

- 1 **Endorsements I**
- 2 **Endorsements**
 - Comprehensive Endorsement ALTA 9-06 Series
 - Environmental Protection ALTA 8-06 Series
 - Future Advance ALTA 14-06 Series
- 3 **ALTA 9 Series**
 - Restrictions, Encroachments and Minerals (Comp): ALTA 9-06
 - Comp- Unimproved 9.1-06
 - Comp- Improved 9.2-06
 - Comp- Loan 9.3-06
 - Comp- Loan Unimproved 9.4-06
 - Comp- Owners Improved 9.5-06
- 4 **COMP 9-06**
 - The Company insures the owner of the Indebtedness secured by the Insured Mortgage against loss or damage sustained by reason of:
- 5 **Comp 9-06**
 - 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.
- 6 **COMP 9-06**
 - Unless expressly excepted in Schedule B
 - Specific exceptions **MUST** be made on schedule B to exclude these items
- 7 **COMP 9-06**
 - Present violations on the Land of any enforceable covenants, conditions, or restrictions, or existing improvements on the land described in Schedule A that violate any building setback lines shown on a plat of subdivision recorded or filed in the Public Records.
- 8 **COMP 9-06**
 - 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.
- 9 **COMP 9-06**
 - 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.
- 10 **COMP 9-06**

- Any encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B.
- 11 **COMP 9-06**
- Any notices of violation of covenants, conditions, or restrictions relating to environmental protection recorded or filed in the Public Records.
- 12 **COMP 9-06**
- Any future violation on the Land of any existing covenants, conditions, or restrictions occurring prior to the acquisition of Title by the Insured, provided the violation results in:
- 13 **Comp 9-06**
- the invalidity, loss of priority, or unenforceability of the lien of the Insured Mortgage; or
 - the loss of Title if the Insured shall acquire Title in satisfaction of the Indebtedness secured by the Insured Mortgage.
- 14 **Comp 9-06**
- Damage to existing improvements, including lawns, shrubbery, or trees:
 - 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;
 - 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.
- 15 **Comp 9-06**
- Any final court order or judgment requiring the removal from any land adjoining the Land of any encroachment excepted in Schedule B.
 - 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.
- 16 **Definitions**
- 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.
- 17 **Definitions**
- 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.
- 18 **Environmental Liens 8.1-06**
- The insurance afforded by this endorsement is only effective if the Land is used or is to be used primarily for residential purposes.
- 19 **8.1-06 Residential**
- The Company insures against loss or damage sustained by the Insured by

reason of lack of priority of the lien of the Insured Mortgage over:

20 **8.1-06**

- 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 is 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

21 **8.1-06**

- any environmental protection lien provided by any state statute in effect at Date of Policy, except environmental protection liens provided by the following state statutes:

22 **8.2-06 Commercial**

- The Company insures against loss or damage sustained by the Insured by reason of an environmental protection lien that, at Date of Policy, is recorded in the Public Records or filed in the records of the clerk of the United States district court for the district in which the Land is located, unless the environmental protection lien is set forth as an exception in Schedule B.

23 **Future Advance 16-06 Priority**

- The insurance for Advances added by Sections 2 & 3 of this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage in the Policy, except Exclusion 3(d), the provisions of the Conditions, and the exceptions contained in Schedule B.
- a. "Agreement," as used in this endorsement, shall mean the note or loan agreement secured by the Insured Mortgage or the Insured Mortgage.
- b. "Advances," as used in this endorsement, shall mean only those advances of principal indebtedness made after the Date of Policy as provided in the Agreement, including expenses of foreclosure, amounts advanced pursuant to the Insured Mortgage to pay taxes and insurance, assure compliance with laws, or to protect the lien of the Insured Mortgage before the time of acquisition of the Title, and reasonable amounts expended to prevent deterioration of improvements, together with interest on those advances.

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- The Company insures against loss or damage sustained by the Insured by reason of:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage as security for each Advance.
 - b. The lack of priority of the lien of the Insured Mortgage as security for each Advance over any lien or encumbrance on the Title.
 - c. The invalidity or unenforceability or loss of priority of the lien of the Insured Mortgage as security for the Indebtedness and Advances resulting from (i) re-Advances and repayments of Indebtedness, (ii) lack of outstanding Indebtedness before an Advance, or (iii) the failure of the Insured Mortgage to comply with the requirements of state law of the state in which the Land is located to secure Advances.

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- The Company also insures against loss or damage sustained by the Insured by reason of:
 - a. The invalidity or unenforceability of the lien of the Insured Mortgage resulting from any provisions of the Agreement that provide for (i) interest on interest, (ii) changes in the rate of interest, or (iii) the addition of unpaid interest to the Indebtedness.
 - b. Loss of priority of the lien of the Insured Mortgage as security for the Indebtedness, interest on interest, or interest as changed in accordance with the provisions of the Insured Mortgage, which loss of priority is caused by (i) changes in the rate of interest, (ii) interest on interest, or (iii) increases in the Indebtedness 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 a formula provided in the Insured Mortgage at Date of Policy.

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- This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
 - a. Advances made after a Petition for Relief under the Bankruptcy Code (11 U.S.C.) has been filed by or on behalf of the mortgagor.
 - b. The loss of priority of the lien of the Insured Mortgage, as security for Advances, to the lien of real estate taxes or assessments on the Title imposed by governmental authority arising after Date of Policy.
 - c. The loss of priority of the lien of the Insured Mortgage as security for any Advance, to a federal tax lien, which Advance is made after the earlier of (i) actual knowledge of the Insured that a
 - federal tax lien was filed against the mortgagor, or (ii) the expiration of more than forty-five days after notice of a federal tax lien filed against the mortgagor.

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- The loss of priority of the lien of the Insured Mortgage as security for Advances to any federal or state environmental protection lien.
- e. Usury, or any consumer credit protection or truth-in-lending law.
- [f. The loss of priority of the lien of the Insured Mortgage as security for any Advance to a mechanic's or materialmen's lien.]
- 5. The Amount of Insurance shall include Advances.

28 **14.1-06 Knowledge**

- The loss of priority of any Advance made after the Insured has Knowledge of the existence of liens, encumbrances or other matters affecting the Land intervening between Date of Policy and the Advance, as to the intervening lien, encumbrance or other matter.

29 **14.2-06 Letter of Credit**

- Much less coverage
- Only for lines of credit