**INSTRUCTIONS FOR ALTA ENDORSEMENT FORM 3.4-06**

**ZONING – NO ZONING CLASSIFICATION**

**PURPOSE OF ENDORSEMENT**

This endorsement can be used only in cases where there is no zoning in effect or applicable to the subject property at the time the policy is issued. This endorsement insures against loss or damage resulting when a particular use, described in the endorsement, is not allowed by the municipality or county because the use violates a zoning ordinance or regulation applicable to the property being insured. This endorsement also insures against loss caused by a court decision either prohibiting the use or requiring the removal or alteration of the existing building or structure, because the use violates a zoning ordinance as it applies to the land or the existing building or structure.

**UNDERWRITING REQUIREMENTS**

1. Describe the existing use of the property in Section 2a.

2. Verify that no zoning ordinance or zoning regulation applies to the land or any building or structure existing on the land as follows:

1. Obtain a letter from the appropriate municipal or regional regulatory authority confirming that neither the land nor any building or structure on the land is subject to a zoning ordinance or regulation; or
2. Review the records and maps of the appropriate municipal or regional regulatory authority to confirm the absence of any applicable zoning ordinance or regulation; and;

Obtain a current ALTA survey or equivalent, certified to CATIC, showing the land and any existing buildings or structures.

 The survey should contain a note or matrix confirming that the land, together with any existing buildings or structures do not violate any zoning ordinance or regulation regarding:

a. Area, width or depth of the land as a building site,

b. Floor area space of the structure,

c. Setback of the structure,

d. Height of the structure, and

e. Number of parking spaces.

3. This endorsement must be reviewed and approved by a CATIC Underwriting Counsel prior to issuance.

**ADDITIONAL PREMIUM**

Because of the risks associated with this endorsement, an additional premium is required each time one of these endorsements is issued. The additional premium is equal to $0.50 per thousand dollars of insurance coverage. There is no agent split on this endorsement. The entire additional premium shall be remitted to CATIC.

***Please contact a member of CATIC's underwriting staff prior to issuing this endorsement.***

ZONING — NO ZONING CLASSIFICATION ENDORSEMENT

This endorsement is issued as part of Policy Number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. For purposes of this endorsement:

a. “Improvement”: A building or structure located on the Land at the Date of Policy.

b. “Zoning Ordinance”: A municipal or county zoning ordinance or zoning regulation applicable to the Land at the Date of Policy.

2. The Company insures against loss or damage sustained by the Insured resulting from:

a. The following use not being allowed by the municipality or county because the use violates a Zoning Ordinance:

 *[DRAFTING INSTRUCTION: Describe the existing use]*

b. A final decree of a court of competent jurisdiction either prohibiting the use or requiring the removal or alteration of the Improvement because, at the Date of Policy, the use violates a Zoning Ordinance with respect to any of the following matters:

i. The area, width, or depth of the Land as a building site for the Improvement;

ii. The floor space area of the Improvement;

iii. A setback of the Improvement from the property lines of the Land;

iv. The height of the Improvement; or

v. The number of parking spaces.

3. Section 2 does not insure against loss or damage and the Company will not pay costs, attorneys’ fees, or expenses resulting from:

a. Any other regulation or restriction of use or activity on the Land:

i. Imposed by a covenant, condition, restriction, or limitation on the Title; or

ii. Imposed by a state or federal law, statute, code, enactment, ordinance, permit, regulation, rule, order, or court decision;

b. