



The Nuts and Bolts of Commercial Title Insurance, Part 2

March 18, 2020

Presented by:

- **Gina Llanas**
Commercial and Residential Underwriting Attorney
Attorneys' Title Guaranty Fund, Inc.



Today's Topics

- Title and Survey Due Diligence
- Common Commercial Endorsements
- Common Commercial Closing Documents
- Solutions for Common Title and Escrow Problems



Title and Survey Due Diligence

▪ Contract Provisions

- Provide contract to ATG.
- ATG will review title provisions of the contract.



Title and Survey Due Diligence

▪ Lender Requirements

- Even if lender does not have written title requirements at this stage of the transaction, title underwriter will communicate directly with the lender.



Title and Survey Due Diligence

- **Buyer and Lender Endorsement and Survey Requirements**
 - Title company can review endorsement and survey requirements.
 - Confirm that all information needed to underwrite and issue endorsements is available.
 - For example, if a zoning endorsement is required, then an ALTA survey is needed.



Title and Survey Due Diligence

- **Discrepancies Between Title and Survey Requirements and Condition of the Property**
 - Lender's standard endorsement list may require a Zoning 3.1 Endorsement, which is for improved land.
 - Subject land is vacant.



Title and Survey Due Diligence

- **Construction Loan and Requirements for Mechanics' Lien Coverage**
 - Construction Loan Escrow Agreement
 - Agreement between the Owner, Lender, General Contractor, and Escrowee/Title Insurer.
 - Personal Undertaking
 - This indemnifies the Escrowee from non-payment of contractors and sub-contractors and is signed by the Owner and General Contractor.



Title and Survey Due Diligence

- **Construction Loan and Requirements for Mechanics' Lien Coverage**
 - Owner's Sworn Statement
 - This form lists all the contracts let by the Owner, including the General Contractor, architect, and surveyor.
 - General Contractor's Sworn Statement
 - This form lists all of contractors performing work, contract amounts, amount previously paid, and balance due.
 - Waiver of Lien to Date



Common Commercial Endorsements



10

Access

- **Access and Entry Endorsement (ALTA 17-06)
(ATG Form 2115-06)**
 - Insures:
 - the land abuts a named public Street;
 - the Street is physically open and publicly maintained;
 - the land has actual pedestrian and vehicular access to the Street; and
 - the insured has a right to use existing curb cuts, if any, along the abutting Street.
 - Available for both the Owner's and Loan Policies.



11

Access

- **Access and Entry Endorsement (ALTA 17-06)
(ATG Form 2115-06)**
 - Issuing Guidelines
 - Examine survey or plat to confirm:
 - the land abuts a public Street;
 - the Street has been properly dedicated and accepted; and
 - existing curb cuts provide actual access for the land to the Street.



Access and Entry Endorsement (ALTA 17-06) ATG Form 2115-06

SAMPLE

ENDORSEMENT
ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.: _____ State Issued: _____

ACCESS AND ENTRY ENDORSEMENT (ALTA 17-06)

ATG insures against loss or damage sustained by the Insured if, at Date of Policy: (i) the Land does not abut and have both actual vehicular and pedestrian access to and from (the "Street"), (ii) the Street is not physically open and publicly maintained; or (iii) the Insured has no right to use existing curb cuts or entries along that portion of the Street abutting the Land.

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.

ATG FORM 2115-06 (ALTA FORM 17-06) FOR USE IN ALL STATES
Date _____ Member No. _____ Signature of Member or Authorized Signatory _____
©ATG (1/17)



Access

- **Indirect Access and Entry Endorsement (ALTA 17.1-06) (ATG Form 2116-06)**
 - Insures:
 - the Insured has access to a named public Street by means of a valid easement that has been recorded;
 - the Street is physically open and publicly maintained;
 - the easement provides actual pedestrian and vehicular access; and
 - the Insured has a right to use existing curb cuts along the Street abutting the easement.



Access

- **Indirect Access and Entry Endorsement (ALTA 17.1-06) (ATG Form 2116-06)**
 - Easement is insured as an additional parcel in the legal description on Schedule A of the policy.
 - Available for both the Owner's and Loan Policies.



Access

- **Indirect Access and Entry Endorsement (ALTA 17.1-06) (ATG Form 2116-06)**
 - Issuing Guidelines:
 - Review the easement to make sure it is valid and benefits the land to be insured.
 - Any limitations on the scope and/or use of the easement must be noted.



Access

- **Indirect Access and Entry Endorsement (ALTA 17.1-06) (ATG Form 2116-06)**
 - Issuing Guidelines:
 - Examine survey or plat to confirm:
 - the easement abuts and provides actual pedestrian and vehicular access to the Street;
 - the Street appears to be physically open and publicly maintained; and
 - existing curb cuts along the easement provide actual access for the land to the Street.



Indirect Access and Entry Endorsement (ALTA 17.1-06)

ATG Form 2116-06

SAMPLE

ENDORSEMENT
ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.: _____ State Issued: _____

INDIRECT ACCESS AND ENTRY ENDORSEMENT (ALTA 17.1-06)

ATG insures against loss or damage sustained by the Insured if, at Date of Policy: (i) the easement identified in Schedule A (the "Easement") does not provide that portion of the Land identified in Schedule A both actual vehicular and pedestrian access to and from _____ (the "Street"); (ii) the Street is not physically open and publicly maintained; or (iii) the Insured has no right to use existing curb cuts or entries along that portion of the Street abutting the Easement.

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.

