ENDORSEMENTS

An endorsement is an addendum or attachment to a title insurance policy that does one of the following:

- Provides additional coverage that is not already provided under the terms of the policy,
- Removes certain exceptions listed on Schedule B of the policy, or
- Corrects/modifies a previously issued policy.

First American Title Insurance Company (“First American”) is a member of the Title Insurance Rating Bureau of Pennsylvania (“TIRBOP”). First American and its agents must use those endorsement forms, and apply the charges therefor, that have been filed by TIRBOP with and approved by the Pennsylvania Insurance Department. All of the approved forms and charges are included in TIRBOP’s Pennsylvania Manual of Rates and Forms (“Rate Manual”).

Following is a list of TIRBOP endorsements that are available for use by First American offices and agents in Pennsylvania. Explanations of each endorsement are presented thereafter.

- **PA 100** – Where There is No Apparent Violation of Restrictions by Existing Construction (L)\(^2\)
- **PA 101** – Where Restrictions Appear to be Violated by Existing Construction (L)
- **PA 102** – Where Proposed New Construction Does Not Indicate that Restrictions Will be Violated (O/L)\(^3\)
- **PA 103** – Where Proposed New Construction Will Apparently Violate Restrictions (O/L)
- **PA 104** – Where There is No Apparent Violation of Restrictions by Existing Construction (O)\(^4\)
- **PA 300** – Survey Exception (L)
- **PA 301** – Survey Exception (O)
- **PA 400** – Manufactured Housing Unit – ALTA 7-06 (O/L)
- **PA 500** – Mortgage Modification – ALTA 11-06, as modified by TIRBOP (L)
- **PA 710** – Variable Rate – ALTA 6-06 (L)
- **PA 710-6.2** – Variable Rate - Negative Amortization – ALTA 6.2-06 (L)
- **PA 810** – Condominium Endorsement Under PA Uniform Condominium Act – ALTA 4.1-06 (O/L)

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\(^1\) All Pennsylvania First American offices and agents have a bound copy of the Rate Manual, but for your convenience, the most up to date version of the Rate Manual and all Rate Manual Memoranda can be found on our Northeast Regional Website at [http://www.firstamne.com/general/rates_pa.htm](http://www.firstamne.com/general/rates_pa.htm).

\(^2\) L = Loan Policy Only, meaning that this endorsement may be attached only to a loan policy.

\(^3\) O/L = Owner’s and/or Loan Policy, meaning that this endorsement may be attached to either a loan or an owner’s policy, or both.

\(^4\) O = Owner’s Policy Only, meaning that this endorsement may be attached only to an owner’s policy.
- PA 820 – Planned Unit Development – ALTA 5.1-06 (O/L)
- PA 900 – Environmental Protection Lien – ALTA 8.1-06 (L)
- PA 910 – Environmental Protection Lien (L)
- PA 1000 – Mandatory Advance (L)
- PA 1010 – Revolving Line of Credit / Open End Mortgage (L)
- PA 1015 – Open End Mortgage / Construction (L)
- PA 1020 – FNMA Balloon (L)
- PA 1030 – Special Risks (Restrictions, Encroachments, Minerals) – ALTA 9-06 (L)
- PA 1032 – Restrictions, Encroachments, Minerals: Improved Land (O)
- PA 1070 – General Endorsement (O/L)
- PA 1080 – Abbreviated Endorsement Form (L)
- PA 1100 – Waiver of Arbitration (L)
- PA 1110 – First Loss – Multiple Parcel Transactions – ALTA 20-06 (L)
- PA 1130 – Leasehold Owners – ALTA 13-06 (O)
- PA 1140 – Leasehold Loan – ALTA 13.1-06 (L)
- PA 1150 – Future Advance - Letter of Credit – ALTA 14.2-06 (L)
- PA 1160 – Nonimputation - Full Equity Transfer – ALTA 15-06 (O)
- PA 1170 – Nonimputation - Additional Insured – ALTA 15.1-06 (O)
- PA 1180 – Nonimputation - Partial Equity Transfer – ALTA 15.2-06 (O)
- PA 1190 – Mezzanine Financing – ALTA 16-06 (O)
- PA 1200 – Access and Entry – ALTA 17-06 (L)
- PA 1201 – Access and Entry – ALTA 17-06 (O)
- PA 1210 – Indirect Access and Entry – ALTA 17.1-06 (L)
- PA 1211 – Indirect Access and Entry – ALTA 17.1-06 (O)
- PA 1220 – Future Advance - Reverse Mortgage – ALTA 14.3-06 (L)
- PA 1230 – Single Tax Parcel – ALTA 18-06 (O/L)
- PA 1240 – Multiple Tax Parcels – ALTA 18.1-06 (O/L)
- PA 1250 – Contiguity – ALTA 19-06, as modified by TIRBOP (O/L)
- PA 1260 – Intrastate Aggregation – ALTA 12-06, as modified by TIRBOP (L)
- PA 1270 – Same as Survey (L)
- PA 1271 – Same as Survey (O)
- PA 1280 – Location – ALTA 22-06, as modified by TIRBOP (L)
- PA 1290 – Mortgage Release (L)
- PA 1300 – Creditors’ Rights – Loan Policy Only – ALTA 21-06 (L)
- PA 1301 – Creditors’ Rights – Owner’s Policy Only – ALTA 21-06 (O)
TIRBOP Endorsements PA 100, 101, 102, 103 & 104

