date of Policy.

Procedure: This endorsement may only be issued on a Mortgagee's policy. To issue this endorsement, take the following steps:

1. If you do not have a prior policy then review the condominium plat and declaration to see it complies with statutory law. Once you have completed your review, fax copies of the documents and commitment to the Underwriting Department for a co-exam. If you have a prior policy insuring the unit then you need not complete this review;
2. Review the condominium bylaws and declaration to verify that any violation of building and use restrictions contained therein will not result in a forfeiture or revision of the title to the condominium unit;
3. Determine that there are no unpaid charges or assessments at the time of the recording of the mortgage. The condominium declaration and bylaws should be reviewed to determine whether any charges or assessments may be assessed to the condominium unit and a statement should be obtained from the Condominium Association stating that there are no unpaid charges or assessments;
4. Verify with the county assessor that the condominium unit and its percentage interest in the common elements are being separately assessed for property taxes, special assessments, and other state and local charges;
5. Check for encroachments by existing improvements, including unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit. Reference to the plat of survey should be sufficient to determine whether or not any such encroachments do exist;
6. Obtain a statement from the Condominium Association indicating that a right of first refusal has been waived, has been exercised, or does not exist.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

CONDOMINIUM BLANKET ENDORSEMENT 2

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

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the jurisdiction in which the unit and its common elements are located.
2. The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the title to the unit and its common elements.
3. Present violations of any restrictive covenants that restrict the use of the unit and its common elements and that are contained in the condominium documents, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the public records and is not excepted in Schedule B. The restrictive covenants do not contain any provisions that will cause a forfeiture or reversion of title.
4. Any charges or assessments provided for in the condominium statutes and condominium documents due and unpaid at Date of Policy.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements that exist at Date of Policy because of any present encroachments or because of any future unintentional encroachment of the common elements upon any unit or of any unit upon the common elements or another unit.
7. The failure of title by reason of a right of first refusal to purchase the unit and its common elements that was exercised or could have been exercised at Date of Policy.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Date

Member No.

Signature of Member or Authorized Signatory

DATE DOWN ENDORSEMENT 1 – ATG® FORM 2016

OMC Only

Coverage: This endorsement is used to extend the effective date of a Commitment and/or to amend Schedule A or Schedule B. When changes are necessary, the Date Down Endorsement 1 is much simpler to complete than it would be to create a new Commitment.

Procedure: This endorsement may only be used on a Commitment. You must conduct a later date search if you extend the effective Date of the Commitment. If you are making other changes and not extending the effective date, then a later date search is not required. Fill in the blanks to make changes to Schedules A or B. Then sign and attach this endorsement to the Commitment to make the changes complete.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

DATE DOWN ENDORSEMENT 1

1. Schedule A of the above commitment is hereby amended in the following particulars:
 - a. The effective date of the commitment is (check one): not extended hereby extended to: _____
 - b. The name of the proposed insured is (check one): not changed changed to:
 Owners: _____ Mortgagee: _____
 - c. The proposed amount of insurance is (check one):
 not changed increased to \$ _____ decreased to \$ _____
 - d. The estate or interest described in Schedule A is vested in _____

 - e. The legal description as shown on Schedule A is amended to read as shown on the attached Continuation Sheet.

2. Schedule B, B-I, or B-II of the above commitment is hereby amended in the following particulars:
 - a. The following numbered exceptions are hereby deleted: _____
 - b. The exceptions set forth on the attached Continuation Sheet are hereby added.
 - c. The following numbered exceptions are hereby amended to read as follows:

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date _____ Member No. _____ Signature of Member or Authorized Signatory

DATE DOWN ENDORSEMENT 2 – ATG® FORM 2017

OPA, MPA, and MPC

Coverage: This endorsement is used to extend the effective date of a policy and/or to amend Schedule A or Schedule B. When changes are necessary, the Date Down Endorsement 2 is much simpler to complete than it would be to create a new policy.

Procedure: This endorsement may be used on Owner, Mortgagee, or Construction policies. You must conduct a later date search if you extend the effective date of the policy. If you are making other changes and not extending the effective date, then a later date search is not required. Fill in the blanks to make changes to Schedules A or B. Then sign and attach this endorsement to the policy to make the changes complete.

Mortgagee policies almost always provide extended coverage. If you are dating down a Mortgagee Policy and extending its effective date, you must have evidence allowing you to continue the extended coverage. ATG requires that if more than 30 days have passed since the effective date of the Mortgagee Policy, you must obtain a new, signed ALTA Statement. You do not need a new ALTA statement where you are dating down a policy only to reflect an assignment of mortgage. If more than one year has passed, a survey or Affidavit in Lieu of Survey may be required in addition to the ALTA Statement.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

DATE DOWN ENDORSEMENT 2

1. Schedule A of the above policy is hereby amended in the following particulars:

a. Date of Policy is (check one): not extended hereby extended to _____

b. The name of the Insured is (check one): not changed changed to _____

c. The Amount of Insurance is (check one):

not changed increased to \$ _____ decreased to \$ _____

d. The estate or interest described in Schedule A is vested in: _____

e. The description of the mortgage or trust deed in Schedule A is hereby amended to read as follows: _____

f. The legal description as shown on Schedule A is amended to read as shown on the attached ATG Continuation Sheet.

2. Schedule B of the above policy is hereby amended in the following particulars:

a. The following numbered exceptions are hereby deleted: _____

b. The exceptions set forth on the attached ATG Continuation Sheet are hereby added.

c. The following numbered exceptions are hereby amended to read as follows:

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date _____ Member No. _____ Signature of Member or Authorized Signatory

ENCROACHMENT NOTE ENDORSEMENT – ATG® FORM 2019

OPA and MPA

Coverage: The Encroachment Note Endorsement is used to affirmatively insure against loss sustained due to encroachments of improvements located on the insured premises beyond the boundaries of the insured premises, beyond setback lines or onto recorded easements. Therefore, this endorsement insures only the right of the insured to maintain the improvement in its present location. This endorsement is not appropriate when improvements located on adjacent property encroach on the insured property (adverse encroachments)

Procedure: This endorsement may be used on either Owner's or Mortgagee's policies. Any time an Encroachment Note Endorsement is to be used, first raise the encroachment as an exception in Schedule B of the Policy. In order to complete an Encroachment Note Endorsement, insert the number or numbers of the Schedule B exceptions in the blanks on the endorsement form. Please consult the *ATG Basic Underwriting Handbook* and/or call the Underwriting Department to determine when encroachments may be endorsed.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

ENCROACHMENT NOTE ENDORSEMENT

ATG insures the Insured against actual loss or damage sustained by the Insured by reason of any final judgment or decree by a court of competent jurisdiction denying the right to maintain the improvements as now located on the land covered by this policy, beyond the boundaries of the property described in Schedule A hereof, or in violation of any building set-back line or easement mentioned in Schedule B hereof because of the encroachment noted in Schedule B as Exception No. _____.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

ATG ENDORSEMENT AGAINST LOSS – ENCROACHMENT – ATG® FORM 2018

MPA Only

Coverage: This endorsement insures against loss sustained by the insured mortgagee by reason of an encroachment of a neighboring improvement onto the insured premises (an adverse encroachment) as noted on Schedule B.

Procedure: This endorsement is for use with the Mortgagee Policy only. It is never issued for an Owner Policy. Please consult the *ATG Basic Underwriting Handbook* and/or contact the Underwriting Department for approval to issue this endorsement.

Any time an Endorsement Against Loss – Encroachment is to be used, first raise the encroachment as an exception on Schedule B of the policy. Attach an appropriate endorsement form to the Policy.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

ENDORSEMENT AGAINST LOSS - ENCROACHMENT

ATG insures the Insured against loss or damage sustained by the Insured by reason of the encroachment noted on Schedule B as Exception No. _____.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

ATG FORM 2018
© ATG (REV. 1/98)

FOR USE IN: ALL STATES

ENDORSEMENT AGAINST LOSS – LIENS OR ENCUMBRANCES-ATG® FORM 2020

OPA and MPA

Coverage: The purpose of this endorsement is to insure the Insured against actual loss or damage sustained because of the enforcement of a lien against the insured property. For example, this endorsement might be used to insure over an unsatisfied mortgage for which ATG has proof of payment; to insure over a judgment or other lien for which funds are being escrowed pending the satisfaction or other clearance of the lien; or to insure over an unsatisfied mortgage or lien if an indemnification letter has been received from another title company.

Procedure: The Endorsement Against Loss – Liens or Encumbrances may be issued with an Owner or Mortgagee Policy. You may issue this endorsement whenever you have met the underwriting guidelines for insuring over a lien (see the *ATG Basic Underwriting Handbook* for underwriting guidelines on different types of liens or encumbrances). For example, if the mortgage or lien in controversy has an identifiable liquidated amount and one of the following is true, then you may use this endorsement:

1. You have either been provided with proof of payment; or
2. You have established a title indemnity escrow for 150% of the current balance due, including interest and costs; or
3. You have received an indemnification letter from another title company.

