

ENDORSEMENT

Attached to Policy No. _____

Issued by

1. The Mezzanine Lender is: _____ and each successor in ownership of its loan (“Mezzanine Loan”) reserving, however, all rights and defenses as to any successor that the Company would have had against the Mezzanine Lender, unless the successor acquired the Indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by this policy as affecting Title.
2. The Insured
 - a. assigns, as additional collateral for the Mezzanine Loan, the right to receive any amount otherwise payable to the Insured under this policy to the Mezzanine Lender; and
 - b. agrees that in the event of loss under the Policy and the acquisition by Mezzanine Lender of any interest in the Insured, under a pledge of ownership interests, or any other document or instrument securing the Mezzanine Loan, the amount which the Company shall be liable to pay shall be paid without requiring the Mezzanine Lender to pursue its remedies against other collateral securing the Mezzanine Loan.
3. Having been so instructed by the Insured, the Company agrees that loss payable to the Insured for a claim under this policy will be paid directly to the Mezzanine Lender.
4. This agreement on the part of the Company does not impart any right to the Mezzanine Lender to participate in the negotiation or settlement with the Insured under this policy without the written consent of the Insured, nor does the Company waive any defenses that it may have against the Insured, except as expressly stated in this endorsement.
5. In the event of a loss under the policy, the Company agrees that it will not assert the provisions of Exclusions from Coverage 3(a), (b), (c), or (e) to refuse payment to the Mezzanine Lender solely by reason of the action or inaction or knowledge, as of Date of Policy, of the Insured, provided
 - a. the Mezzanine Lender had no actual knowledge of the defect, lien, encumbrance or other matter creating or causing loss on Date of Policy.
 - b. this limitation on the application of Exclusions from Coverage 3(a), (b), (c), and (e) shall

- i. apply whether or not the Mezzanine Lender has acquired an interest in the Insured either on or after Date of Policy, and
 - ii. benefit the Mezzanine Lender only without benefiting any other individual or entity that holds an interest (direct or indirect) in the Insured or the Land.
- 6. In the event of a loss under the Policy, the Company also agrees that it will not deny liability to the Mezzanine Lender on the ground that any or all of the ownership interests in the Insured have been transferred to or acquired by the Mezzanine Lender directly or indirectly, either on or after the Date of Policy.
- 7. The Mezzanine Lender acknowledges
 - a. that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is hereafter executed by an Insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy; and
 - b. that the Company shall have the right to insure mortgages or other conveyances of an interest in the Land, without the consent of the Mezzanine Lender.
- 8. If the Insured, the Mezzanine Lender or others have conflicting claims to all or part of the loss payable under the Policy, the Company may interplead the amount of the loss into Court. The Insured and the Mezzanine Lender shall be jointly and severally liable for the Company's cost for the interpleader and subsequent proceedings, including attorneys' fees. The Company shall be entitled to payment of the sums for which the Insured and Mezzanine Lender are liable under the preceding sentence from the funds deposited into Court, and it may apply to the Court for their payment.

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.

AGREED AND CONSENTED TO:

(Insert name of Insured)

(Insert name of Mezzanine Lender)

By: _____

By: _____

Authorized Signatory