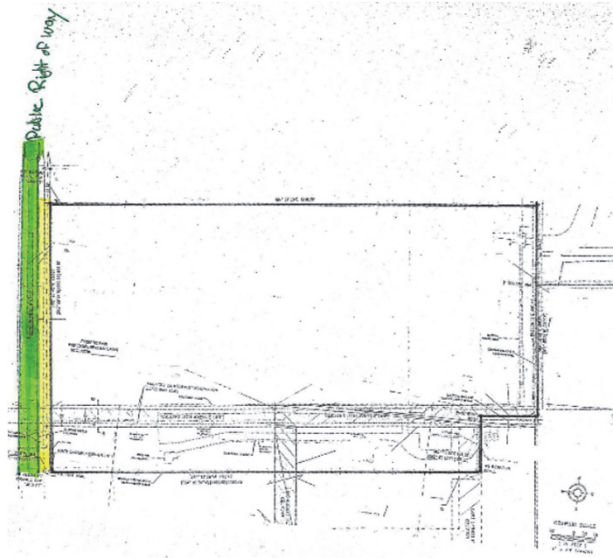
ATG FORM 2116-06 (ALTA FORM 17.1-06) © ATG (1/21) Date: _____ Member No. _____ Signature of Member or Authorized Signatory _____ FOR USE IN ALL STATES

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
Listen by phone: 877.691.9300
Access Code: 7521231#

18



ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
Listen by phone: 877.691.9300
Access Code: 7521231#

19

Commitment Form – Schedule A

ATG Form 1001-16

ATTORNEYS' TITLE GUARANTY FUND, INC.
ATG® COMMITMENT FORM – SCHEDULE A

Transaction Identification Data for reference only:
 Commitment No.:
 Issuing Agent:
 Issuing Office's ALTA® Registry ID: 1134871
 Loan ID Number:
 Issuing Office File No.:
 Property Address:

ATG licenses: Illinois: TU 0000002 Wisconsin: 000-51560

1. Commitment Date: January 30, 2020
 2. Policy or policies to be issued:
 a. 2006 ALTA Owner's Policy
 Proposed Insured: ABC, LLC, an Illinois limited liability company
 Proposed Policy Amount: \$3,000,000.00
 b. 2006 ALTA Loan Policy
 Proposed Insured: Bank
 Proposed Policy Amount: \$2,000,000.00

3. The estate or interest in the Land described or referred to in this Commitment is a Fee Simple
 4. The Title is, at the Commitment Date, vested in:
 XYZ, LLC, an Illinois limited liability company

5. The Land is described as follows:
 PARCEL 1: PART OF SUBLOTS 1 AND 4 IN ORIGINAL LOT 7 ALL IN TOWNSHIP 18 NORTH,
 RANGE ONE WEST OF THE FOURTH PM.; SITUATED IN COOK COUNTY, ILLINOIS; MORE
 PARTICULARLY DESCRIBED AS FOLLOWS:
 BEGINNING AT TO THE POINT OF BEGINNING.
 PARCEL 2: A PERPETUAL, NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCEL 1, AS CREATED
 BY THE EASEMENT AGREEMENT DATED JANUARY 3, 2020, AND RECORDED JANUARY 13, 2020, AS
 DOCUMENT NO. 2020-87956, EXCEPTED BY AND BETWEEN
 AND FOR THE PURPOSE OF INGRESS AND EGRESS IN, TO, OVER, ACROSS,
 AND THROUGH THE FOLLOWING DESCRIBED LAND: THE SOUTHERLY 750' OF LOT A
 SITUATED IN COOK COUNTY, ILLINOIS.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice, the Commitment to Issue Policy, the
 Commitment Conditions, Schedule A, Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by ATG or its issuing agent that
 may be electronic form.

Member No. _____ Signature of Member or Authorized Signatory _____
 ATG FORM 1001-16 FOR USE IN ALL STATES Page 1 of 1
 Prepared by ATG Resource®

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
 Listen by phone: 877.691.9300
 Access Code: 7521231#

20

Survey

- **Survey Endorsement (ALTA 25-06) (ATG Form 2062-06)**
 - Insures that the Land described in the policy is the same as that described in the enumerated survey.
 - Available for both the Owner's and Loan Policies.

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
 Listen by phone: 877.691.9300
 Access Code: 7521231#

21

Survey

- **Survey Endorsement (ALTA 25-06) (ATG Form 2062-06)**
 - Issuing Guideline:
 - Compare the legal descriptions in the policy and survey to confirm that they describe the same property.



Survey Endorsement (ALTA 25-06) ATG Form 2062-06

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

SURVEY ENDORSEMENT (ALTA 25-06)

ATG[®] insures the insured against loss or damage sustained by the insured by reason of the failure of the Land as described in Schedule A to be the same as that identified on the survey made by _____, dated _____, and designated as Job-Order No. _____.

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.

ATG FORM 2062-06 (ALTA 25-06)
© ATG (REV. 7/12)

Date

Member No.

Signature of Member or Authorized Signatory

FOR USE IN ALL STATES



Restrictions, Encroachments, and Minerals

- Endorsements insure that the property conforms to the covenants, conditions, and restrictions that are recorded against the property.



Restrictions, Encroachments, and Minerals / Covenants, Conditions, and Restrictions

- **Three primary forms:**
 - Restrictions, Encroachments, Minerals – Loan Endorsement (ALTA 9-06) (ATG Form 2035-06)
 - Covenants, Conditions, and Restrictions – Unimproved Land – Owner’s Endorsement (ALTA 9.1-06) (ATG Form 2098-06)
 - Covenants, Conditions, and Restrictions – Improved Land – Owner’s Endorsement (ALTA 9.2-06) (ATG Form 2099-06)



Restrictions, Encroachments, and Minerals / Covenants, Conditions, and Restrictions

- **In order to issue any of these three endorsements, the following requirements must be satisfied:**
 - Plat of Subdivision must be examined;
 - Any recorded document that contains a covenant, condition, or restriction must be examined;



Restrictions, Encroachments, and Minerals / Covenants, Conditions, and Restrictions

- **In order to issue any of these three endorsements, the following requirements must be satisfied:**
 - The property or the ALTA Survey must be examined in order to determine that the property (as improved) conforms to all the recorded restrictions.
 - Any deviation from the covenants and restrictions must be specifically noted in Schedule B as well as any encroachment.