Otherwise, contact the ATG Underwriting Department, 800.252.0402, for approval to issue this endorsement.

EXHIBIT 10-12: ENDORSEMENT AGAINST LOSS – LIENS OR ENCUMBRANCES – ATG® FORM 2020

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

ENDORSEMENT AGAINST LOSS - LIENS OR ENCUMBRANCES

ATG insures the Insured against actual loss or damage sustained by the Insured by reason of the enforcement of the lien excepted at No. _____ of Schedule B so as to secure full or partial satisfaction thereof out of the land described in Schedule A as a lien encumbering or having priority over the estate or mortgage insured by this policy, as well as such costs, attorneys' fees, and expenses in defense against such encumbrance as provided in the Conditions and Stipulations of this policy.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

ATG FORM 2020
© ATG (REV. 1/98)

FOR USE IN: ALL STATES

ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT – ATG® FORM 2021

MPA Only

Coverage: An ATG policy is a standard form American Land Title Association (ALTA) policy where environmental risks are excluded from coverage generally under paragraph one of the Exclusions from Coverage. The Environmental Protection Lien Endorsement (ALTA Form 8.1) is for the MPA only. It insures residential real estate against loss of priority of the insured mortgage because of any recorded environmental protection liens. There is no special environmental coverage available for owner's policies.

ALTA's previous version of the Environmental Protection Lien Endorsement (ALTA Form 8.0) has been discontinued. ATG members who have 8.0 endorsements must destroy them.

Procedure: You may issue this endorsement, when requested, on residential Mortgagee Policies only. Observe the following procedures when issuing the EPL Endorsement:

Search the Federal Tax Lien Index in the county recorder's office to discover any environmental protection liens, IRPTA disclosure documents, or other recorded documents that might indicate an environmental problem on the property. (See the *ATG Basic Underwriting Handbook* for more instructions on what to look for and how to raise appropriate exceptions).

You are not required to search the federal district court records.

If an environmental protection lien appears at any point in the chain of title, then raise the lien and the fact exception on Schedule B of the Commitment. Contact an underwriter to review the facts and approve the endorsement.

If an IRPTA disclosure document is recorded and there is no other lien or encumbrance disclosing violations or alleged violations of environmental laws, then you may issue the endorsement.

If an unreleased state lien is discovered, do not issue the endorsement.

If a released state or federal lien is discovered, then you may issue the endorsement so long as you raise the appropriate Schedule B exception.

If a lender requests an Environmental Protection Lien Endorsement and you are aware of an environmental risk that has not yet created a lien of record, contact an underwriter for instructions.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT

The insurance afforded by this endorsement is effective only if the land is used or is to be used primarily for residential purposes.

ATG insures the Insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over:

1. Any environmental protection lien that, at Date of Policy, is recorded in those records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B; or
2. Any environmental protection lien provided for by any state statute in effect at Date of Policy, except environmental protection liens provided for by a state statute listed herein:

65 ILCS 5/11-31-1(f).

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Date

Member No.

Signature of Member or Authorized Signatory

FORM E ENDORSEMENT – ATG® FORM 2023

MPA, OPA, and MPC

Coverage: This form is used to amend policies where no standardized endorsement form is available or to correct simple scribes' errors. This form may be used to correct typographical errors in name spellings, correct typographical errors in legal descriptions, and/or delete or waive exceptions in Schedule B with ATG approval. This form may also be used to provide endorsement language for which there is no pre-prepared form.

Procedure: Fill in the blanks as indicated and provide an explanation of the changes you are making to the policy. If you are asked to provide new endorsement language, call an underwriter for approval before issuing the Form E Endorsement with that language. If the endorsement language creates a special risk, the Underwriting Department may decide to charge a special risk premium to issue this endorsement.

EXHIBIT 10-14: FORM E ENDORSEMENT – ATG® FORM 2023

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Commitment No:
or
Policy No.:

State Issued:

FORM E ENDORSEMENT

Insured: _____

Amount of Insurance: \$ _____

Date of Policy: _____

The above policy is amended as follows:

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

GAP COVERAGE ENDORSEMENT – ATG® FORM 2024

OPA and MPA

Coverage: This endorsement is issued on the commitment and insures the time period from the effective date of the Commitment up to and including the date the deed is recorded vesting title in the proposed insured.

Procedure: This endorsement may only be used on commitments. The Gap Coverage Endorsement imposes great risk on the company. Therefore, you must use great care in complying with the following procedures to issue this endorsement. For residential transactions:

1. Examine the judgment and lien report for the buyer and seller for possible judgments and liens. If you have any doubt that the matters in the report apply to either the buyer or seller, or if there are any direct “hits,” do not issue the endorsement.
2. The seller must execute an Affidavit of Title.
3. You must evaluate the financial responsibility and integrity of the seller and buyer. Do not issue this endorsement if you think that either party is likely to have liens recorded against him or her during the gap period.
4. Conduct a later date search just before closing. Issue a Date Down Endorsement 1 to modify the commitment. Change the effective date to the date of your search and raise any new exceptions on Schedule B.
5. Record the closing documents as soon after the closing as possible to shorten the gap period.
6. If the closing will be an ATG Agency closing in the Chicago area (an ATG independent closer prepares the RESPA and conducts the closing), then gap coverage is automatically provided and it is not necessary to issue the endorsement with the commitment. Most lenders know this, but if you are working with a lender who does not know this and would like the endorsement, you may attach it to the commitment for no extra charge. The lender is charged for the coverage in the closing fee.

For commercial transactions, contact the Underwriting Department for approval before issuing this endorsement.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Commitment No.:

GAP COVERAGE ENDORSEMENT

Notwithstanding anything to the contrary contained herein, ATG agrees that coverage hereunder and the effective date hereof shall be extended up to and including the recording of the deed vesting title in the proposed Insured identified in Schedule A hereof.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

HOMESTEAD SUBORDINATION ENDORSEMENT – ATG® FORM 2056

MPA and MPC

Coverage: This endorsement assures the lender that its lien of mortgage has priority over the homestead rights of a non-titleholding spouse.

Procedure: This endorsement is for Mortgagee's and Construction loan policies only.

This endorsement is for situations where you have married buyers, but only one spouse is going to go into title, or you have married borrowers, but only one spouse is in title and they intend to borrow money for improvements. Under 735 ILCS 5/12-903, a purchase money mortgage or a home improvement mortgage has priority over the homestead exemption of the non-titleholding spouse. This means that the mortgage will take priority over the non-titleholding spouse's homestead interest if all the proceeds of the loan are either used to pay for the property or all the proceeds are used to improve an existing home. In these situations, the mortgage will take priority even without the non-titleholding spouse's signature.

If you have married owners/buyers who are taking out a loan and mortgage to purchase the property or make improvements to it, and only one spouse is in title, you may issue this endorsement on either a Mortgagee's or Construction loan policy. You may not issue this endorsement on an Owner's policy.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

HOMESTEAD SUBORDINATION ENDORSEMENT

ATG hereby insures the insured mortgagee against loss that the mortgagee shall sustain by reason of the inaccuracy of the following assurance:

The homestead rights, if any, of _____, are subordinate and inferior to the lien of the insured mortgage.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

INFLATION ENDORSEMENT – ATG® FORM 2025

OPA Only

Coverage: This endorsement recognizes the effect of inflation by providing that the Amount of Insurance on Schedule A will increase by the same percentage as inflation. It does not change the effective date of the policy, nor does it extend the coverage of the policy.

Note that for reissue purposes only the original amount of the policy is considered.

Procedure: This form may be attached to an Owner Policy insuring a single-family residence or insuring an apartment complex of no more than six family units. This form is not to be used in connection with policies insuring commercial or other nonresidential properties.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

INFLATION ENDORSEMENT

ATG, recognizing the current effect of inflation on real property valuation and intending to provide additional monetary protection to the insured named in the policy, hereby modifies the policy as follows:

1. Notwithstanding anything contained in the policy to the contrary, the Amount of Insurance provided by the policy, as stated in Schedule A, is subject to cumulative annual upward adjustments in the manner and to the extent hereinafter specified.
2. "Adjustment Date" is defined, for the purpose of this endorsement, to be 12:01 a.m. on the first January 1 that occurs more than six months after the Date of Policy, shown in Schedule A of the policy to which this endorsement is attached, and on each succeeding January 1.
3. An upward adjustment will be made on each of the Adjustment Dates, as defined above, by increasing the maximum amount of insurance provided by the policy (as the amount may have been increased theretofore under the terms of this endorsement) by the same percentage, if any, by which the annual "ENR 20-City Building Cost Index" has increased (as published in the "Fourth Quarterly Cost Report," December issue of the **Engineering News Record**, a McGraw-Hill publication); provided, however, that the maximum Amount of Insurance in force shall never exceed 150% of the Amount of Insurance stated in Schedule A of the policy, less the amount of any claim paid under the policy which, under the terms of the Conditions and Stipulations, reduces the amount of insurance in force. There shall be no annual adjustment in the Amount of Insurance for years in which there is no increase in the Building Cost Index.
4. In the settlement of any claim against ATG under the policy, the Amount of Insurance in force shall be deemed to be the amount that is in force as of the date on which the insured claimant first learned of the assertion or possible assertion of such claim, or as of the date of receipt by ATG of the first notice of such claim, whichever shall first occur.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

INSTALLMENT CONTRACT PURCHASER'S ENDORSEMENT "A" – ATG® FORM 2026

OPA Only

Coverage: A contract purchaser's interest may be insured by issuing a contract purchaser's policy; see the *ATG Basic Underwriting Handbook*. The Installment Contract Purchaser's Endorsement provides additional coverage that the contract purchaser has a right to a deed, that the seller's trustee in bankruptcy will be bound by the contract, and that the seller's judgment liens will not be enforced against the real estate. It is not necessary to issue such an endorsement on each contract purchaser policy. However, upon request, this endorsement may be issued.

