



TITLE GUARANTY

Memorandum: Iowa Title Guaranty Commercial Endorsements

To: Iowa Title Guaranty Board

From: Matthew Veldey

Date: 9-1-2015

Purpose of Notice

Iowa Title Guaranty Commercial (ITG Commercial) provides title coverage and escrow, closing, and construction loan disbursement services to lenders, investors, owners, and purchasers of commercial and agricultural real estate in the State of Iowa.

ITG Commercial offers a full range of title products on American Land Title Association (ALTA) forms and endorsements. The following ALTA Endorsements are being recommended for approval at the October 2, 2015 Iowa Title Guaranty Board Meeting. Upon approval, the ALTA Endorsements will be incorporated into the current Iowa Title Guaranty Commercial Forms Manual.

- I. Easement – Damage or Enforced Removal
(ALTA Endorsement 28 – 06)
- II. Encroachments – Boundaries and Easements
(ALTA Endorsement 28.1 – 06)
- III. Private Rights – Current Assessments – Loan Policy
(ALTA Endorsement 9.6.1 – 06)
- IV. Encroachments – Boundaries and Easements – Described Improvements and Land Under Development
(ALTA Endorsement 28.3 – 06)
- V. Commercial Environmental Protection Lien
(ALTA Endorsement 8.2 – 06)
- VI. Contiguity – Specified Parcels
(ALTA Endorsement 19.2 – 06)
- VII. Zoning – Land Under Development
(ALTA Endorsement 3.2 – 06)

Certificate Number:

ITG guarantees the Guaranteed against actual loss or damage sustained by the Guaranteed if the exercise of the granted or reserved rights to use or maintain the easement(s) reference in Exception Number(s) _____ of Schedule B results in:

- 1) damage to an existing building located on the Land, or
- 2) enforced removal or alteration of an existing building located on the Land.

This endorsement is issued as part of the certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the certificate 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 certificate and of any prior endorsements.

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Certificate Number:

The coverage 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 certificate.

2. For purposes of this endorsement only, "Improvement" means an existing building, located on either the Land or adjoining land at Date of Certificate and that by law constitutes real property.

3. ITG guarantees against loss or damage sustained by the Guaranteed by reason of:

a. An encroachment of any Improvement located on the Land onto adjoining land or onto that portion of the Land subject to an easement, unless an exception in Schedule B of the certificate identifies the encroachment;

b. An encroachment of any Improvement located on adjoining land onto the Land at Date of Certificate, unless an exception in Schedule B of the certificate identifies the encroachment;

c. Enforced removal of any Improvement located on the Land as a result of an encroachment by the Improvement onto any portion of the Land subject to any easement, in the event that the owners of the easement shall, for the purpose of exercising the right of use or maintenance of the easement, compel removal or relocation of the encroaching Improvement; or

d. Enforced removal of any Improvement located on the Land that encroaches onto adjoining land.

4. This endorsement does not guarantee against loss or damage (and ITG will not pay costs, attorneys' fees, or expenses) resulting from the encroachments listed as Exceptions _____ of Schedule B.

This endorsement is issued as part of the certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the certificate 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 certificate and of any prior endorsements.

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Certificate Number:

1. The coverage 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 certificate.

2. For purposes of this endorsement only:

a. "Covenant" means a covenant, condition, limitation, or restriction in a document or instrument recorded in the Public Records at Date of Certificate;

b. "Private Right" means:

i. a private charge or assessment due and payable at Date of Certificate;

ii. an option to purchase;

iii. a right of first refusal; or

iv. a right of prior approval of a future purchaser or occupant.

3. ITG guarantees against loss or damage sustained by the Guaranteed under the certificate if enforcement of a Private Right in a Covenant affecting the Title at Date of Certificate:

a. Results in the invalidity, unenforceability, or lack of priority of the lien of the Guaranteed Mortgage; or

b. Causes a loss of the Guaranteed's Title acquired in satisfaction or partial satisfaction of the Indebtedness.

4. This endorsement does not guarantee against loss or damage (and ITG 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. Any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances[; or

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d. Any Private Right in an instrument identified in Exception(s) _____ in Schedule B].

This endorsement is issued as part of the certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the certificate 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 certificate and of any prior endorsements.