Violations of Restrictions

The PA 100 series of TIRBOP endorsements addresses restrictions of record. Your title commitment may or may not disclose any restrictions, but lenders virtually always require the issuance of a PA 100. The PA 100 insures that existing restrictions are not being violated, up to the date of the policy, by existing improvements. The charge is $50.00, and it is available for issuance only to lenders. The restrictions of record must be examined and the nature and use of the existing improvements established to determine if any violations currently exist. Please note that there is no need to determine whether there has ever been a violation of the restriction on the premises, just whether there is a current violation. If the restrictions are in fact being violated, then PA 100 may not be issued, but PA 101 may be appropriate.

The PA 101 specifies that there is an existing violation of the indicated restrictions as of the date of the policy, defines the nature of the said violation and insures against loss or damage arising because existing improvements must be removed because of the violation. The charge for this endorsement is 10% of the premium with a minimum charge of $75.00. This endorsement may be issued on both owner and lender policies. Before issuing this endorsement, the following evaluations should be made:

- potential risk;
- parties with power to enforce restrictions;
- nature of the surrounding neighborhood (and possibly whether the restrictions have been violated in surrounding premises); and
- extent and length of time of the existing violations.

The PA 102 specifies that proposed future improvements, as shown and defined on detailed plans or drawings, will not violate existing restrictions. The charge is 10% of the premium with a minimum charge of $75.00, and may be issued to an owner, lessee or lender. The underwriting review is similar to that for the PA 100 above, with the added demand for review of and reference to a plan or drawing that adequately locates and defines the future improvements.

The PA 103 specifies that proposed future improvements as shown and defined on detailed plans do in fact violate specified restrictions, defines the violation, and insures against loss if the proposed improvements must be removed on account of the violations. The underwriting issues are similar to those for the PA 101 above, but because new improvements offer much greater risk, the charge is very much higher for the PA 103. The charge as defined in the Rate Manual is $10.00 per $1,000 for the initial $500,000 of coverage, $5.00 per $1,000 for the next $500,000 of coverage, $2.50 per $1,000 for the next $1,000,000 of coverage and $1.25 per $1,000 for the excess over $2,000,000 to $30,000,000.

PLEASE BE ADVISED THAT FIRST AMERICAN AGENTS AND OFFICES MUST OBTAIN WRITTEN CONSENT FROM A FIRST AMERICAN PENNSYLVANIA UNDERWRITER BEFORE ISSUING THE PA 101, 102, 103 or 104. THANK YOU FOR YOUR CONTINUED COOPERATION.
The PA 104 provides the same coverage to an owner or lessee that the previously discussed PA 100 provides to the lender. The underwriting requirements are the same for the PA 104 as for the PA 100, but the charge is 10% of the premium with a minimum charge of $75.00.

NOTE: A common provision of the 100 series of endorsements is the assurance regarding reverter, i.e. that the document imposing the restriction does not provide that, in the event of a violation of the restriction, title will vest back in the creator of the restriction or someone other than the record title holder. If the document in question does impose or imply any reverter rights, none of the 100 series may be issued and if any affirmative assurances are requested, your local First American underwriter must be contacted.

TIRBOP Endorsements PA 300 & 301
Survey

The PA 300 series of endorsements address standard Pennsylvania survey exceptions. The PA 300, available only to the lender, and the PA 301, available only to the owner or lessee, not only remove the standard exceptions pertaining to unrecorded easements and to survey discrepancies, but also insure against loss by reason of encroachments. The exception reading “accuracy of area content not insured” is not removed or addressed by either endorsement. Please note that these endorsements do not address the conditions actually disclosed by plans or surveys, either prior or current. If the survey produced for issuance of the PA 301, for example, shows conditions affecting the title, such conditions should be separately excepted.

The PA 300 may be issued to a lender without review of a survey of a charge of $50. The PA 301, however, requires the review of a current ALTA/ACSM survey certified to First American, and the charge is 10% of the premium with a minimum charge of $75.00.

TIRBOP Endorsement PA 400
Manufactured Housing Units

The PA 400 endorsement amends the definition of “Land” in the policy to include a manufactured housing unit located on the land on the date of the policy. Please see PA Underwriting Bulletin 2002-03 entitled “Mobile Homes and TIRBOP Endorsement PA 400” for a very detailed explanation of the underwriting requirements for issuance of this endorsement. Summarily, proof in the form of the Pennsylvania Department of Transportation form MV-16, which shows that the certificate of title for the mobile home has been surrendered to the Commonwealth, must be furnished to and reviewed by the First American agent or office. Further, the real estate to be insured must be owned by the same party that owns the former

6 PLEASE BE ADVISED THAT FIRST AMERICAN AGENTS AND OFFICES MUST OBTAIN WRITTEN CONSENT FROM A FIRST AMERICAN PENNSYLVANIA UNDERWRITER BEFORE ISSUING THE PA 301. THANK YOU FOR YOUR CONTINUED COOPERATION.