Procedure: Installment Contract Purchaser's Endorsement "A" is to be used for OPAs *only on residential* real estate and is only effective so long as the insured contract purchaser is in the actual physical possession of the residential property. Recording of the contract is not a requirement for use of this form.

If neither the contract nor a memorandum thereof is recorded and the property is not residential property occupied by the purchaser neither of the endorsements can be used and the following exception must be added to Schedule B:

Consequences, if any, by reason of the failure to record either the Agreement for Deed or a memorandum thereof.

Please note that all liens, encumbrances, and defects in existence as of the effective date of the contract purchaser's policy created or suffered by either the contract seller or the contract purchaser must be disclosed as exceptions on Schedule B of the final policy. Therefore, the title search must be conducted in names of both the contract seller and the contract purchaser.

At the time of the closing on the contract to purchase, the contract purchaser is given a title policy. Do not issue only a commitment and leave that commitment open until completion of the contract. Instead, issue the contract purchaser's policy and charge the applicable rate as would be charged for a standard Owner Policy. Upon completion of the contract, a new Owner Policy should be issued.

**EXHIBIT 10-18: INSTALLMENT CONTRACT PURCHASER'S
ENDORSEMENT "A" – ATG® FORM 2026**

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

INSTALLMENT CONTRACT PURCHASER'S ENDORSEMENT "A"

1. The contract to purchase shown in Schedule B is an interest covered by this policy vested in the insured contract purchaser. The company insures against actual loss sustained by the contract purchaser by reason of:
 - a. The unenforceability of the right to receive a deed under the contract, unless the insured contract purchaser does not fulfill the terms of the contract.
 - b. The refusal of a trustee, in the event of the seller's or record title owner's bankruptcy, to issue a deed under the terms of the contract, unless the insured contract purchaser is not in possession of the land, and
 - c. Entry of any court order which constitutes a final determination enforcing the lien of any judgments for any monetary damages against the contract seller, or his successors or assigns, rendered after the date hereof and while the insured contract purchaser continues to occupy the insured premises.

2. This policy does not insure against loss or damage sustained by the insured contract purchaser by reason of:
 - a. Matters that first affect title to the land after the policy date.
 - b. Failure of the insured contract purchaser to do everything necessary:
 - (i) To secure proper deeds from the seller, seller's successor in interest, or the record title owner,
 - (ii) To secure releases from persons then having an interest in the title or a lien on the land, or
 - (iii) To secure a final court order, which determines the persons then entitled to receive payment from the insured.
 - c. Costs, attorneys' fees, and expenses to secure the final court order referred to above in Paragraph 2b(ii) and (iii), or to enforce the contract.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

ATG FORM 2026
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FOR USE IN: ALL STATES

INSTALLMENT CONTRACT PURCHASER'S ENDORSEMENT "B" – ATG® FORM 2027

OPA Only

Coverage: A contract purchaser's interest may be insured by issuing a contract purchaser's policy; see the *ATG Basic Underwriting Handbook*. The Installment Contract Purchaser's Endorsement "B" provides additional coverage that the contract purchaser has a right to a deed, that the contract is enforceable, that the seller's judgment liens will not be enforced against the real estate and that the Insured is entitled to personal service. It is not necessary to issue such an endorsement on each contract purchaser policy. However, upon request, this endorsement may be issued.

Procedure: The Installment Contract Purchaser's Endorsement "B" may be used on OPAs for either residential or commercial property but only where the contract, or a memorandum thereof, is *recorded*.

Please note that all liens, encumbrances, and defects in existence as of the effective date of the contract purchaser's policy created or suffered by either the contract seller or the contract purchaser must be disclosed as exceptions on Schedule B of the final policy. Therefore, the title search must be conducted in names of both the contract seller and the contract purchaser.

At the time of the closing on the contract to purchase, the contract purchaser is given a title policy. Do not issue only a commitment and leave that commitment open until completion of the contract. Instead, issue the contract purchaser's policy and charge the applicable rate as would be charged for a standard Owner Policy. Upon completion of the contract, a new Owner Policy should be issued.

**EXHIBIT 10-19: INSTALLMENT CONTRACT PURCHASER'S
ENDORSEMENT "B" – ATG® FORM 2027**

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

INSTALLMENT CONTRACT PURCHASER'S ENDORSEMENT "B"

1. ATG hereby insures the Insured against actual loss which the insured shall sustain by reason of any inaccuracy in any of the following assurances:
 - a. The named insured Contract Purchaser has the right to receive a deed conveying title to the property described in Schedule A herein which right is enforceable against the contract seller, his heirs, devisees, and assignees, if any; and
 - b. The named insured Contract Purchaser has the right to receive a deed conveying title to the property described in Schedule A herein which right is enforceable against the contract seller and any trustee in bankruptcy for such seller; and
 - c. No money judgment, not related to any matter set forth in Schedule B hereof, hereafter rendered against the contract seller shall entitle such judgment creditor to an interest in the real estate superior to the rights of the named insured Contract Purchaser in such real estate; and
 - d. The named insured Contract Purchaser is legally entitled to receive personal service in all cases, suits and proceedings filed after the effective date of this policy which purport to affect title to the real estate described in Schedule A hereof.
2. This policy and this endorsement and the coverages herein provided are subject to and neither the policy nor this endorsement insures against loss or damage which the insured shall sustain by reason of:
 - a. Matters that first affect title to the real estate subsequent to the date of the policy (except to the extent specifically provided in paragraph 1 of this endorsement); or
 - b. Failure of the insured to comply with the terms, conditions, covenants and restrictions contained in the installment contract giving rise to the interest insured herein, or costs and expenses of such compliance or contract enforcement.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

ATG FORM 2027
© ATG (REV. 1/00)

FOR USE IN: ALL STATES

LEASEHOLD-OWNER'S ENDORSEMENT – ATG® FORM 2081

OPA Only

Coverage: This endorsement changes an Owner Policy (OPA) into a policy insuring a tenant's interest in real estate, known as an Owner Policy Leasehold (OPL). The endorsement adds the following provisions to the policy:

1. The value of the leasehold interest for claim loss pursuant to a covered eviction includes the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction, less the amount of remaining rent not due on the lease.
2. The endorsement adds coverage for the following losses that may occur due to a covered eviction:
3. The reasonable cost of removing personal property for the first 100 miles, including damage resulting from the move;
4. Rent or damages due the person with paramount title;
5. Rent due the lessor after eviction;
6. The fair market value of any lease or sublease of the land made by the Insured;
7. Damages due any lessee or sublessee of the Insured as a result of the eviction;
8. Reasonable costs to obtain a new, comparable leasehold;
9. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction.

Procedure: This endorsement may only be issued on Owner Policies (OPAs) where the proposed insured is a tenant under a lease. Before you may issue the endorsement, you must record the lease. Obtain Schedules A and B for leasehold policies, and use them in place of the standard OPA schedules.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

LEASEHOLD-OWNER'S ENDORSEMENT

1. As used in this endorsement, the following terms shall mean:

- a. "Evicted" or "Eviction": (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the land or the tenant leasehold improvements for the purposes permitted by the Lease, in either case, as a result of a matter covered by this policy.
- b. "Lease": the lease agreement described in Schedule A.
- c. "Leasehold Estate": the right of possession for the lease term.
- d. "Lease Term": the duration of the leasehold estate, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- e. "Personal Property": chattels located on the land and property which, because of their character and manner of affixation to the land, can be severed from the land without causing appreciable damage to themselves or to the land to which they are affixed.
- f. "Remaining Lease Term": the portion of the lease term remaining after the Insured has been evicted as a result of a matter covered by this policy.
- g. "Tenant Leasehold Improvements": Those improvements, including landscaping, required or permitted to be built on the land by the lease that have been built at the Insured's expense or in which the Insured has an interest greater than the right to possession during the lease term.

2. The provisions of subsection (b) of Section 7 of the Conditions and Stipulations shall not apply to any leasehold estate covered by this policy.