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Certificate Number:

1. The coverage 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 certificate.

2. For purposes of this endorsement only:

a. "Improvement" means a building, structure, or paved area, including any road, walkway, parking area, driveway, or curb located on the surface of the Land or the surface of adjoining land at Date of Certificate that by law constitutes real property.

b. "Future Improvement" means any of the following to be constructed on the Land after Date of Certificate in the locations according to the Plans and that by law constitutes real property:

i. a building;

ii. a structure; or

iii. a paved area, including any road, walkway, parking area, driveway, or curb.

c. "Plans" mean the survey, site and elevation plans, or other depictions or drawings prepared by _____ dated _____, last revised _____, designated as _____ consisting of _____ sheets.

3. ITG guarantees against loss or damage sustained by the Guaranteed by reason of:

a. An encroachment of any Improvement or Future Improvement located on the Land onto adjoining land or onto that portion of the Land subject to an easement, unless an Exception in Schedule B of the certificate identifies the encroachment;

b. An encroachment of any Improvement located on adjoining land onto the Land at Date of Certificate, unless an exception in Schedule B of the certificate identifies the encroachment;

c. Enforced removal of any Improvement or Future Improvement located on the Land as a result of an encroachment by the Improvement or Future Improvement onto any portion of

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the Land subject to any easement, in the event that the owners of the easement shall, for the purpose of exercising the right of use or maintenance of the easement, compel removal or relocation of the encroaching Improvement or Future Improvement; or

d. Enforced removal of any Improvement or Future Improvement located on the Land that encroaches onto adjoining land.

4. Sections 3(c) and 3(d) of this endorsement do not guarantee against loss or damage (and ITG will not pay costs, attorneys' fees, or expenses) resulting from the following Exceptions, if any, listed in Schedule B: _____.

This endorsement is issued as part of the certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the certificate 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 certificate and of any prior endorsements.

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Certificate Number:

ITG guarantees against loss or damage sustained by the Guaranteed by reason of an environmental protection lien that, at Date of Certificate, 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 certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the certificate 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 certificate and of any prior endorsements.

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Contiguity - Specified Parcels
ALTA Endorsement 19.2-06

Certificate Number:

ITG guarantees against loss or damage sustained by the Guaranteed by reason of there being any gaps, strips, or gores lying within or between [Example: Parcel A, B, C or Tract 1, 2, 3] of the Land [except as depicted on the survey made by _____ dated _____, and designated Job No. _____].

This endorsement is issued as part of the certificate and is subject to the certificate's (i) Exclusions from Coverage, (ii) Conditions, and (iii) Exceptions from Coverage contained in Schedule B, in addition to (iv) exceptions and exclusions, if any, in this endorsement. Except as expressly stated, this endorsement does not (i) modify the certificate or any other endorsement to the certificate, (ii) extend the Date of Certificate, or (iii) increase the Amount of Coverage. To the extent the certificate or any previously issued endorsement to the certificate is inconsistent with this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the certificate and of any other endorsements.

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IOWA
TITLE GUARANTY
COMMERCIAL

Zoning-Land Under Development
ALTA Endorsement 3.2-06 (Revised 04/02/2012)

Certificate Number:

1. For purposes of this endorsement:

a. "Improvement" means a building, structure, road, walkway, driveway, curb, subsurface utility or water well existing at Date of Certificate or to be built or constructed according to the Plans that is or will be located on the Land, but excluding crops, landscaping, lawns, shrubbery, or trees.

b. "Plans" means those site and elevation plans made by _____ dated _____, last revised _____, designated as _____ consisting of _____ sheets.

2. ITG guarantees against loss or damage sustained by the Guaranteed in the event that, at Date of Certificate:

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 2(b) if the use or uses are not allowed as the result of any lack of compliance with any condition, restriction, or requirement 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 (c) does not modify or limit the coverage provided in Covered Risk 5.

3. ITG further guarantees against loss or damage sustained by the Guaranteed by reason of a final decree of a court of competent jurisdiction either prohibiting the use of the Land, with any existing Improvement, as specified in paragraph 2(b) or requiring the removal or alteration of the Improvement, because of a violation of the zoning ordinances and amendments in effect at Date of Certificate with respect to any of the following matters:

a. Area, width, or depth of the Land as a building site for the Improvement

b. Floor space area of the Improvement

c. Setback of the Improvement from the property lines of the Land

d. Height of the Improvement, or

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e. Number of parking spaces.

4. 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 certificate.

This endorsement is issued as part of the certificate. Except as it expressly states, it does not (i) modify any of the terms and provisions of the certificate, (ii) modify any prior endorsements, (iii) extend the Date of Certificate, or (iv) increase the Amount of Coverage. To the extent a provision of the certificate 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 certificate and of any prior endorsements.

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