Restrictions, Encroachments, Minerals – Loan Endorsement (ALTA 9-06)

ATG Form 2035-06 (page 1 of 2)

ENDORSEMENT
ATTORNEYS' TITLE GUARANTY FUND, INC.
 State Issued: _____

Policy No.: _____

RESTRICTIONS, ENCROACHMENTS, MINERALS – LOAN ENDORSEMENT (ALTA 9-06)

1. The insurance provided by this endorsement is subject to the exclusions in Section 5 of this endorsement and the Exclusions from Coverage, the Exception from Coverage contained in Schedule B, and the Conditions in the policy.

2. For the purposes of this endorsement only:

- "Covenant" means a covenant, condition, limitation, or restriction in a document or instrument in effect at Date of Policy.
- "Improvement" means an improvement, including any lawn, shrubbery, or trees, affixed to either the Land or adjoining land at Date of Policy that, by law, constitutes real property.

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

- A violation of a Covenant that:
 - directs, substantiates, or entitles the lien of the Insured Mortgage;
 - results in the invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage; or
 - causes a loss of the Insured's Title acquired in satisfaction or partial satisfaction of the Indebtedness;
- A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
- Enforced removal of an Improvement located on the Land as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivisions recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation; or
- A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.

4. ATG insures against loss or damage sustained by reason of:

- An encroachment of:
 - an Improvement located on the Land, at Date of Policy, onto adjoining land or onto that portion of the Land subject to an easement; or
 - an Improvement located on adjoining land onto the Land at Date of Policy unless an exception in Schedule B of the policy identifies the encroachment otherwise insured against in Sections 4.a.i. or 4.a.ii.
- A final court order or judgment requiring the removal from any land adjoining the Land of an encroachment identified in Schedule B; or
- Damage to an Improvement located on the Land, at Date of Policy:
 - that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or
 - resulting from the future exercise of a right to use the surface of the Land for the extraction or development of minerals or any other subsurface substances excepted from the description of the Land or excepted in Schedule B.

ATG FORM 2035-06 (ALTA 9-06) 01/01/2015 01/15
 FOR USE IN ALL STATES Page 1 of 2

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
 Listen by phone: 877.691.9300
 Access Code: 7521231#

Restrictions, Encroachments, and Minerals Endorsement (ALTA 9-06)

ATG Form 2035-06 (page 2 of 2)

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

- any Covenant contained in an instrument creating a lease;
- any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land;
- except as provided in Section 3.d., any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances;
- contamination, explosion, fire, fracturing, vibration, earthquake, or subsidence; or
- negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

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. In the event 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 _____

ATG FORM 2035-06 (ALTA 9-06) 01/01/2015 01/15
 FOR USE IN ALL STATES Page 2 of 2

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
 Listen by phone: 877.691.9300
 Access Code: 7521231#

Covenants, Conditions, and Restrictions – Unimproved Land – Owner’s Endorsement (ALTA 9.1-06)

ATG Form 2098-06

ENDORSEMENT
ATTORNEYS’ TITLE GUARANTY FUND, INC.

Policy No.: _____ State Issued: _____

COVENANTS, CONDITIONS, AND RESTRICTIONS – UNIMPROVED LAND – OWNER’S ENDORSEMENT (ALTA 9.1-06)

- The insurance provided by this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
- For the purposes of this endorsement only, “Covenant” means a covenant, condition, limitation, or restriction in a document or instrument in effect at Date of Policy.
- ATG[®] insures against loss or damage sustained by the Insured by reason of:
 - A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation; or
 - A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.
- This endorsement does not insure against loss or damage (and ATG will not pay costs, attorneys’ fees, or expenses) resulting from:
 - any Covenant contained in an instrument creating a lease;
 - any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land; or
 - except as provided in Section 3.b., any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances.

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 _____

ATG FORM 2098 OF ALTA 9.1-06
© ATG 2019 07/13 FOR USE IN ALL STATES

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
 Listen by phone: 877.691.9300
 Access Code: 7521231#

Covenants, Conditions, and Restrictions – Improved Land – Owner’s Endorsement (ALTA 9.2-06)

ATG Form 2099-06

ENDORSEMENT
ATTORNEYS’ TITLE GUARANTY FUND, INC.

Policy No.: _____ State Issued: _____

COVENANTS, CONDITIONS, AND RESTRICTIONS – IMPROVED LAND – OWNER’S ENDORSEMENT (ALTA 9.2-06)

- The insurance provided by this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
- For the purposes of this endorsement only:
 - “Covenant” means a covenant, condition, limitation, or restriction in a document or instrument in effect at Date of Policy.
 - “Improvement” means a building, structure located on the surface of the Land, road, walkway, driveway, or curb, affixed to the Land at Date of Policy and that by law constitutes real property, but excluding any crops, landscaping, lawn, shrubbery, or fence.
- ATG[®] insures against loss or damage sustained by the Insured by reason of:
 - a violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
 - enforced removal of an Improvement as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation; or
 - a notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.
- This endorsement does not insure against loss or damage (and ATG will not pay costs, attorneys’ fees, or expenses) resulting from:
 - any Covenant contained in an instrument creating a lease;
 - any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land; or
 - except as provided in Section 3.c., any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances.

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 _____

ATG FORM 2099 OF ALTA 9.2-06
© ATG 2019 07/13 FOR USE IN ALL STATES

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
 Listen by phone: 877.691.9300
 Access Code: 7521231#

Environmental Protection Lien

- **Commercial Environmental Protection Lien Endorsement (ALTA 8.2-06) (ATG Form 2042-06)**
 - Insures the Lender against loss of priority of the insured mortgage due to existing recorded federal or state environmental protection liens.
 - Available for both the Owner's and Loan Policies on commercial property.



Environmental Protection Lien

- **Commercial Environmental Protection Lien Endorsement (ALTA 8.2-06) (ATG Form 2042-06)**
 - Issuing Guideline:
 - Perform customary examination of the real property records.
 - Raise any recorded environmental liens on Schedule B of the Commitment/Policy.