3. Valuation of Estate or Interest Insured

If, in computing loss or damage, it becomes necessary to value the estates or interests of the Insured as the result of a covered matter that results in an eviction, then that value shall consist of the value for the remaining lease term of the leasehold estate and any tenant leasehold improvements existing on the date of the eviction. The insured claimant shall have the right to have the leasehold estate and the tenant leasehold improvements valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the remaining lease term.

4. Additional items of loss covered by this endorsement:

If the Insured is evicted, the following items of loss, if applicable, shall be included in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the estates or interests insured by this policy.

- a. The reasonable cost of removing and relocating any personal property that the Insured has the right to remove and relocate, situated on the land at the time of eviction, the cost of transportation of that personal property for the initial one hundred miles incurred in connection with the relocation, and the reasonable cost of repairing the personal property damaged by reason of the removal and relocation.
- b. Rent or damages for use and occupancy of the land prior to the eviction, which the Insured as owner of the leasehold estate is obligated to pay to any person having paramount title to that of the lessor in the lease.
- c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after eviction with respect to the portion of the leasehold estate and tenant leasehold improvements from which the Insured has been evicted.
- d. The fair market value, at the time of the eviction, of the estate or interest of the Insured in any lease or sublease made by the Insured as lessor of all or part of the leasehold estate or the tenant leasehold improvements.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

- e. Damages that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease made by the Insured as lessor of all or part of the leasehold estate or the tenant leasehold improvements caused by the eviction
- f. Reasonable costs incurred by the Insured to secure a replacement leasehold equivalent to the leasehold estate.
- g. If tenant leasehold improvements are not substantially completed at the time of eviction, the actual cost incurred by the Insured, less the salvage value, for the tenant leasehold improvements up to the time of eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering fees, construction management fees, costs of environmental testing and reviews, landscaping costs and fees, costs and interest on loans for the acquisition and construction.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date _____ Member No. _____ Signature of Member or Authorized Signatory

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LEASEHOLD-LOAN ENDORSEMENT – ATG® FORM 2082

MPA Only

Coverage: This endorsement changes a Mortgagee Policy (MPA) into a policy insuring a mortgage on a tenant's interest in real estate, known as a Mortgagee Policy Leasehold (MPL). The endorsement adds the following provisions to the policy:

1. The value of the leasehold interest for claim loss pursuant to a covered eviction includes the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction, less the amount of remaining rent not due on the lease.
2. The endorsement adds coverage for the following losses that may occur due to a covered eviction:
 - a. The reasonable cost of removing personal property for the first 100 miles, including damage resulting from the move;
 - b. Rent or damages due the person with paramount title;
 - c. Rent due the lessor after eviction;
 - d. The fair market value of any lease or sublease of the land made by the Insured;
 - e. Damages due any lessee or sublessee of the Insured as a result of the eviction;
 - f. Reasonable costs to obtain a new, comparable leasehold;
 - g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction.

Procedure: This endorsement may only be issued on lender policies (MPAs) where the mortgagor is a tenant under a lease. Before you may issue the endorsement, you must record the lease and mortgage. Obtain Schedules A and B for leasehold policies, and use them in place of the standard MPA schedules.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

LEASEHOLD-LOAN ENDORSEMENT

1. As used in this endorsement, the following terms shall mean:

- a. "Evicted" or "Eviction": (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the land or the tenant leasehold improvements for the purposes permitted by the lease, in either case, as a result of a matter covered by this policy.
- b. "Lease": the lease agreement described in Schedule A.
- c. "Leasehold Estate": the right of possession for the lease term.
- d. "Lease Term": the duration of the leasehold estate, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- e. "Personal Property": chattels located on the land and property which, because of their character and manner of affixation to the land, can be severed from the land without causing appreciable damage to themselves or to the land to which they are affixed.
- f. "Remaining Lease Term": the portion of the lease term remaining after the Insured has been evicted as a result of a matter covered by this policy.
- g. "Tenant": the tenant under the lease and, after acquisition of all or any part of the estate or interest in the land described in Schedule A in accordance with the provisions of Section 2(a) of the Conditions and Stipulations of this policy, the insured claimant.
- h. "Tenant Leasehold Improvements": Those improvements, including landscaping, required or permitted to be built on the land by the lease that have been built at the Insured's expense or in which the Insured has an interest greater than the right to possession during the lease term.

2. Valuation of Estate or Interest Insured

If, in computing loss or damage, it becomes necessary to value the estates or interests insured by this policy as the result of a covered matter that results in an eviction of the tenant, then that value shall consist of the value for the remaining lease term of the leasehold estate and any tenant leasehold Improvements existing on the date of the eviction. The insured claimant shall have the right to have the leasehold estate and the tenant leasehold improvements valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the remaining lease term.

3. Additional items of loss covered by this endorsement:

If the Insured acquires all or any part of the estate or interest in the land described in Schedule A in accordance with the provisions of Section 2(a) of the Conditions and Stipulations of this policy and thereafter is evicted, the following items of loss, if applicable, shall be included in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the estates or interests insured by this policy.

- a. The reasonable cost of removing and relocating any personal property that the Insured has the right to remove and relocate, situated on the land at the time of eviction, the cost of transportation of that personal property for the initial one hundred miles incurred in connection with the relocation, and the reasonable cost of repairing the personal property damaged by reason of the removal and relocation.
- b. Rent or damages for use and occupancy of the land prior to the eviction which the Insured as owner of the leasehold estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.
- c. The amount of rent that, by the terms of the lease, the Insured must continue to pay to the lessor after eviction with respect to the portion of the leasehold estate and tenant leasehold improvements from which the Insured has been evicted.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

- d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease made by tenant as lessor of all or part of the leasehold estate or the tenant leasehold.
- e. Damages that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease made by the tenant as lessor of all or part of the leasehold estate or the tenant leasehold improvements caused by the eviction.
- f. Reasonable costs incurred by the Insured to secure a replacement leasehold equivalent to the leasehold estate.
- g. If tenant leasehold improvements are not substantially completed at the time of eviction, the actual cost incurred by the Insured, less the salvage value, for the tenant leasehold improvements up to the time of eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering fees, construction management fees, costs of environmental testing and reviews, and landscaping costs.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date _____ Member No. _____ Signature of Member or Authorized Signatory

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LEGAL DESCRIPTION ENDORSEMENT – ATG® FORM 2029

OPA and MPA

Coverage: This endorsement insures that the legal descriptions on Schedule A of the policy and on the mortgage, trust deed, or deed of conveyance are the same.

Procedure: This endorsement may be issued on Owner's or Mortgagee's policies. You may issue it when you have determined that the legal descriptions on Schedule A of the policy and on the mortgage, trust deed, or deed of conveyance are the same. The member attorney should make the final determination in this matter. If you are having difficulty determining whether the two legal descriptions are the same, you may want the advice of a surveyor, or you may want to call the Underwriting Department for help.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

LEGAL DESCRIPTION ENDORSEMENT

ATG insures the insured against actual loss or damage sustained by the insured by reason of any inaccuracy in the following assurance:

The land described in Schedule A, and the land described in the mortgage, trust deed, or deed of conveyance, are legally identical to the land described in Schedule A despite differences in the language employed in the description of the land.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

LOCATION ENDORSEMENT 1 – ATG® FORM 2030

OMC and MPA

Coverage: This endorsement is used for subdivided land. This endorsement insures the number of feet of street footage, the depth of the property, its mailing address, and the type of structures located on the property for subdivided land.

Procedure: This endorsement may be issued on lenders' commitments and Mortgagee's Policies only. This endorsement may only be used when the insured property is subdivided land, however you may amend it to provide coverage for unsubdivided property. If you have a survey, you also may amend the endorsement to provide coverage "according to a survey."

Many sources will provide credible information with which to complete this endorsement. Examples of credible sources include the subdivision plat, a plat of survey, county plat book, realtor's listing agreement, or appraisal.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

LOCATION ENDORSEMENT 1 (ALTA 22)

ATG insures against loss or damage sustained by the Insured by reason of the failure of a

(Description of Improvement)

known as

(Street Address)

to be located on the Land at Date of Policy.

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.

Date

Member No.

Signature of Member or Authorized Signatory

LOCATION ENDORSEMENT 2 (CONDOMINIUM) – ATG® FORM 2031

OMC and MPA

Coverage: This endorsement is used for condominium property. This endorsement insures the number of feet of street footage, the depth of the property, its mailing address, and the type of structures located on the property.