7 The exceptions read: “Easements or claims of easements not shown by the public record” and “Any variation in location of lines or dimensions or other matters which an accurate survey would disclose”. Please note that the wording of these exceptions on your commitment and policy may vary, and that your endorsement should match the wording on the policy.
mobile home. Finally, the former mobile home must be included as part of the real estate for tax assessment purposes.

The PA 400 may be issued on an owner’s or loan policy for a charge of $50.00.

**TIRBOP Endorsement PA 500**
**Extension or Modification of an Insured Loan**

The PA 500 endorsement attaches to an already existing loan policy where the terms of the insured mortgage are being extended or modified. The PA 500 insures the lender against loss arising from the invalidity of the insured lien resulting from the modification to the already insured mortgage. The charge for the PA 500 can be found in Section 5.9 of the Rate Manual. We recommend using our Rate Calculator of Extension or Modification of Insured Loan which can be found at [http://www.firstamne.com/calculators/pa_modification.xls](http://www.firstamne.com/calculators/pa_modification.xls).

**TIRBOP Endorsements PA 710 & 710-6.2**
**Variable Rates**

The PA 710 and 710-6.2 endorsements provide additional assurances to the priority mortgage documents that provide for changes in the rate of interest. The PA 710-6.2 includes such assurance even if the interest rate change leads to negative amortization. The mortgage document must be examined to determine that it includes and provides notice of the changing or renegotiable interest rates. These endorsements are only available on loan policies, and the charge for each endorsement is $50.00.

**TIRBOP Endorsement PA 810**
**Condominiums**

The PA 810 endorsement insures against loss arising from certain provisions in condominium documents or regime with applicable state laws (or the lack of compliance therewith). The condominium documents, and in particular, the Declaration, must be examined in detail. The unit must be separately assessed for real estate taxes and there may be no outstanding condominium fees or assessments. If the condominium Declaration provides for a right of first refusal, immediately contact your local First American underwriter. Despite its footer referring to the Uniform Condominium Act, this endorsement may also be issued if the condominium is governed by the prior Unit Property Act. The charge is $50.00, and it may be issued to owners, lessees and lenders. No distinction needs to be made between residential and other property uses.

**TIRBOP Endorsement PA 820**
**Planned Unit Developments**

The PA 820 endorsement can be attached to an owner’s or loan policy for additional coverages where the insured premises is part of a planned unit development (“PUD”). The endorsement insures against loss arising from violations of any restrictive covenants that appear on Schedule B of the policy that restrict land use or would cause a forfeiture of title. It further
insures against loss arising from unpaid homeowner’s association charges or assessments, enforced removal of existing structures due to encroachments onto adjoining land, and the failure of title due to a right of first refusal that was or could have been exercised.

In order to issue the PA 820, First American agents and offices should confirm the following prior to issuing this endorsement:

1) that restrictions are not violated;
2) that restrictions do not contain forfeiture or reversion clauses;
3) that all homeowner’s association charges and assessments have been paid through the date of policy;
4) that no known encroachments of any existing improvements located on the subject property onto adjoining land or upon any easement referred to in Schedule B of the policy;
5) that no known encroachments of any existing improvements located on adjacent land onto the subject property;
6) that there is no claim or right of first refusal, recorded or unrecorded, which could possibly result in an attack on the validity of the insured’s title.

The charge for this endorsement is $50.00.

**TIRBOP Endorsements PA 900 & 910**

**Environmental Protection Liens**

The PA 900 and 910 endorsements insure the lien priority of the insured mortgage over environmental protection liens, except those under the designated Pennsylvania statute. These endorsements should not be issued in the unlikely but possible event that the search discloses an environmental protection lien filed of record in the relevant jurisdiction.

The PA 900 applies to property that is primarily residential. Note that “residential” does not necessarily mean a “1-4 family property”. Contact your local underwriter if you have a concern over whether the property falls within the meaning of “primarily residential”. The charge for the PA 900 is $50.00, and it may only be issued with a loan policy.

The PA 910 applies to property that is not residential. The charge of the PA 910 is $100.00, and the Rate Manual specifically prohibits use of this endorsement in insuring a mortgage on a “1-4 family residential property”, as the PA 900 would be the appropriate endorsement under that circumstance.

**TIRBOP Endorsement PA 1000**

**Mandatory Advance**

The PA 1000 endorsement provides assurances to lenders as to the lien priority of advances made subsequent to the date of policy, if the entire mortgage amount is not funded or disbursed at the time of the settlement. The mortgage (and possibly the loan/note) documents must be examined to determine that such future advances are in fact mandatory, that is, that the
lender has no choice or discretion about making such future advances. The charge for this endorsement is $50.00, and it may only be issued on a loan policy.

