ALTA 14.2 FUTURE ADVANCE—LETTER OF CREDIT ENDORSEMENT

This endorsement is issued as part of
Policy Number _____
issued by
BLANK TITLE INSURANCE COMPANY

1. The insurance for Advances added by Section 3 of this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage in the policy (except Exclusion 3.d.), the Conditions, and the exceptions from coverage contained in Schedule B.

2. The following terms when used in this endorsement mean:
- a. "Advance": Only an advance of principal made after the Date of Policy as provided in the Agreement, but within 20 years from the date of the Insured Mortgage, including expenses of foreclosure; amounts advanced pursuant to the Insured Mortgage to pay taxes and insurance, assure compliance with laws, or to protect the lien of the Insured Mortgage before the time of acquisition of the Title; and reasonable amounts expended to prevent deterioration of improvements, together with interest on those advances.
- b. "Agreement": The letter of credit and its reimbursement agreement, the repayment of Advances under which is secured by the Insured Mortgage.

3. The Company insures against loss or damage sustained by the Insured by reason of:
- a. The invalidity or unenforceability of the lien of the Insured Mortgage as security for each Advance.
- b. The lack of priority of the lien of the Insured Mortgage as security for each Advance over any lien or encumbrance on the Title.
- c. The invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage as security for the Indebtedness, Advances, and unpaid interest resulting from:
  - i. re-Advances and repayments of Indebtedness;
  - ii. earlier periods of no indebtedness owing during the term of the Insured Mortgage; or
  - iii. the Insured Mortgage not complying with the requirements of State law of the State in which the Land is located to secure Advances.

4. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
- a. The lien of real estate taxes or assessments on the Title imposed by governmental authority arising after the Date of Policy;
- b. Any federal or state environmental protection lien; or
- c. The limitations, if any, imposed under the Bankruptcy Code (11 U.S.C.) on the amount that may be recovered from the mortgagor's estate**.**

5. The Indebtedness includes Advances.

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.

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AMERICAN LAND TITLE ASSOCIATION

[Date]

BLANK TITLE INSURANCE COMPANY

By: _____
[Authorized Signatory]

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