Commercial Environmental Protection Lien Endorsement (ALTA 8.2-06) ATG Form 2042-06

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.: _____ State Issued: _____

COMMERCIAL ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT (ALTA 8.2-06)

ATG[®] 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 D.

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: _____
ATG FORM 2042 OF ALTA 8.2-06 FOR USE IN ALL STATES
© ATG 2015

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?

Listen by phone: 877.691.9300
Access Code: 7521231#

34

Contiguity

- **Contiguity – Single Parcel Endorsement (ALTA 19.1-06) (ATG Form 2120-06)**
 - Insures that the insured land is contiguous to another uninsured parcel of land along defined lines or boundaries, without any gaps, strips, or gores separating any of the contiguous boundary lines.
 - Available for both the Owner's and Loan Policies.

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?

Listen by phone: 877.691.9300
Access Code: 7521231#

35

Contiguity

- **Contiguity – Single Parcel Endorsement (ALTA 19.1-06) (ATG Form 2120-06)**
 - Issuing Guidelines:
 - Examine the title and survey or plat (or other satisfactory map) of the land and the adjacent, uninsured parcel to confirm the defined boundary lines of the insured land and uninsured parcel are contiguous;



Contiguity

- **Contiguity – Single Parcel Endorsement (ALTA 19.1-06) (ATG Form 2120-06)**
 - Issuing Guidelines:
 - Recite the legal description for the uninsured parcel in paragraph 1; and
 - Complete paragraph 1 by specifically identifying the common boundary lines.



Contiguity – Single Parcel Endorsement (ALTA 19.1-06) ATG Form 2120-06

ENDORSEMENT
ATTORNEYS' TITLE GUARANTY FUND, INC.

SAMPLE

Policy No.: _____ State Issued: _____
CONTIGUITY – SINGLE PARCEL ENDORSEMENT (ALTA 19.1-06)

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

1. the failure of the Land to be contiguous to that certain parcel of real property legally described as:

along the _____ boundary line(s); or

2. the presence of any gaps, strips, or gores separating any of the contiguous boundary lines described above.

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.

ATG FORM 2120-06 (ALTA FORM 19.1-06)
© 2/15/1997 Date: _____ Member No.: _____ Signature of Member or Authorized Signatory _____
FOR USE IN ALL STATES

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
Listen by phone: 877.691.9300
Access Code: 7521231#

38

Contiguity

- **Contiguity – Multiple Parcels Endorsement (ALTA 19-06) (ATG Form 2119-06)**
 - Insures that two or more insured parcels along defined lines or boundaries, without any gaps, strips, or gores separating any of the contiguous boundary lines.
 - Available for both the Owner's and Loan Policies.

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
Listen by phone: 877.691.9300
Access Code: 7521231#

39

Contiguity

■ Contiguity – Multiple Parcels Endorsement (ALTA 19-06) (ATG Form 2119-06)

– Issuing Guidelines:

- Examine survey or plat to verify that the defined boundary lines of the insured parcels are contiguous.
- Complete paragraph 1 of the endorsement by specifically identifying the common boundary lines.



Contiguity – Multiple Parcels Endorsement (ALTA 19.1-06) ATG Form 2119-06

SAMPLE

ENDORSEMENT
ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.: _____ State Issued: _____

CONTIGUITY – MULTIPLE PARCELS ENDORSEMENT (ALTA 19-06)

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

1. the failure of the _____ boundary line of Parcel A of the Land to be contiguous to the _____ boundary line of Parcel B;
 the failure of the _____ boundary line of Parcel B of the Land to be contiguous to the _____ boundary line of Parcel C;
 the failure of the _____ boundary line of Parcel C of the Land to be contiguous to the _____ boundary line of Parcel D;
 the failure of the _____ boundary line of Parcel D of the Land to be contiguous to the _____ boundary line of Parcel E;

or

2. the presence of any gaps, strips, or gores separating any of the contiguous boundary lines described above.

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.

ATG FORM 2119-06 (ALTA FORM 19-06) _____ Date _____ Member No. _____ Signature of Member or Authorized Signatory _____
© ATG (191) FOR USE IN ALL STATES



Tax Parcel

- **Single Tax Parcel Endorsement (ALTA 18-06)
(ATG Form 2117-06)**
 - Insures that:
 - All the land described in Schedule A of the policy constitutes a single tax parcel;
 - Enumerated Tax Identification Number constitutes the only Tax Number for the land; and
 - Tax Number does not cover any other land.
 - Available for both the Owner's and Loan Policies.



Tax Parcel

- **Single Tax Parcel Endorsement (ALTA 18-06)
(ATG Form 2117-06)**
 - Issuing Guidelines:
 - Verify by review of tax records or tax search that the land, consisting of one parcel, is taxed as a separate tax parcel;
 - Verify by review of tax records or tax search that the land is not taxed with other land.



Single Tax Parcel Endorsement (ALTA 18-06) ATG Form 2117-06

SAMPLE

ENDORSEMENT
ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.: _____ State Issued: _____

SINGLE TAX PARCEL ENDORSEMENT (ALTA 18-06)

ATG insures against loss or damage sustained by the Insured by reason of the Land being taxed as part of a larger parcel of land or failing to constitute a separate tax parcel for real estate taxes.

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.

ATG FORM 2117-06 (ALTA FORM 18-06)
© ATG (1/17) _____ Date _____ Member No. _____ Signature of Member or Authorized Signatory _____
FOR USE IN ALL STATES

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
Listen by phone: 877.691.9300
Access Code: 7521231#

44

Tax Parcel

- **Multiple Tax Parcel Endorsement (ALTA 18.1-06) (ATG Form 2118-06)**
 - Insures against loss or damage if:
 - the parcels are not assessed for real estate tax purposes as the Tax Identification Numbers;
 - the parcels are taxed with any other land; or
 - the easements, if any, described in Schedule A can be cut off by non-payment of real estate taxes or assessments against the servient estate.
 - Available for both the Owner's and Loan Policies.