TIRBOP Endorsement PA 1010
Revolving Line of Credit / Open End Mortgage

The PA 1010 endorsement provides assurances to lenders as to the lien priority of future advances made pursuant to a revolving line of credit or open end mortgage. The mortgage (and possibly the loan/note) documents must be examined to determine that such future advances are in fact mandatory, that is, that the lender has no choice or discretion about making such future advances. Further, the mortgage document must by its own terms identify itself as being an “open end mortgage” pursuant to 42 Pa C.S.A. § 8143. The charge for this endorsement is $50.00 when issued in connection with a policy on a 1-4 family residential property, but the charge is 10% of the premium with a minimum charge of $50.00 when issued in connection with other property.

TIRBOP Endorsement PA 1015
Open End Mortgage / Construction

The PA 1015 endorsement provides assurances to lenders as to the lien priority of future advances pursuant to an “open end mortgage” as defined by 42 Pa C.S.A. § 8143. The mortgage (and possibly the loan/note) documents must be examined to determine that the advances are to be made to pay toward all or part of the costs of completing erection, construction, alteration or repair of any part of the mortgaged premises. The charge for this endorsement is 10% of the premium with a minimum charge of $50.00.

TIRBOP Endorsement PA 1020
FNMA Balloon

The PA 1020 provides assurances to lenders as to the lien priority of a mortgage (FNMA Balloon) that provides for a conditional right to refinance at a possible changed interest rate. The relevant provisions must be set out in the mortgage document (often by a rider). The charge for this endorsement is $50.00.

TIRBOP Endorsements 1030, 1031 & 1032
Special Risks (Restrictions, Encroachments, Minerals)

The PA 1030 endorsement, also known as the special risks endorsement, and also known as the lender comprehensive endorsement, is the Pennsylvania equivalent to the ALTA 9 endorsement, which provides affirmative assurances to the lender over a variety of common issues. This endorsement combines and expands the assurances provided by certain other endorsements, and provides additional coverages. For example, the PA 100 is included in the PA 1030, and part of the PA 300 is also included in the PA 1030. As such, the PA 100 should

8 PLEASE BE ADVISED THAT FIRST AMERICAN AGENTS AND OFFICES MUST OBTAIN WRITTEN CONSENT FROM A FIRST AMERICAN PENNSYLVANIA UNDERWRITER BEFORE ISSUING THE PA 1031 OR 1032. THANK YOU FOR YOUR CONTINUED COOPERATION.
not be issued in conjunction with this endorsement, unless specifically required by the insured lender. The PA 1030 also includes further coverages such as loss or damage to improvements arising from the exercise of rights to use the surface of the land for the extraction of minerals. The charge for this endorsement is 10% of the premium with a minimum charge of $75.00, and can be only be issued with a loan policy.

The PA 1031 endorsement provides affirmative assurances to the owner for loss or damage arising from violations of enforceable covenants, conditions or restrictions not specifically excepted in Schedule B of the policy. It goes on to say that the owner is insured against loss or damages arising from instruments referred to in Schedule B of the policy that establish easements on the land, provide for options to purchase, rights of first refusal or the prior approval of a future purchase, or provide rights of reentry, possibility of reverter or rights of forfeiture because of violation of any enforceable covenants, conditions or restrictions. It further insures against loss or damage due to encroachments onto the insured premises from adjoining land and environmental protection liens of record. Finally, the owner is covered for loss or damage arising out of the future exercise of any right to use the surface of the land for the extraction of minerals excepted from the legal description or on Schedule B of the policy. Please note that the PA 1031 may only be issued on owner’s policies insuring unimproved land.

The PA 1032 endorsement provides the same affirmative assurances on owner’s policies insuring improved land, and some additional coverages relating to building improvements are also included. For example, the insured owner is covered for loss or damage arising from existing improvements that violate building setback lines shown on recorded subdivision plats. Please note that the PA 1032 also includes coverage, like the 1030 for the lender, for enforced removal of improvements that violate restrictions.

Clearly, the PA 1031 and 1032 are risky endorsements to issue, and as such, the charges are greater than that required for the issuance of the PA 1030 for the lender. Further, because of the types of coverages included in the PA 1031 and 1032, review of a current ALTA/ACSM survey certified to First American is required, whereas it is not required for the issuance of a PA 1030 for the lender. The charge for issuance of the PA 1031 is 20% of the premium with a minimum charge of $75.00. The charge for the issuance of the PA 1032 is also 20% of the premium, unless it is being issued in conjunction with the issuance of PA 301, in which case the charge is reduced to 10% of the premium with a minimum charge of $75.00.

Please be reminded that First American agents and offices are required to obtain written underwriter approval prior to the issuance of the PA 1031 or 1032 endorsements.

**TIRBOP Endorsement PA 1070**

**General**

The PA 1070 endorsement is the general endorsement, sometimes referred to as the blank endorsement. It is to be used to alter, amend or correct the schedules and exhibits of a policy or to provide other approved affirmative coverages. No charge may be made for use of the PA 1070. Use of the PA 1070 is prohibited for provision of the following coverages:

- Truth-in-Lending
The PA 1080 endorsement incorporates by reference nine (9) other endorsements contained in the Rate Manual, namely, the PA 810, 820, 710, 400, 900, 1030, 100 and 300. Each referenced endorsement can be checked in the appropriate block. This endorsement applies to loan policies only, and the charge for each endorsement checked must be made in accordance with the charge in that endorsement’s respective section of the Rate Manual. No other charge may be made for the use of the PA 1080.