Procedure: This endorsement may only be issued on lenders' Commitments and policies. You must review the survey in the Condominium Declaration in order to complete paragraphs a, b, and d. Some credible evidence of the address will be needed for paragraphs a and c. Many sources will provide credible information with which to complete this endorsement. Examples of credible sources include the condominium plat, a plat of survey, realtor's listing agreement, or appraisal.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy or Commitment No.:

State Issued:

LOCATION ENDORSEMENT 2 (CONDOMINIUM)

ATG insures the Insured against loss or damage sustained by the Insured by reason of any inaccuracies in the following assurances:

1. That, according to the plat attached to the Declaration of Condominium recorded as Document _____, the land is part of a Condominium Property having a street frontage of _____ feet, and a depth of _____ feet; and, according to the plat of subdivision, the property is located _____ ;
2. That there is located on the Condominium Property _____ ;
3. That the building on the Condominium Property has the No. _____ thereon, indicating that the same is known as _____ .
4. That, according to the Condominium Plat, Unit _____, described herein, is located on the _____ side of the _____ floor of the building and is _____ feet _____ of the exterior face of the _____ wall of the building.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date _____ Member No. _____ Signature of Member or Authorized Signatory

MANUFACTURED HOUSING UNIT ENDORSEMENT – ATG® FORM 2044

OPA and MPA

Coverage: This endorsement provides that any mobile home, manufactured home, or modular home on the property is covered by the title policy.

Procedure: This endorsement may be used on Owner's and Mortgagee's policies where there is a mobile home, manufactured home, or modular home on the property. The endorsement may only be issued upon evidence that the mobile home, etc. has been permanently attached to the land (i.e., concrete foundation, wheels removed, etc.). In addition, raise a Schedule B exception using the following language:

Consequences, if any, of the failure of the county assessor to assess real property taxes against the improvements located on the insured real estate.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

MANUFACTURED HOUSING UNIT ENDORSEMENT (ALTA 7)

The term "Land" as defined in this policy includes the manufactured housing unit located on the Land at Date of Policy.

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.

Date

Member No.

Signature of Member or Authorized Signatory

MULTIPLE MORTGAGE ENDORSEMENT – ATG® FORM 2058

MPA only

Coverage: Occasionally, ATG is asked to insure a first and second mortgage given by the borrower to the same lender on the same piece of property on one MPA policy for the total of the face amount of both mortgages. The most compelling reason for not insuring both mortgages on one policy is a possibility that the mortgages may be sold to separate institutions that would each then claim priority as to the other mortgage in a foreclosure setting.

The endorsement deletes the policy provisions regarding priority of the insured mortgage and substitutes a new insuring provision. The endorsement identifies a priority between the two insured mortgages.

Procedure: This endorsement may only be used on Mortgagees' policies. Two mortgages may be insured on one policy upon compliance with the following conditions:

1. The mortgage documents themselves must state a priority between them;
2. Schedule A Number 3 of the policy will be split into parts A and B and the mortgage which has the first priority will be shown under part A and the mortgage with the second priority will be shown under part B;
3. The Multiple Mortgage Endorsement will be issued on the policy.

If this format is followed, ATG will insure the two mortgages on one policy.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

MULTIPLE MORTGAGE ENDORSEMENT (1992 ALTA LOAN POLICY)

Paragraph 6 of the insuring provisions of said policy, which reads:

“The priority of any lien or encumbrance over the lien of the insured mortgage” is hereby deleted, and there is substituted in lieu thereof the following:

- 6. (1) The priority of any lien or encumbrance over the lien of the insured mortgage referred to in subparagraph (a) of paragraph 3 of Schedule A, or
- (2) The priority of any lien or encumbrance over the lien of the insured mortgage referred to in subparagraph (b) of paragraph 3 of Schedule A, except the mortgage referred to in subparagraph (a) of paragraph 3 of Schedule A.

Except where used in this endorsement, the term “insured mortgage” wherever used in said policy shall be construed as referring to both of the mortgages described in Schedule A.

ATG insures the owner of the indebtedness insured by the insured mortgage that, except as stated in Schedule B, there are no matters affecting the priority of the insured mortgage shown in subparagraph (b) of paragraph 3 of Schedule A that have intervened between the time of the recording of the mortgage shown in subparagraph (a) of paragraph 3 of Schedule A and the mortgage shown in subparagraph (b) of paragraph 3 of Schedule A.

This is hereby added to the Conditions and Stipulations as Section 11(c) the following:

- (c) Loss under this policy shall be payable first to the insured owner of the indebtedness secured by the mortgage referred to in subparagraph (a) of paragraph 3 of Schedule A, and if such ownership vests in more than one, payment shall be made ratably as their respective interests may appear, and thereafter, any loss shall be payable to the owner of the indebtedness secured by the mortgage referred to in subparagraph (b) of paragraph 3 of Schedule A, and if more than one, then to such Insured ratably as their respective interests may appear.

This endorsement is made a part of said policy and is subject to the schedules, Conditions and Stipulations therein, except as modified by the provisions hereof.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

P.I.N. ENDORSEMENT – ATG[®] FORM 2079

OPA and MPA

Coverage: This endorsement insures: (1) that the insured property is a single tax parcel, separate from any other tax parcel, (2) that the insured property has only one permanent index number (PIN), which is not shared with any other parcel, and (3) what the PIN is.

Procedure: This endorsement may be issued on Owner's or Mortgagee Policies. To issue it, you must conduct a search of the tax records and review the Sidwell maps (or similar maps) where available.

If you find:

1. that the property is a single tax parcel;
2. that the property has a single PIN; and
3. what the PIN is;

then you may issue this endorsement.

If you cannot ascertain the above three items, you may not issue this endorsement.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

P.I.N. ENDORSEMENT

ATG hereby insures the Insured against loss or damage, which the Insured shall sustain by reason of any inaccuracies in the following assurances:

1. At Date of Policy, the land described in Schedule A constitutes a single parcel for real estate tax purposes, separate and apart from any other land.
2. At Date of Policy, the land described in Schedule A is assessed for real estate tax purposes under the following permanent index number, and said permanent index number affects only the land insured herein and no other land.

Permanent Index Number:

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date _____ Member No. _____ Signature of Member or Authorized Signatory

PLANNED UNIT DEVELOPMENT ENDORSEMENT 1 – ATG® FORM 2034

MPA Only

Coverage: Planned unit developments may contain detached single-family residences, as well as town homes and condominiums. This endorsement insures that the insured lender will not suffer any loss due to present violations of the restrictive covenants, homeowners' association liens, forced removal of any structure encroaching over the property line, or the exercise of a right of first refusal that existed at the Date of Policy.

Procedure: This endorsement may be used on Mortgagee Policies only. This endorsement may be issued once it has been determined that each insuring clause has, in fact, been satisfied. This means you must:

1. Examine any covenants, conditions and restrictions of record to determine that there are no violations and no forfeiture or right of reversion (paragraph 1);
2. Obtain a letter from the managing association that all assessments that may be levied against the premises have been paid through the date of recording the deed or mortgage (paragraph 2) and that any right of first refusal has been waived (paragraph 4); and
3. Examine a current survey of the premises (paragraph 3) for encroachments onto either adjoining land or onto easements.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

PLANNED UNIT DEVELOPMENT ENDORSEMENT 1

ATG insures the insured against loss or damage sustained by reason of:

1. Present violations of any restrictive covenants referred to in Schedule B that restrict the use of the land, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the public records and is not excepted in Schedule B. The restrictive covenants do not contain any provisions that will cause a forfeiture or reversion of title.
2. The priority of any lien for charges and assessments at Date of Policy in favor of any association of homeowners that are provided for in any document referred to in Schedule B over the lien of any insured mortgage identified in Schedule A.
3. The enforced removal of any existing structure on the land (other than a boundary wall or fence) because it encroaches onto adjoining land or onto any easements.
4. The failure of title by reason of a right of first refusal to purchase the land that was exercised or could have been exercised at Date of Policy.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

PLANNED UNIT DEVELOPMENT ENDORSEMENT 2 – ATG® FORM 2060

OPA only

Coverage: Planned unit developments may contain detached single family residences, as well as town homes and condominiums. This endorsement insures that the insured owner will not suffer any loss due to present violations of the restrictive covenants, homeowners' association liens due and unpaid as of the Date of Policy, forced removal of any structure encroaching over the property line, or the exercise of a right of first refusal that existed at the Date of Policy.