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
Listen by phone: 877.691.9300
Access Code: 7521231#

45

Tax Parcel

▪ Multiple Tax Parcel Endorsement (ALTA 18.1-06) (ATG Form 2118-06)

– Issuing Guidelines:

- Verify by review of tax records or tax search that each parcel is taxed as a separate tax parcel;
- Verify by review of tax records or tax search that each parcel is not taxed with other land;
- Show the Tax Identification Number for each parcel in paragraph 1 of the endorsement; and



Tax Parcel

▪ Multiple Tax Parcel Endorsement (ALTA 18.1-06) (ATG Form 2118-06)

– Issuing Guidelines:

- Verify that real estate taxes and assessments against the servient estate for any insured easement were paid through the year that the easement was recorded and perform your normal examination of title to the insured easement.



Multiple Tax Parcel Endorsement (ALTA 18.1-06) ATG Form 2118-06

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.: _____ State Issued: _____

MULTIPLE TAX PARCEL ENDORSEMENT (ALTA 18.1-06)

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

1. Those portions of the Land identified below not being assessed for real estate taxes under the listed tax identification number(s) or those tax identification number(s) including any additional land:

Parcel: _____

Tax Identification Number(s): _____

2. The easements, if any, described in Schedule A being cut off or disturbed by the nonpayment of real estate taxes assessed against the servient estate.

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.

ATG FORM 2118-06 (ALTA FORM 18.1-06)
© ATG (1997)

Date: _____

Member No.: _____

Signature of Member or Authorized Signatory _____

FOR USE IN ALL STATES

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?

Listen by phone: 877.691.9300
Access Code: 7521231#

48

Location

Location Endorsement 1 (ALTA 22-06) (ATG Form 2030-06)

- Insures the type of improvement located on the Land and the Street Address by which the improvement on the property is known.
- Available for both the Owner's and Loan Policies

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?

Listen by phone: 877.691.9300
Access Code: 7521231#

49

Location Endorsement 1 (ALTA 22-06)

ATG Form 2030-06

SAMPLE

ENDORSEMENT
ATTORNEYS TITLE GUARANTY FUND, INC.

Policy No. _____ State Issued: _____

LOCATION ENDORSEMENT 1 (ALTA 22-06)

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

known as _____ (Description of Improvement)

to be located on the Land at Date of Policy. _____ (Street Address)

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 _____ Month No. _____ Signature of Member or Authorized Signatory _____
A 2030-06 (2010) (ALTA FORM 22-06) FOR USA IN ALL STATES

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
Listen by phone: 877.691.9300
Access Code: 7521231#

50

Zoning

- ALTA Owner's and Loan Policies exclude zoning coverage.
- Zoning Endorsements give the Insured limited additional coverage for zoning matters.
 - Available for both Owner's and Loan Policies.

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
Listen by phone: 877.691.9300
Access Code: 7521231#

51

Zoning

- **Zoning – Unimproved Land Endorsement (ALTA 3-06) (ATG Form 2039-06)**
 - Insures:
 - The land described in Schedule A lies within the enumerated zoning classification.
 - The enumerated uses are permitted within that classification.



Zoning

- **Zoning – Unimproved Land Endorsement (ALTA 3-06) (ATG Form 2039-06)**
 - Specifically denies liability based upon the invalidity of the ordinances until such time as a final decree of a court of competent jurisdiction adjudicates such invalidity prohibiting a use.
 - In other words, even if the zoning ordinance is held invalid but the use is allowed to continue, there is no liability.



Zoning

- **Zoning – Unimproved Land Endorsement (ALTA 3-06) (ATG Form 2039-06)**
 - Additionally, the endorsement specifically excludes from coverage any loss or damage that 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.



Zoning

- **Zoning – Unimproved Land Endorsement (ALTA 3-06) (ATG Form 2039-06)**
 - Issuing Guidelines:
 - Confirm the zoning classification by review of the current zoning map, survey that states the applicable zoning classification, or written certification from the applicable zoning department or agency; and
 - Confirm permitted use or uses by reviewing the current applicable zoning ordinance, or by securing written certification from the applicable zoning department or agency.



Zoning – Unimproved Land Endorsement (ALTA 3-06)

ATG Form 2039-06

SAMPLE

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No. _____ State Issued: _____

ZONING - UNIMPROVED LAND ENDORSEMENT (ALTA 3-06)

1. ATG insures against loss or damage sustained by the Insured in the event that, at Date of Policy:
 - a. according to applicable zoning ordinances and amendments, the Land is not classified Zone _____;
 - b. the following use or uses are not allowed under that classification: _____

2. There shall be no liability under this endorsement based on:
 - a. Lack of compliance with any conditions, restrictions, or requirements contained in the zoning ordinances and amendments, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses. This paragraph 2.a. does not modify or limit the coverage provided in Covered Risk 5.
 - b. The invalidity of the zoning ordinances and amendments 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.
 - c. The refusal of any person to purchase, lease, or lend money on the Title covered by this 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 _____
ATG FORM 2039-06 (ALTA FORM 3-06) FOR USE IN ALL STATES



Zoning

- **Zoning – Completed Structure Endorsement (ALTA 3.1-06) (ATG Form 2040-06)**
 - Gives the same coverage as Zoning Endorsement 3, but adds additional coverage for the improvements on the land.
 - Insures against loss by reason of the entry of a court order prohibiting the use of the land as described in the endorsement.



Zoning

- **Zoning – Completed Structure Endorsement (ALTA 3.1-06) (ATG Form 2040-06)**
 - Provides coverage in the event that a court order requires an alteration or complete removal of the improvements due to the fact that the improvements violate the zoning ordinance regarding:
 - (1) area, width, or depth of the land;
 - (2) floor space area of the building;
 - (3) setback requirements; and
 - (4) height of the building.



Zoning

- **Zoning – Completed Structure Endorsement (ALTA 3.1-06) (ATG Form 2040-06)**
 - Frequently, Insureds will request that a fifth area of coverage be added for parking.



Zoning

- **Zoning – Completed Structure Endorsement (ALTA 3.1-06) (ATG Form 2040-06)**
 - Issuing Guidelines:
 - Requires review of a current ALTA Survey of the property to determine compliance regarding the coverages contained in the endorsement.