The PA 1100 endorsement amends the ALTA Loan Policy (06/17/06) form by deleting Paragraph 13 of the Conditions section of the policy, which relates to arbitration. The charge for this endorsement is $100.00, and it may only be issued in connection with a loan policy.

The PA 1110 is Pennsylvania’s equivalent to the ALTA 20-06, and is designed for loan transactions where the security consists of multiple parcels of real property collateral (and the collateral may also include personal property as part of the security for the loan). This endorsement addresses lender concerns where a loan covers multiple parcels of real estate, and a title defect insured against under the terms of the ALTA Loan Policy (06/17/06) affects less than all of the parcels of real estate insured under the policy. In such a case, the full liability under the policy will not be paid out by the title insurer, because the loss the lender suffered was not a full loss. When a title defect insured against is discovered the lender may believe it has a compensable claim under its ALTA Loan Policy, but until the loan is declared in default, the lender forecloses, and the lender is unable, as a result of the particular title defect, to realize from the sheriff’s sale (or a sale of the REO following foreclosure) the full amount due on the loan and secured by the insured mortgage (including principal, interest, costs and attorneys’ fees), the title insurer may take the position that the lender is not entitled to recovery under its Loan Policy.10

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9 PLEASE BE ADVISED THAT FIRST AMERICAN AGENTS AND OFFICES MUST OBTAIN WRITTEN CONSENT FROM A FIRST AMERICAN PENNSYLVANIA UNDERWRITER BEFORE ISSUING THE PA 1110. THANK YOU FOR YOUR CONTINUED COOPERATION.

10 This issue is one of the fundamental differences between the ALTA Loan Policy and ALTA Owner’s Policy. The mere existence of a title defect insured against under the ALTA Owner’s Policy can create a compensable loss to an insured owner. By contrast, the mere existence of a title defect insured against under the ALTA Loan Policy may not create a compensable loss to an insured lender.
The PA 1110 allows the insured lender to receive compensation from the title insurer before actual loss resulting from a title defect is finally determined. The underwriting analysis applied to a loan policy including the PA 1110 must be closer to that of an owner’s policy because the title insurer may be required to pay a claim under a loan policy much earlier than it would had the PA 1110 not been issued.

The PA 1110 can only be issued in conjunction with a loan policy, and the charge for this endorsement is 10% of the premium with a minimum charge of $500.00.

**TIRBOP Endorsements PA 1130 & 1140**

**Leasehold**

The PA 1130 is Pennsylvania’s equivalent to the ALTA 9-06, and is designated for owners’ policies only. Likewise, the PA 1140 is Pennsylvania’s equivalent to the ALTA 13.1-06, and is designated for loan policies only. The PA 1130 converts the ALTA Owner’s Policy (06/17/06) that insures a fee simple estate in land into insuring a leasehold estate in land, and the PA 1140 converts the ALTA Loan Policy (06/17/06) into a leasehold loan policy. These endorsements set forth the way that the leasehold estate is valued for purposes of loss under the respective policies, and the items covered by the issuance of the endorsements. Section 5.2 of the Rate Manual sets forth a choice of calculations for liability under the leasehold owner’s or loan policies. The title insurance can be based on (a) the aggregate of the total rentals payable under the lease, (b) the aggregate of total rents for the six (6) years immediately following the settlement or closing of the lease transaction, (c) a reasonable statement of estimated rents on percentage leases, (d) the appraised value at the time of insuring the premises as established by an appraiser acceptable to the insurer, (e) the land and total projected costs of such proposed improvements in the case of proposed construction, or (f) the purchase price of the estate when insuring an assignment of a leasehold estate, including all obligations assumed.

The premium for leasehold policies is calculated the same as it would be for a standard ALTA Owner’s/Loan Policy (06/17/06) insuring fee simple estates in land. Further, where a leasehold owner’s or loan interest is being insured simultaneously with the interest of an owner and/or mortgagee of the fee simple estate, the charge is the applicable rate for the owner and/or mortgagee plus 30% of the premium for the leasehold interest.

**TIRBOP Endorsement PA 1150**

**Future Advance – Letter of Credit**

The PA 1150 is Pennsylvania’s equivalent to the ALTA 14.2-06, and is designated for loan policies only. This endorsement secures reimbursement or other obligations under a letter of credit, surety agreement, or other form of reimbursement agreement that by their nature contemplate “future advances”. In order to issue this endorsement, the mortgage must state that it secures a letter of credit, surety agreement or reimbursement agreement, and must also state that the lien shall exist even if there is no outstanding balance so long as the letter of credit, surety agreement or reimbursement agreement is still in force.
The charge for this endorsement is 10% of the premium. Use of this endorsement is prohibited in conjunction of issuance of a loan policy insuring 1-4 family residential property.