Procedure: This endorsement is for use on Owner's Policies only. This endorsement may be issued once it has been determined that each insuring clause has, in fact, been satisfied. This means you must:

1. Examine any covenants, conditions and restrictions of record to determine that there are no violations and no forfeiture or right of reversion (paragraph 1);
2. Obtain a letter from the managing association that all assessments that may be levied against the premises have been paid through the date of recording the deed or mortgage (paragraph 2) and that any right of first refusal has been waived (paragraph 4); and
3. Examine a current survey of the premises (paragraph 3) for encroachments onto either adjoining land or onto easements.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

PLANNED UNIT DEVELOPMENT ENDORSEMENT 2

ATG insures the insured against loss or damage sustained by reason of:

1. Present violations of any restrictive covenants referred to in Schedule B that restrict the use of the land, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the public records and is not excepted in Schedule B. The restrictive covenants do not contain any provisions that will cause forfeiture or reversion of title.
2. Any charges or assessments in favor of any association of homeowners that are provided for in any document referred to in Schedule B due and unpaid at Date of Policy.
3. The enforced removal of any existing structure on the land (other than a boundary wall or fence) because it encroaches onto adjoining land or onto any easements.
4. The failure of title by reason of a right of first refusal to purchase the land that was exercised or could have been exercised at Date of Policy.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

RESTRICTIONS, ENCROACHMENTS, AND MINERALS ENDORSEMENT – ATG® FORM 2035

MPA Only

Coverage: This form is the ATG-approved version of ALTA Form 9. This endorsement provides extensive coverage to lenders. This endorsement assures lenders that:

1. the covenants, conditions, or restrictions (CCRs) do not extinguish the mortgage or impair it;
2. unless shown on Schedule B, there are no violations of the CCRs;
3. unless shown on Schedule B, there are no encroachments over setback lines;
4. unless shown on Schedule B, the CCRs do not create an easement;
5. unless shown on Schedule B, the CCRs do not create a lien for liquidated damages;
6. unless shown on Schedule B, the CCRs do not provide for a private charge assessment;
7. unless shown on Schedule B, the CCRs do not create an option to purchase, right of first refusal or a prior approval of a future purchaser or occupant;
8. unless shown on Schedule B, there are no encroachments onto adjoining land;
9. unless shown on Schedule B, there are no adverse encroachments (encroachments of improvements from adjoining land onto the insured land);
10. unless shown on Schedule B, there are no encroachments onto recorded easements;
11. unless shown on Schedule B, there are no recorded notices of a violation of any CCRs related to environmental protection;
12. a future violation of the CCRs will not impair the mortgage;
13. a future violation of the CCRs will not impair the title if the lender is in title;
14. if someone else holds the mineral estate, that owner does not have rights to the surface that could cause damage;
15. if Schedule B does reveal encroachments onto adjoining property, we insure against court orders requiring the encroachment to be moved;
16. if Schedule B does reveal violations of the CCRs, we insure against court orders requiring the improvement to be moved;
17. if Schedule B does reveal violations of the setback lines, we insure against court orders requiring the improvement to be moved.

Procedure: This endorsement may only be issued on Mortgagee's policies. This endorsement may be issued where the insured property is one acre or less and improved with a single-family home.

Do not issue this endorsement if the insured land is commercial property, vacant land, land greater than one acre in size, or land where mining operations are active and surface rights are in current use.

If the insured land is: (1) a single-family home, (2) greater than one acre in size, and (3) the mineral estate has been severed from the fee, or if a mineral lease has been executed, and (4) the owner of the mineral estate has no surface rights then you may still issue the endorsement.

You must take great care in issuing this endorsement. It will require a great deal of work and attention to detail. At a minimum, this endorsement requires you to conduct a thorough review, taking the following steps:

1. Carefully review the covenants, conditions, or restrictions (CCRs). In particular:
 - a. the CCRs should not contain any forfeiture or reversion language; if they do, then you may not issue this endorsement;
 - b. if the CCRs provide for an assessment, create a lien for liquidated damages, or create an easement, raise those matters on Schedule B;
 - c. if the CCRs contain a right of first refusal, or a lien that may take priority over the mortgage, raise these matters on Schedule B and obtain waivers from those who hold those interests; and
 - d. if the CCRs create an option to purchase or a prior approval of a future purchaser or occupant, raise those matters on Schedule B and obtain waivers or approvals from those who hold those interests;

2. Review the subdivision plat to determine easements and building lines.
3. Obtain a current survey or an Affidavit in Lieu of Survey if the Mortgagee Policy is for a refinance. The current survey should clearly show all improvements as well as all easements, setback lines, and other matters affecting the property. Check to see that there are no violations of the CCRs and no encroachments. If there are any such violations or encroachments, raise them as exceptions on Schedule B. Remember that setbacks may be created by the plat, the CCRs or by ordinance. Make sure you raise exceptions for violations of any setback requirements, no matter how created.
4. If you have raised any encroachments onto adjoining property, any violations of the CCRs, or any violations of any setback lines, you must determine whether the encroachment or violation falls within our underwriting guidelines to see whether they may be insured over. Underwriting guidelines may be found in the *ATG Basic Underwriting Handbook* or by calling the Underwriting Department. If the violation or encroachment does not fall within our underwriting guidelines and may not be insured over, then you may not issue the endorsement.
5. Under Illinois law, a conveyance or reservation of coal and mineral rights carries with it the implied right to make reasonable use of the surface. Accordingly, examine the chain of title to determine if the fee titleholder has expressly reserved surface rights. Unfortunately, this may require a lengthy and fruitless search of the record. Therefore, if the fee titleholder has not expressly reserved surface rights, you may not issue this endorsement.

If you have any questions about your review of the above documents, or if you have questions about issuing this document, please call the Underwriting Department.

**EXHIBIT 10-30: RESTRICTIONS, ENCROACHMENTS, AND MINERALS
ENDORSEMENT – ATG® FORM 2035 (page 1 of 2)**

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

RESTRICTIONS, ENCROACHMENTS, AND MINERALS ENDORSEMENT (ALTA 9)

ATG insures the owner of the indebtedness secured by the Insured Mortgage against loss or damage sustained by reason of:

1. The existence, at Date of Policy, of any of the following:
 - a. Covenants, conditions, or restrictions under which the lien of the Insured Mortgage can be divested, subordinated, or extinguished, or its validity, priority, or enforceability impaired.
 - b. Unless expressly excepted in Schedule B:
 - i. Present violations on the Land of any enforceable covenants, conditions, or restrictions, or existing improvements on the Land that violate any building setback lines shown on a plat of subdivision recorded or filed in the Public Records.
 - ii. Any instrument referred to in Schedule B as containing covenants, conditions, or restrictions on the Land that, in addition: (A) establishes an easement on the Land; (B) provides a lien for liquidated damages; (C) provides for a private charge or assessment; (D) provides for an option to purchase, a right of first refusal, or the prior approval of a future purchaser or occupant.
 - iii. Any encroachment of existing improvements located on the Land onto adjoining land, or any encroachment onto the Land of existing improvements located on adjoining land.
 - iv. Any encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B.
 - v. Any notices of violation of covenants, conditions, or restrictions relating to environmental protection recorded or filed in the Public Records.
2. Any future violation on the Land of any existing covenants, conditions, or restrictions occurring prior to the acquisition of Title to the estate or interest in the Land by the Insured, provided the violation results in:
 - a. invalidity, loss of priority, or unenforceability of the lien of the Insured Mortgage; or
 - b. loss of Title if the Insured shall acquire Title in satisfaction of the indebtedness secured by the Insured Mortgage.
3. Damage to existing improvements, including lawns, shrubbery, or trees:
 - a. that are located on or encroach upon that portion of the Land subject to any 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;
 - b. resulting from the future exercise of any right to use the surface of the Land for the extraction or development of minerals excepted from the description of the Land or excepted in Schedule B.
4. Any final court order or judgment requiring the removal from any land adjoining the Land of any encroachment excepted in Schedule B.
5. Any final court order or judgment denying the right to maintain any existing improvements on the Land because of any violation of covenants, conditions, or restrictions, or building setback lines shown on a plat of subdivision recorded or filed in the Public Records.

**EXHIBIT 10-30: RESTRICTIONS, ENCROACHMENTS, AND MINERALS
ENDORSEMENT – ATG® FORM 2035 (page 2 of 2)**

Wherever in this endorsement the words “covenants, conditions, or restrictions” appear, they shall not be deemed to refer to or include the terms, covenants, conditions, or limitations contained in an instrument creating a lease.

As used in paragraphs 1.b.i. and 5., the words “covenants, conditions, or restrictions” do not include any covenants, conditions, or restrictions: (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land; or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Policy and is not excepted in Schedule B.

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.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

REVOLVING CREDIT ENDORSEMENT 1 – ATG® FORM 2036

MPA Only

Coverage: A revolving credit mortgage is a loan in which the lender may from time to time make loans or advances to or from the account of the debtor. The debtor obtains these loans or advances using drafts, orders for the payment of money, evidence of debt or similar written instruments, signed by the debtor. These loans or advancements are charged to an account for which the lender bills the debtor at regular intervals. The bills or statements are payable by the debtor on a specific date or in installments. A revolving credit arrangement may include provisions granting the lender a security interest in real property or in a beneficial interest in a land trust to secure amounts of credit extended by the lender.

In Illinois, a revolving credit loan must be made for at least \$5,000 to be secured by a mortgage. The statute creates something of a dilemma for ATG in insuring revolving credit transactions. The statute states that the lien of the mortgage is considered valid even though it secures advances of money made subsequent to the day of its execution, and the advances take the priority of the recording of the mortgage. The statute specifically states that revolving credit mortgages shall be valid and have priority over all subsequent liens and encumbrances, except taxes and assessments, but seemingly excludes subsequent sales, conveyances, and other dispositions of property. To that extent, take special note that ATG's revolving credit endorsement specifically excludes from coverage the priority of advances made (a) after a sale or transfer of any part of the real estate, (b) *ad valorem* real estate taxes or assessments, (c) mechanics' liens, (d) bankruptcies, and (e) federal taxes.