Zoning

- **Zoning – Completed Structure Endorsement (ALTA 3.1-06) (ATG Form 2040-06)**
 - Issuing Guidelines:
 - Confirm the zoning classification by review of the current zoning map, survey that states the applicable zoning classification, or written certification from the applicable zoning department or agency.



Zoning

- **Zoning – Completed Structure Endorsement (ALTA 3.1-06) (ATG Form 2040-06)**
 - Issuing Guidelines:
 - Confirm permitted use or uses by reviewing the current applicable zoning ordinance or by securing written certification from the applicable zoning department or agency.



Zoning

- **Zoning – Completed Structure Endorsement (ALTA 3.1-06) (ATG Form 2040-06)**
 - Issuing Guidelines:
 - Requires review of a current ALTA Survey of the property to determine compliance regarding the coverages contained in the endorsement.



Zoning

- **Zoning – Completed Structure Endorsement (ALTA 3.1-06) (ATG Form 2040-06)**
 - Issuing Guidelines:
 - May require on-site inspection and architect’s or engineer’s certification regarding:
 - (1) area, width, or depth of the land;
 - (2) floor space area of the building;
 - (3) setback requirements; and
 - (4) height of the building.



Zoning

- **Zoning – Completed Structure Endorsement (ALTA 3.1-06) (ATG Form 2040-06)**
 - **NOTE:** This endorsement requires a significant amount of pre-closing preparation and examination.



Zoning – Completed Structure Endorsement (ALTA 3.1-06)

ATG Form 2040-06

ENDORSEMENT
ATG ATTORNEYS' TITLE GUARANTY FUND, INC.
 Policy No.: _____ State Issued: _____

ZONING – COMPLETED STRUCTURE ENDORSEMENT (ALTA 3.1-06)

1. ATG insures against loss or damage sustained by the Insured in the event that, at Date of Policy:

- according to applicable zoning ordinances and amendments, the Land is not classified Zone _____;
- the following use or uses are not allowed under that classification: _____

2. ATG further insures against loss or damage sustained by the Insured by reason of a final decree of a court of competent jurisdiction:

- prohibiting the use of the Land, with any existing structure, as insured in paragraph 1.b.; or
- requiring the removal or alteration of the structure on the basis that, at Date of Policy, the zoning ordinances and amendments have been violated with respect to any of the following matters:
 - area, width, or depth of the Land as a building site for the structure;
 - floor space area of the structure;
 - setback of the structure from the property lines of the Land;
 - height of the structure; or
 - number of parking spaces.

3. There shall be no liability under this endorsement based on:

- the invalidity of the zoning ordinances and amendments 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;
- the refusal of any person to purchase, lease, or lend money on the Title covered by this 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 _____
ATG/ATGAL (ALTA 3.1-06) FOR USE IN ALL STATES

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
 Listen by phone: 877.691.9300
 Access Code: 7521231#

Common Commercial Closing Documents

- Commitment
- Survey
- Deed and Transfer Declarations
- Mortgage and Assignment of Rents

ATG LEGAL EDUCATION The Nuts and Bolts of Commercial Title Insurance, Part 2



Audio problems?
 Listen by phone: 877.691.9300
 Access Code: 7521231#

Buyer/Seller LLC Exceptions

- *Terms, provisions and limitations of the articles of organization, statement of authority, and operating agreement for *, an Illinois limited liability company.*



Buyer/Seller LLC Exceptions

- *The articles of organization and the operating agreement establishing the limited liability company of *, together with all amendments thereto, properly identified in writing by all the members as being the terms and provisions of the articles and agreement under which the limited liability company acquired and holds title or held title, together with the statement of authority, if any, filed pursuant to 805 ILCS 180/13-15, should be furnished; and this Commitment is subject to such further exceptions, if any, as may then be deemed necessary.*



Buyer/Seller LLC Exceptions

- ***A certificate of good standing for **, issued by the Secretary of State, should be produced, and in default thereof, the final policy or policies will contain the following exception:**
 - *“Consequences, if any, that may result by reason of the failure of the party in title to the estate or interest in the land described in Schedule A to comply with the applicable 'doing business' laws of the State of Illinois.”*



Buyer/Seller LLC Exceptions

- ***Upon a conveyance or mortgage of the land, a certified copy of the proper resolutions authorizing the execution of the deed or mortgage by *, an Illinois limited liability company, should be produced to ATG for examination, and this commitment, and any policies committed for thereunder, are subject to such further exceptions as may then be deemed necessary.***



Waiving Buyer/Seller LLC Exceptions

- **Review:**
 - Articles of Organization
 - Operating Agreement
 - Certificate of Good Standing
 - Resolution
- **Determine the party authorized to execute documents.**
- **If the organizational structure contains another LLC, then the same documents must be reviewed.**



Waiving Other Exceptions

- **Existing Mortgage**
 - Payoff letter needs to have document number of the recorded mortgage, the property address, or a loan number if there is a loan number on the recorded Mortgage.
- **Mechanic's Lien**
 - An original recordable release is needed.
 - We can also set up a Title Indemnity and hold funds in order to insure over this.



Solutions for Common Title and Escrow Problems

▪ Issue No. 1

- Survey coverage is required. There is not a current survey.
 - Underwriting requirement for survey coverage is a current survey (less than 6 months).
 - May be possible to use an old survey if the old survey is otherwise satisfactory.
 - Need to determine if there are any new improvements.

▪ Solution

- Use old survey and Affidavit of No New Improvements (ATG Form 3030).



Solutions for Common Title and Escrow Problems

▪ Issue No. 2

- Transaction is a refinance. Lender requires Zoning – Completed Structure Endorsement (ALTA 3.1-06). There is not a current survey or an old survey.
 - Underwriting requirement is a current ALTA survey.
 - Zoning Endorsement 3.1 provides coverage relating to floor area, setbacks, building height, and parking.
 - This detail will be on an ALTA survey.