**TIRBOP Endorsements PA 1160, 1170, 1180 & 1190**

**Nonimputation & Mezzanine**

The PA 1160 is Pennsylvania’s equivalent to the ALTA 15-06, and is designated for owners’ policies only. The PA 1160 may be issued in connection with ALTA Owners’ Policies (06/17/06) being issued with the transfer of 100% of the equity interests (stock in a vestee corporation; partnership interests in a vestee partnership; or membership interests in a vestee limited liability company) in the entity that is vested in title. If less than 100% of the equity interests in the vestee entity are being transferred, the PA 1160 is not appropriate, and perhaps the PA 1170 or 1180 should be used instead.

The PA 1170 is Pennsylvania’s equivalent to the ALTA 15.1-06, and is designated for owners’ policies only. The PA 1170 may be issued in connection with ALTA Owners’ Policies (06/17/06) being issued with the with the transfer of a percentage (less than 100%) of the equity interests (stock in a vestee corporation; partnership interests in a vestee partnership; or membership interests in a vestee limited liability company) in the entity that is vested in title. The purchaser of the equity interests would be identified in the first blank space as the "Additional Insured" and the vestee entity would be named as the insured in Schedule A. This form requires the signature of an authorized representative of the insured entity acknowledging the addition of the equity purchaser as an "Additional Insured" and the possible reduction in the amount of insurance pursuant to Section 10 of the Conditions and Stipulations in the event of any payment to the "Additional Insured".

The PA 1170 provides assurances that First American would not deny coverage under the policy to the "Additional Insured" based upon matters (1) created, suffered, assumed or agreed to, (2) known by the insured claimant but not disclosed to the Company, or (3) resulting in loss that would not have been sustained if the insured claimant had paid value for the insured estate or interest solely by reason of the action, inaction or knowledge of the transferring equity holders. The benefit of this endorsement flows only to the "Additional Insured" and applies only to the extent of the percentage interest in the insured entity acquired by the "Additional Insured".

The PA 1180 is Pennsylvania’s equivalent to the ALTA 15.2-06, and is designated for owners’ policies only. The PA 1180 may be issued in connection with ALTA Owners’ Policies (06/17/06) being issued in connection with the transfer of a percentage (less than 100%) of the equity interests (stock in a vestee corporation; partnership interests in a vestee partnership; or membership interests in a vestee limited liability company) in the entity that is vested in title. The purchaser of the equity interests would be the named insured in Schedule A of the policy.

The PA 1180 provides assurances that First American would not deny coverage under the policy based upon matters (1) created, suffered, assumed or agreed to, (2) known by the insured

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**PLEASE BE ADVISED THAT FIRST AMERICAN AGENTS AND OFFICES MUST OBTAIN WRITTEN CONSENT FROM A FIRST AMERICAN PENNSYLVANIA UNDERWRITER BEFORE ISSUING THE PA 1160, 1170, 1180 or 1190. THANK YOU FOR YOUR CONTINUED COOPERATION.**

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claimant but not disclosed to the Company, or (3) resulting in loss that would not have been sustained if the insured claimant had paid value for the insured estate or interest solely by reason of the action, inaction or knowledge of the transferring equity holders.

The PA 1190 is Pennsylvania's equivalent to the ALTA 16-06, and is designated for owners' policies only. By way of background, the term "mezzanine financing" as used in this endorsement refers to a form of financing that is not secured by real estate but can be and often is used in conjunction with concurrent mortgage financing. It is a level of debt that sits between (in terms of priority and risk) "senior" secured mortgage debt and "junior" equity investment. In a real estate context, the security for "mezzanine" debt is typically the equity interests in the entity (a) that owns the real estate asset, (b) that is the "parent" to the title-holding entity, and/or (c) that is that parent's "parent". Equity interests are considered personal property (either "general intangibles" or "investment property" depending on the type of entity). Therefore, the creation, perfection and priority of a mezzanine lender's security interest in "equity" is governed by the Uniform Commercial Code.

The PA 1190 may be issued in connection with ALTA Owners Policies (06/17/06) where the equity interests (100% or some lesser percentage) in the insured entity are being pledged as security for a "mezzanine" loan or as security for a guaranty by the equity holders of some other indebtedness (which may be a loan secured by a mortgage against the subject real estate owned by the vestee entity for which an ALTA Loan Policy may be issued to the "senior" mortgage lender). Since the real value of the equity holder's interest in the entity is based upon the ownership by that entity of the subject real estate (particularly in the context of so-called "single purpose" or "special purpose" entities so prevalent today in commercial real estate development and financing), the mezzanine lender wants to make sure there is an owner's policy in place (insuring the vestee entity's ownership of the title free of undisclosed liens and other defects) and that the mezzanine lender has rights under that owner's policy to any payments otherwise payable to the insured entity. The effect of issuing this endorsement is to assign to the mezzanine lender the right to receive payments otherwise payable to the insured under the policy and, for that reason, the endorsement requires the signature of an authorized representative of the insured entity consenting to the assignment of benefits to the mezzanine lender.

Like the PA 1160, 1170 and 1180, the PA 1190 provides assurances that First American would not deny coverage under the policy to the "mezzanine lender" based upon matters (1) created, suffered, assumed or agreed to, (2) known by the insured claimant but not disclosed to the Company, or (3) resulting in loss that would not have been sustained if the insured claimant had paid value for the insured estate or interest solely by reason of the action, inaction or knowledge of the named insured entity.