The statute provides that any contractual rate agreed upon by the parties would be appropriate. However, that right is not unfettered. There are significant restrictions on variable rates, which are set forth in the statute. In addition, the Illinois legislature is very clear that any hidden interest charges will be penalized and considered usurious. The mortgage policy does not provide coverage for loss of priority due to usury law violations. However, lenders sometimes require a usury endorsement.

Procedure: The Revolving Credit Endorsement 1 may only be issued on mortgagee's policies. To issue a Revolving Credit Endorsement 1, obtain a copy of the mortgage, note, and agreement. Examine these documents to determine that we are actually insuring a revolving credit mortgage, and not a future advances mortgage. If the loan has a fixed interest rate, the term of the agreement may not exceed 20 years. If the loan has a variable rate of interest, adjustments to the interest rate must correspond to an independent index, such as the Consumer Price Index. If you have any doubt that the proposed revolving credit mortgage is insurable, contact the ATG underwriting department for review.

If requested to issue a usury endorsement for a revolving credit loan, confirm that no usury violation exists. Contact an ATG underwriter if this situation arises.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

REVOLVING CREDIT ENDORSEMENT 1

ATG insures the Insured that:

1. Advances made subsequent to the Date of Policy, pursuant to, strictly according to the terms of, and within 20 years of the date of or within the term of, if less than 20 years, the insured mortgage and revolving credit loan agreement shall be included within the coverage of the policy not to exceed the amount of insurance, notwithstanding the fact that the principal indebtedness may have reached the Amount of Insurance and has been reduced from time to time preceding such subsequent advance; and
2. That such subsequent advance shall have the same priority over liens, encumbrances, and other matters as advances secured by the insured mortgage as of the Date of Policy, except for the following matters, if any, disclosed by the public records, or actually known to the Insured, prior to the date of any such subsequent advance:
 - a. A sale or transfer of all or any portion of the estate or interest encumbered by the insured mortgage;
 - b. *Ad Valorem* real estate taxes or special assessments levied against the property;
 - c. Mechanic's lien claims against the property;
 - d. Bankruptcies affecting the estate or interest of the mortgagor, mortgagors, or any of them;
 - e. Liens for federal taxes.

This endorsement does not insure against loss or damage based upon (a) usury, (b) any consumer credit protection or truth-in-lending law, or (c) any advance made in any period during which a default, known to the insured, its officers, employees, or agents, exists under the terms of the insured mortgage and by reason of said default the obligation secured could be accelerated.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date _____ Member No. _____ Signature of Member or Authorized Signatory

STANDARD EXCEPTION WAIVER ENDORSEMENT 1 (RESIDENTIAL PROPERTY) – ATG® FORM 2038

OPA Only

Coverage: This endorsement waives the five Standard Exceptions that always appear on Schedule B of an Owner Policy. The waiver of the Standard Exceptions is sometimes referred to as “extended coverage.” The five Standard Exceptions read as follows:

1. Rights or claims of parties in possession not shown by the public records.
2. Encroachments, overlaps, boundary line disputes, and any matters that would be disclosed by an accurate survey and inspection of the premises.
3. Easements or claims of easements not shown by the public records.
4. Any lien or right to a lien for services, labor, or material heretofore or hereafter furnished, imposed by law, and not shown by the public record.
5. Taxes or special assessments that are not shown as existing liens by the public records.

Procedure: This endorsement may only be issued on owner policies for residential property (six or fewer residential units). To issue this endorsement, take the following steps:

Obtain a current ALTA statement, signed by the seller(s), buyer(s), and lender. Read the ALTA statement and raise Schedule B exceptions for any adverse matters it reveals.

If the ALTA statement reveals that work, which could result in a mechanics’ lien, has been completed on the property within the last four months, require affidavits from the owner and general contractor indicating all persons who worked on the property. Obtain final lien waivers for all the work completed.

Inspect a current survey, completed within the last 6 months. Look for easements, setback lines, encroachments, possible boundary disputes, etc. Raise Schedule B exceptions for all easements, setback lines, encroachments onto easements, violations of setback lines, encroachments onto adjoining property, encroachments from adjoining property onto the insured land, etc. Consult the *ATG Basic Underwriting Handbook* or contact the ATG Underwriting Department if you wish to waive any exceptions for encroachments.

Search for special assessments and taxes and raise any you find as exceptions on Schedule B.

**EXHIBIT 10-32: STANDARD EXCEPTION WAIVER ENDORSEMENT 1
(RESIDENTIAL PROPERTY) – ATG® FORM 2038**

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

STANDARD EXCEPTION WAIVER ENDORSEMENT 1 (RESIDENTIAL PROPERTY)

This endorsement shall be effective only if the insured premises is improved with residential (1 to 6 family unit or condominium) property.

Standard Exceptions 1-5 have been deleted.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

ATG FORM 2038
© ATG (REV. 1/98)

FOR USE IN: ALL STATES

SURVEY ENDORSEMENT – ATG® FORM 2062

OPA and MPA

Coverage: This endorsement insures that the survey covers the insured land.

Procedure: This endorsement may be issued on either Owner's or Mortgagee's policies. This endorsement may be issued upon the satisfactory conclusion that, despite minor language differences in the legal description described in Schedule A of the policy and the survey, the land described in Schedule A and the survey are identical.

This endorsement may not be issued to extend survey coverage for new construction without a spot survey. Please call the Underwriting Department if you encounter a request of this nature.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

SURVEY ENDORSEMENT

ATG insures the insured against loss or damage sustained by the insured by reason of any inaccuracy in the following assurance:

The land described in Schedule A hereof is the same as that delineated on the survey made by _____, dated _____, and designated as Job/Order No. _____, a copy of which is attached hereto and made a part hereof.

The total liability of ATG under this policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs that ATG is obligated under the Conditions and Stipulations thereof to pay.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Date Member No. Signature of Member or Authorized Signatory

VARIABLE RATE MORTGAGE ENDORSEMENT – ATG® FORM 2043

MPA Only

Coverage: This endorsement insures that the provisions of the mortgage that provide for changes in the rate of interest will not impair the validity, enforceability, or priority of the mortgage. It excludes coverage for loss due to usury or any consumer credit protection or truth-in-lending law. Variable rate home loans have been adopted by the Federal Home Loan Bank Board in 12 C.F.R., § 454.33.

Procedure: This endorsement may be attached to Mortgagee policies insuring the lien of variable rate mortgage loans, whether made pursuant to the terms of the regulations of the Federal Home Loan Bank Board or the Comptroller of the Currency. The coverage afforded under this endorsement is conditional upon compliance with the applicable regulations. Therefore, you must examine the mortgage to determine that it is a variable rate mortgage and whether it complies with the regulations. These loans must meet the following requirements:

1. The loan shall not exceed 40 years with interest payable at least semi-annually.
2. For any home loan secured by the borrower-occupied property, adjustments to the interest rate shall correspond directly to the movement of an interest rate index on a national or regional index that measures the rate of inflation or the rate of change in consumer disposable income, which index is readily available to and verifiable by the borrower and is beyond the control of the bank.
3. In the case of an open-end line-of-credit loan, notice of a change in the interest rate permitted by the loan contract (and any resulting change in the payment) need not be given to the buyer.
4. Certain loan-to-value ratios must be maintained.
5. Finally, the loan contract may provide a bank with the right to call the loan due and payable either after a specified number of years has elapsed following closing or upon the occurrence of a specified event external to the loan.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

VARIABLE RATE MORTGAGE ENDORSEMENT

ATG insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein that provide for changes in the rate of interest.
2. Loss of priority of the lien of the insured mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the insured mortgage, which loss of priority is caused by the changes in the rate of interest.

“Changes in the rate of interest,” as used in this endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the mortgage at Date of Policy.

This endorsement does not insure against loss or damage based upon (a) usury; or (b) any consumer credit protection; or truth-in-lending law.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto, except that the insurance afforded by this endorsement is not subject to Section 3(d) of the Exclusions from Coverage. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Date

Member No.

Signature of Member or Authorized Signatory

VARIABLE RATE MORTGAGE ENDORSEMENT – NEGATIVE AMORTIZATION – ATG® FORM 2003

MPA Only

Coverage: This endorsement insures that the provisions of the mortgage that provide for interest on interest, changes in the rate of interest, or the addition of unpaid interest to the principal balance of the loan will not impair the validity, enforceability, or priority of the mortgage. It excludes coverage for loss due to usury or any consumer credit protection or truth-in-lending law. Variable rate home loans have been adopted by the Federal Home Loan Bank Board in 12 C.F.R., § 454.33.

This endorsement also provides that the Amount of Insurance under the policy will increase as the principal indebtedness increases due to additions of interest to the principal amount.