▪ Solution

- Propose Zoning – Unimproved Land Endorsement (ALTA 3-06) (ATG Form 2039-06), which would provide coverage just for the permitted use of the property.



Solutions for Common Title and Escrow Problems

▪ Issue No. 3

- Plat of Subdivision was recently recorded. Incorrect property owner signed the Plat of Subdivision.
 - Correct property owner must sign the Plat of Subdivision.
 - Title company can review the Plat of Subdivision.
 - There are a number of requirements for a Plat of Subdivision, which can be addressed prior to the recordation.

▪ Solution

- Plat of Subdivision needs to be amended and re-recorded.



Solutions for Common Title and Escrow Problems

▪ Issue No. 4

- Buyer is an LLC. You do not have a Resolution. One Member of the LLC has given you Power of Attorney.
 - A Power of Attorney is not the correct method of designating authority.
 - We will review the loan documents.

▪ Solution

- You will need to obtain a Resolution. There is often a Resolution that the lender requires and has been pre-signed.



ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

ACCESS AND ENTRY ENDORSEMENT (ALTA 17-06)

ATG insures against loss or damage sustained by the Insured if, at Date of Policy: (i) the Land does not abut and have both actual vehicular and pedestrian access to and from _____ (the "Street"); (ii) the Street is not physically open and publicly maintained; or (iii) the Insured has no right to use existing curb cuts or entries along that portion of the Street abutting the Land.

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

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

INDIRECT ACCESS AND ENTRY ENDORSEMENT (ALTA 17.1-06)

ATG insures against loss or damage sustained by the Insured if, at Date of Policy: (i) the easement identified in Schedule A (the "Easement") does not provide that portion of the Land identified in Schedule A both actual vehicular and pedestrian access to and from _____ (the "Street"); (ii) the Street is not physically open and publicly maintained; or (iii) the Insured has no right to use existing curb cuts or entries along that portion of the Street abutting the Easement.

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

ATG® COMMITMENT FORM – SCHEDULE A

Transaction Identification Data for reference only:

Commitment No.:

Issuing Agent:

Issuing Office's

ALTA® Registry ID: 1134871

Loan ID Number:

Issuing Office File No.:

Property Address:

ATG licenses: Illinois: TU.0000002 Wisconsin: 000-51560

1. Commitment Date: January 30, 2020

2. Policy or policies to be issued:

A. [X] 2006 ALTA Owner's Policy

Proposed Insured: ABC, LLC, an Illinois limited liability company

Proposed Policy Amount: \$3,000,000.00

b. [X] 2006 ALTA Loan Policy

Proposed Insured: _____ Bank

Proposed Policy Amount: \$2,000,000.00

3. The estate or interest in the Land described or referred to in this Commitment: is a Fee Simple

4. The Title is, at the Commitment Date, vested in:

XYZ, LLC, an Illinois limited liability company

5. The Land is described as follows:

PARCEL 1: PART OF SUBLOTS 1 AND 4 IN ORIGINAL LOT 7 ALL IN TOWNSHIP 18 NORTH, RANGE ONE WEST OF THE FOURTH P.M.; SITUATED IN COOK COUNTY, ILLINOIS; MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT TO THE POINT OF BEGINNING.

PARCEL 2: A PERPETUAL, NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCEL 1, AS CREATED BY THE EASEMENT AGREEMENT DATED JANUARY 3, 2020, AND RECORDED JANUARY 13, 2020, AS DOCUMENT NO. 2020-87956, EXECUTED BY AND BETWEEN _____ AND _____ FOR THE PURPOSE OF INGRESS AND EGRESS, IN, TO, OVER, ACROSS, AND THROUGH THE FOLLOWING DESCRIBED LAND: THE SOUTHERLY 750.00' OF LOT A; SITUATED IN COOK COUNTY, ILLINOIS.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by ATG or its issuing agent that may be in electronic form.

Member No.

Signature of Member or Authorized Signatory

ENDORSEMENT

 ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

SURVEY ENDORSEMENT (ALTA 25-06)

ATG® insures the insured against loss or damage sustained by the insured by reason of the failure of the Land as described in Schedule A to be the same as that identified on the survey made by _____, dated _____, and designated as Job/Order No. _____.

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

ENDORSEMENT

 ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

RESTRICTIONS, ENCROACHMENTS, MINERALS – LOAN ENDORSEMENT (ALTA 9-06)

1. The insurance provided by this endorsement is subject to the exclusions in Section 5 of this endorsement and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only:
 - a. “Covenant” means a covenant, condition, limitation, or restriction in a document or instrument in effect at Date of Policy.
 - b. “Improvement” means an improvement, including any lawn, shrubbery, or trees, affixed to either the Land or adjoining land at Date of Policy that, by law, constitutes real property.
3. ATG[®] insures against loss or damage sustained by the Insured by reason of:
 - a. A violation of a Covenant that:
 - i. divests, subordinates, or extinguishes the lien of the Insured Mortgage,
 - ii. results in the invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage, or
 - iii. causes a loss of the Insured’s Title acquired in satisfaction or partial satisfaction of the Indebtedness;
 - b. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
 - c. Enforced removal of an Improvement located on the Land as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation; or
 - d. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.
4. ATG insures against loss or damage sustained by reason of:
 - a. An encroachment of:
 - i. an Improvement located on the Land, at Date of Policy, onto adjoining land or onto that portion of the Land subject to an easement; or
 - ii. an Improvement located on adjoining land onto the Land at Date of Policy unless an exception in Schedule B of the policy identifies the encroachment otherwise insured against in Sections 4.a.i. or 4.a.ii.;
 - b. A final court order or judgment requiring the removal from any land adjoining the Land of an encroachment identified in Schedule B; or
 - c. Damage to an Improvement located on the Land, at Date of Policy:
 - i. that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or
 - ii. resulting from the future exercise of a right to use the surface of the Land for the extraction or development of minerals or any other subsurface substances excepted from the description of the Land or excepted in Schedule B.