The charge for the PA 1160, 1170, 1180 or 1190 is 20% of the premium, and these endorsements may not be issued in conjunction with the issuance of owners’ policies insuring 1-4 family residential property. Please note that written consent of a First American underwriter must be obtained prior to the issuance of these endorsements.
TIRBOP Endorsements PA 1200 & 1201
Access & Entry

The PA 1200 and 1201 are Pennsylvania’s equivalents to the ALTA 17-06 for loan and owners’ policies respectively. Under the ALTA Owner’s Policy (06/17/06) and ALTA Loan Policy (06/17/06), access coverage extends only to loss arising from lack of a right of access to and from the land. The PA 1200 and 1201 provide more specific access coverage when the insured land physically abuts a designated street. In order to issue either or both of these endorsements, review of a current ALTA/ACSM survey is required. The survey must certify that (1) actual vehicular and pedestrian access is available to the land from the street(s) designated in the endorsement, (2) the designated street(s) is(are) physically open and publicly maintained, and (3) the owner of the insured land has the right to use the existing curb cuts along the portion of the designated street(s) that abut that land.

The charge for the PA 1200 is $100.00. The charge for the PA 1201 is 10% of the premium. Neither of these endorsements may be used in conjunction with the issuance of an owner’s or loan policy insuring 1-4 family residential property.

TIRBOP Endorsements PA 1210 & 1211
Indirect Access & Entry

The PA 1210 and 1211 are Pennsylvania’s equivalents to the ALTA 17.1-06 for loan and owners’ policies respectively. Where the insured land requires use of an easement across another property that physically abuts a designated street, these endorsements are more appropriate than the PA 1200 and 1201. In order to issue either or both of these endorsements, review of a current ALTA/ACSM survey is required. The survey must certify that (1) actual vehicular and pedestrian access is available to the land from the street(s) designated in the endorsement over and across a properly granted or reserved easement appurtenant to the land and burdening all parcels of property (the "Servient Parcel(s)") across which the insured must traverse to gain access to the land from the designated street(s), (2) these easement mentioned above must be senior in priority to any mortgages or other liens affecting the Servient Parcel(s) so that the insured's easement rights cannot be terminated in the event of foreclosure of the mortgages or other liens, (3) the designated street(s) is(are) physically open and publicly maintained, and (4) the owner of the insured land has the right to use the existing curb cuts along the portion of the designated street(s) that abut that land.

The charge for the PA 1210 is $250.00. The charge for the PA 1211 is 10% of the premium. Neither of these endorsements may be used in conjunction with the issuance of an owner’s or loan policy insuring 1-4 family residential property.

TIRBOP Endorsement 1220
Future Advance – Reverse Mortgage

The PA 1220 is Pennsylvania’s equivalent to the ALTA 14.3-06, and is designated for loan policies only. This endorsement provides coverage to a lender in conjunction with a reverse annuity mortgage. Of note in this endorsement is the provision that insures a lender for loss or damage arising from the failure of the mortgagors to be at least 62 years of age at the date of the
policy. In order to issue this endorsement, the mortgage (and possibly the loan/note) documents must be examined to determine that it is in fact intended to be a reverse mortgage, and further confirm that all of the mortgagors are at least 62 years of age and that the land to be encumbered by the insured mortgage serves as the primary residence of the mortgagors.

The charge for the PA 1220 is $50.00.

**TIRBOP Endorsements 1230 & 1240**  
Single & Multiple Tax Parcel(s)

The PA 1230 is Pennsylvania’s equivalent to the ALTA 18-06, and may be issued in conjunction with an owner’s and/or loan policy. This endorsement may be issued when the insured land includes only one tax parcel. It provides coverage against the risk that the land does not constitute its own separate tax parcel for real estate property tax purposes (i.e. that there are no other parcels being taxed with the insured land). It may be issued upon confirmation that the insured land has its own tax parcel number (for real estate property tax purposes) that does not also include any other parcels.

Conversely, the PA 1240 is Pennsylvania’s equivalent to the ALTA 18.1-06, and it too may be issued in conjunction with an owner’s and/or loan policy. This endorsement may be issued when the insured land includes more than one parcel. It provides coverage against the risk that each parcel of the land does not (a) constitute its own separate tax parcel for real estate property tax purposes (i.e. that there are no other parcels being taxed with the specified parcel), and (b) have the specified tax identification number assigned to it. It may be issued if each parcel of land identified in the endorsement has its own separate and distinct tax parcel number(s) for tax purposes that does not also include any other parcels.

The charge for each of these endorsements is $100.00, and use of these endorsements is prohibited in conjunction with the issuance of owners’ and/or loan policies insuring 1-4 family residential property.

**TIRBOP Endorsement 1250**  
Contiguity

The PA 1250 is Pennsylvania’s version of the ALTA 19-06, and may be issued with an owner’s and/or loan policy. This endorsement may be issued when insuring multiple parcels of land on one policy. A survey (or other similar evidence) must confirm that the parcels insured are actually contiguous to each other and that there are no gaps, gores, or strips of land separating the insured parcels of land. The endorsement requires that the specific boundaries as to which each parcel is contiguous be identified.

The charge for the PA 1250 is $100.00, and its use is prohibited in conjunction with the issuance of owners’ and/or loan policies insuring 1-4 family residential property.
TIRBOP Endorsement 1260
Intrastate Aggregation

The PA 1260 is Pennsylvania’s version of the ALTA 12-06, and is designated for loan policies only. This endorsement has been modified, however, by TIRBOP. While the ALTA 12-06, also referred to as the “tie-in endorsement”, is typically issued when the contemplated indebtedness is secured by multiple mortgages which are insured by multiple policies, often involving properties in several states, the PA 1260 may be used only where the indebtedness is secured by multiple mortgages which are insured by multiple policies involving properties in Pennsylvania.

Frequently, the mortgage recorded in the county recorder’s office will reflect on its face the full amount of the loan, which may exceed the value of the land described in the individual policy. In essence, the PA 1260 allows the cumulative liabilities of the various policies tied together to be available to any one or more properties for any given loss. This benefit permits the insured to receive an increase in value of an affected parcel should there be a loss, thereby allowing the insured to recover its loss based on the increased value of the particular property where the loss occurs. Any payment by First American on any of the policies listed in the PA 1260 will result in a reduction in the aggregate liability of First American under all of said policies. In order to issue this endorsement, the mortgage documents must be examined to determine that the mortgages involved are cross-collateralized.

The charge for the PA 1260 is $100, and its use is prohibited in conjunction with the issuance of loan policies insuring 1-4 family residential property.

TIRBOP Endorsements PA 1270 & 1271
Same as Survey

The PA 1270 and 1271 provide assurance to the lender and owner respectively that the insured land, as described in Schedule/Exhibit A of the policy, is the same as that shown on the survey referenced in the endorsement. It is not necessary that the land be described according to the referenced survey; only that it be substantially congruent.

The charge for the PA 1270, the lender version of the endorsement, is $100.00. The charge for the PA 1271, the owner’s version of the endorsement, is 20% of the premium with a minimum charge of $100.00. Use of either the PA 1270 or the PA 1271 is prohibited in conjunction with the issuance of a loan policy insuring 1-4 family residential property.

TIRBOP Endorsement PA 1280
Location

The PA 1280 is Pennsylvania’s version of the ALTA 22-06, and is designated for loan policies only. This endorsement, sometimes known as the “address supplement” provides coverage to the lender that a specific improvement is located on the insured premises as of the date of the policy. In order to issue this endorsement, a recent as-built survey showing the nature of the improvements on the premises would need to be reviewed. If an as-built survey is
unavailable, a review of the tax assessment records would suffice if the particular taxing authority references the nature of the improvements in its records.

The charge for the PA 1280 is $100.00, and use of this endorsement is prohibited in conjunction with the issuance of a loan policy insuring 1-4 family residential property. This endorsement may only be issued for land that has been improved.

**TIRBOP Endorsement PA 1290**  
**Mortgage Release**

The PA 1290 may be issued on a First American loan policy to a previously insured lender where the lender releases only a portion of the land encumbered by the mortgage. This endorsement provides assurances to the lender that the priority of the lien against the remaining land that was not released is still in tact, and that the lien of mortgage is still insured by the original loan policy. In order to issue this endorsement, the instrument releasing a portion of the land and the mortgage document itself must be reviewed to confirm that in fact the remaining portion of the land is still encumbered by the document. Further, a bringdown should be done to confirm that the mortgage still appears of record.

The charge for the PA 1290 is $250.00, and use of this endorsement is prohibited in conjunction with the issuance of a loan policy insuring 1-4 family residential property. This endorsement may only be issued for land that has been improved.

**TIRBOP Endorsements PA 1300 & 1301**

**Creditors’ Rights**

The PA 1300 and 1301 provide coverage to the lender and owner respectively against loss or damage sustained by reason of avoidance in whole or in part, or a court order providing some other remedy, based on the voidability of the insured estate or interest (or mortgage in the case of a PA 1300), because of the occurrence on or before the policy date of a fraudulent transfer or a preference under federal, bankruptcy, state insolvency, or similar creditors’ rights laws. Substantial underwriting is necessary to determine whether the issuance of either of these endorsements is appropriate in any given transaction. First American agents and offices are required to obtain written underwriter consent prior to the issuance of either of these endorsements.

The charge for the PA 1300 is 10% of the premium, and it may only be used in conjunction with a loan policy. The charge for the PA 1301 is 20% of the premium, and it may only be used in conjunction with an owner’s policy. Neither of these endorsements may be used in connection with the issuance of a loan or owner’s policy insuring 1-4 family residential property.

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12 _PLEASE BE ADVISED THAT FIRST AMERICAN AGENTS AND OFFICES MUST OBTAIN WRITTEN CONSENT FROM A FIRST AMERICAN PENNSYLVANIA UNDERWRITER BEFORE ISSUING THE PA 1300 or 1301. THANK YOU FOR YOUR CONTINUED COOPERATION._