Procedure: This endorsement may be attached to Mortgagee policies insuring the lien of variable rate, negative amortization mortgage loans, whether made pursuant to the terms of the regulations of the Federal Home Loan Bank Board or the Comptroller of the Currency. The coverage afforded under this endorsement is conditional upon compliance with the applicable regulations. Therefore, you must examine the mortgage to determine that it is a variable rate mortgage with provisions allowing for negative amortization and whether it complies with the regulations. These loans must meet the following requirements:

1. The loan shall not exceed 40 years with interest payable at least semi-annually.
2. For any home loan secured by the borrower-occupied property, adjustments to the interest rate shall correspond directly to the movement of an interest rate index on a national or regional index that measures the rate of inflation or the rate of change in consumer disposable income, which index is readily available to and verifiable by the borrower and is beyond the control of the bank.
3. In the case of an open-end line-of-credit loan, notice of a change in the interest rate permitted by the loan contract (and any resulting change in the payment) need not be given to the buyer.
4. Certain loan-to-value ratios must be maintained.
5. Finally, the loan contract may provide a bank with the right to call the loan due and payable either after a specified number of years has elapsed following closing or upon the occurrence of a specified event external to the loan.

**EXHIBIT 10-35: VARIABLE RATE MORTGAGE ENDORSEMENT –
NEGATIVE AMORTIZATION – ATG® FORM 2003**

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

VARIABLE RATE MORTGAGE ENDORSEMENT - NEGATIVE AMORTIZATION

ATG insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein that provide for:
(a) interest on interest; (b) changes in the rate of interest; or (c) the addition of unpaid interest to the principal balance of the loan.
2. Loss of priority of the lien of the insured mortgage as security for the principal balance of the loan, including any unpaid interest that was added to principal in accordance with the provisions of the insured mortgage, interest on interest, or interest as changed in accordance with the provisions of the insured mortgage, which loss of priority is caused by (a) changes in the rate of interest; (b) interest on interest; or (c) increases in the unpaid principal balance of the loan resulting from the addition of unpaid interest.

“Changes in the rate of interest,” as used in this endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the insured mortgage at Date of Policy.

This endorsement does not insure against loss or damage based upon (a) usury; or (b) any consumer credit protection, or truth-in-lending law.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto, except that the insurance afforded by this endorsement is not subject to Section 3(d) of the Exclusions from Coverage. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

ATG FORM 2003 (ALTA FORM 6.2)
© ATG (REV. 3/96)

FOR USE IN: ALL STATES

ZONING ENDORSEMENT 3 – ATG® FORM 2039

OPA and MPA

Coverage: Matters of zoning are eliminated from coverage under the policies under paragraph 1 of the Exclusions from Coverage. The Zoning Endorsement 3 (ALTA Form 3) modifies the exclusions by insuring that the premises are classified in a particular zone that is specified in the endorsement. Additionally, the endorsement delineates the use or uses that are permitted under the property's zoning classification. This endorsement is usually issued for vacant land.

ATG specifically denies any liability under this endorsement for any claim based upon the invalidity of the ordinances or any amendments thereto until such time as a final decree of a court of competent jurisdiction adjudicates such invalidity, the effect of which would be to prohibit such use or uses. In other words, even if the zoning ordinance is held invalid but the use is allowed to continue, there is no liability in the endorsement.

ATG specifically excludes from coverage any loss or damage based upon this endorsement which is or may be incurred by reason of any person failing to purchase, lease, or lend money on the premises in question due to a failure of the specific assurances in the zoning endorsement. In other words, the so-called "marketability coverage" is eliminated in zoning matters.

Procedure: In order to issue this endorsement, examine the zoning maps and ordinances for the municipality in which the property is located (or the county if the property is in an unincorporated area). Determine the zoning designation for the subject property and list that designation in the first paragraph the endorsement. Then determine, pursuant to the zoning ordinances for that zone, which uses are permitted and list them in the second paragraph of the endorsement.

Zoning coverage involves the assumption of a unique risk. We cannot rely upon the zoning coverage provided under a prior policy by another title insurer, nor would another company rely upon an ATG zoning endorsement. Therefore, no hold harmless letters can be issued as a result of this coverage.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

ZONING ENDORSEMENT 3

ATG insures the insured against loss or damage sustained by the insured by reason of any incorrectness in the assurance that, at Date of Policy:

1. According to applicable zoning ordinances and amendments thereto, the land is classified Zone _____.
2. The following use or uses are allowed under the classification subject to compliance with any conditions, restrictions or requirements contained in the zoning ordinances and amendments thereto, including but not limited to the securing of necessary consents or authorizations as a prerequisite to the use or uses:

There shall be no liability under this endorsement based on the invalidity of the ordinances and amendments thereto until after a final decree of a court of competent jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses.

Loss or damage as to the matters insured against by this endorsement shall not include loss or damage sustained or incurred by reason of the refusal of any person to purchase, lease, or lend money on the estate or interest covered by this policy.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date

_____ Member No.

_____ Signature of Member or Authorized Signatory

ZONING ENDORSEMENT 3.1 – ATG® FORM 2040

OPA and MPA

Coverage: Zoning matters are eliminated from coverage by paragraph 1 of the Exclusions from Coverage. This Zoning Endorsement 3.1 (ALTA Form 3.1) modifies the exclusions by insuring certain aspects of zoning. The first paragraph of this endorsement provides that the premises are classified in a particular zone that is specified in the endorsement and it delineates the use or uses that are permitted in that zone.

The second paragraph of this endorsement insures that completed improvements comply with the zone listed in paragraph one. In the endorsement, ATG agrees to indemnify the insured for loss suffered by reason of the entry of a court order prohibiting the use of the land as described in the endorsement. Furthermore, ATG agrees to indemnify the insured in the event that such a court order requires an alteration or complete removal of the improvements due to the fact that the improvements violate the zoning ordinance in (1) area, width, or depth of the land; (2) floor space area of the building; (3) setback requirements and (4) height of the building.

The Zoning Endorsement 3.1 does not insure against future changes in the zoning scheme of the municipality. No coverage is afforded, for example, if the zoning ordinance is amended in such a way so as to prohibit the current use, rendering it a nonconforming use which could require its forced removal at the end of a specified number of years.

Procedure: You may issue the Zoning Endorsement 3.1 if there are improvements on the property. You may not issue it on vacant land or construction projects.

To issue this endorsement, you must examine the zoning laws, zoning ordinances, and zoning maps for the municipality in which the property is located (or the county if the property is in an unincorporated area). Determine the zoning designation for the property and list that designation under paragraph 1.(a) of the endorsement. Then determine which uses are permitted by that zone and list them under paragraph 1.(b) of the endorsement.

To give the coverage under paragraph 2 of this endorsement, determine that the improvements on the land comply with all of the zoning ordinances for that zone regarding the following:

1. area, width, or depth of the land;
2. floor space area of the building;
3. setback requirements; and
4. height of the building.

To make this determination, you will need to examine a survey. If the survey does not disclose the appropriate information, an on-site inspection may be required. It may be necessary to obtain an architect's or engineer's certification regarding these four items if there are any questions about compliance. This endorsement requires a lot of work and pre-closing planning. You may charge an appropriate fee for your work in preparing this endorsement.

Zoning coverage involves the assumption of a unique risk. We cannot rely upon the zoning coverage provided under a prior policy by another title insurer, nor would another company rely upon an ATG zoning endorsement. Therefore, no hold harmless letters can be issued as a result of this coverage.

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

ZONING ENDORSEMENT 3.1

- 1. ATG insures the insured against loss or damage sustained by the insured by reason of any incorrectness in the assurance that, at Date of Policy:
 - a. According to applicable zoning ordinances and amendments thereto, the land is classified Zone _____.
 - b. The following use or uses are allowed under that classification subject to compliance with any conditions, restrictions or requirements contained in the zoning ordinances and amendments thereto, including but not limited to the securing of necessary consents or authorizations as a prerequisite to the use or uses:

- 2. ATG further insures against loss or damage arising from a final decree of a court of competent jurisdiction:
 - a. Prohibiting the use of the land, with any structure presently located thereon, as specified in paragraph 1(b); or
 - b. Requiring the removal or alteration of the structure on the basis that, at Date of Policy, the ordinances and amendments thereto have been violated with respect to any of the following matters:
 - (i) Area, width or depth of the land as a building site for the structure;
 - (ii) Floor space area of the structure;
 - (iii) Setback of the structure from the property lines of the land; or
 - (iv) Height of the structure.

There shall be no liability under this endorsement based on the invalidity of the ordinances and amendments thereto until after a final decree of a court of competent jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses.

Loss or damage as to the matters insured against by this endorsement shall not include loss or damage sustained or incurred by reason of the refusal of any person to purchase, lease, or lend money on the estate or interest covered by this policy.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

_____ Date _____ Member No. _____ Signature of Member or Authorized Signatory