5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
- a. any Covenant contained in an instrument creating a lease;
 - b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land;
 - c. except as provided in Section 3.d., any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances;
 - d. contamination, explosion, fire, fracturing, vibration, earthquake, or subsidence; or
 - e. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

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

ENDORSEMENT

 ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

**COVENANTS, CONDITIONS, AND RESTRICTIONS – UNIMPROVED LAND – OWNER’S ENDORSEMENT
(ALTA 9.1-06)**

1. The insurance provided by this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only, “Covenant” means a covenant, condition, limitation, or restriction in a document or instrument in effect at Date of Policy.
3. ATG® insures against loss or damage sustained by the Insured by reason of:
 - a. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation; or
 - b. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.
4. This endorsement does not insure against loss or damage (and ATG will not pay costs, attorneys' fees, or expenses) resulting from:
 - a. any Covenant contained in an instrument creating a lease;
 - b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land; or
 - c. except as provided in Section 3.b., any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances.

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
------	------------	---

ENDORSEMENT

 ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

COVENANTS, CONDITIONS, AND RESTRICTIONS – IMPROVED LAND – OWNER'S ENDORSEMENT (ALTA 9.2-06)

1. The insurance provided by this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only,
 - a. "Covenant" means a covenant, condition, limitation, or restriction in a document or instrument in effect at Date of Policy.
 - b. "Improvement" means a building, structure located on the surface of the Land, road, walkway, driveway, or curb, affixed to the Land at Date of Policy and that by law constitutes real property, but excluding any crops, landscaping, lawn, shrubbery, or trees.
3. ATG[®] insures against loss or damage sustained by the Insured by reason of:
 - a. a violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
 - b. enforced removal of an Improvement as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation; or
 - c. a notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.
4. This endorsement does not insure against loss or damage (and ATG will not pay costs, attorneys' fees, or expenses) resulting from:
 - a. any Covenant contained in an instrument creating a lease;
 - b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land; or
 - c. except as provided in Section 3.c., any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances.

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

ENDORSEMENT

 ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

COMMERCIAL ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT (ALTA 8.2-06)

ATG® 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.

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

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

CONTIGUITY – SINGLE PARCEL ENDORSEMENT (ALTA 19.1-06)

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

- 1. the failure of the Land to be contiguous to that certain parcel of real property legally described as:

along the _____ boundary line(s); or

- 2. the presence of any gaps, strips, or gores separating any of the contiguous boundary lines described above.

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

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

CONTIGUITY – MULTIPLE PARCELS ENDORSEMENT (ALTA 19-06)

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

- 1. the failure of the _____ boundary line of Parcel A of the Land to be contiguous to the _____ boundary line of Parcel B;
- the failure of the _____ boundary line of Parcel B of the Land to be contiguous to the _____ boundary line of Parcel C;
- the failure of the _____ boundary line of Parcel C of the Land to be contiguous to the _____ boundary line of Parcel D;
- the failure of the _____ boundary line of Parcel D of the Land to be contiguous to the _____ boundary line of Parcel E;

or

- 2. the presence of any gaps, strips, or gores separating any of the contiguous boundary lines described above.

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

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

SINGLE TAX PARCEL ENDORSEMENT (ALTA 18-06)

ATG insures against loss or damage sustained by the Insured by reason of the Land being taxed as part of a larger parcel of land or failing to constitute a separate tax parcel for real estate taxes.

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

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

MULTIPLE TAX PARCEL ENDORSEMENT (ALTA 18.1-06)

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

- 1. Those portions of the Land identified below not being assessed for real estate taxes under the listed tax identification number(s) or those tax identification number(s) including any additional land:

Parcel: _____

Tax Identification Number(s): _____

- 2. The easements, if any, described in Schedule A being cut off or disturbed by the nonpayment of real estate taxes assessed against the servient estate.

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

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

LOCATION ENDORSEMENT 1 (ALTA 22-06)

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

ENDORSEMENT

ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

ZONING – UNIMPROVED LAND ENDORSEMENT (ALTA 3-06)

- 1. ATG insures against loss or damage sustained by the Insured in the event that, at Date of Policy:
 - a. according to applicable zoning ordinances and amendments, the Land is not classified Zone _____ ;
 - b. the following use or uses are not allowed under that classification:

- 2. There shall be no liability under this endorsement based on:
 - a. Lack of compliance with any conditions, restrictions, or requirements contained in the zoning ordinances and amendments, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses. This paragraph 2.a. does not modify or limit the coverage provided in Covered Risk 5.
 - b. The invalidity of the zoning ordinances and amendments 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.
 - c. The refusal of any person to purchase, lease, or lend money on the Title covered by this 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

ENDORSEMENT

 ATTORNEYS' TITLE GUARANTY FUND, INC.

Policy No.:

State Issued:

ZONING – COMPLETED STRUCTURE ENDORSEMENT (ALTA 3.1-06)

- 1. ATG® insures against loss or damage sustained by the Insured in the event that, at Date of Policy:
 - a. according to applicable zoning ordinances and amendments, the Land is not classified Zone _____ ;
 - b. the following use or uses are not allowed under that classification:

_____ ;
 - c. There shall be no liability under paragraph 1.b. if the use or uses are not allowed as the result of any lack of compliance with any conditions, restrictions, or requirements contained in the zoning ordinances and amendments, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses. This paragraph 1.c. does not modify or limit the coverage provided in Covered Risk 5.
- 2. ATG further insures against loss or damage sustained by the Insured by reason of a final decree of a court of competent jurisdiction:
 - a. prohibiting the use of the Land, with any existing structure, as insured in paragraph 1.b.; or
 - b. requiring the removal or alteration of the structure on the basis that, at Date of Policy, the zoning ordinances and amendments 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;
 - iv. height of the structure; or
 - v. number of parking spaces.
- 3. There shall be no liability under this endorsement based on:
 - a. the invalidity of the zoning ordinances and amendments 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;
 - b. the refusal of any person to purchase, lease, or lend money on the Title covered by this 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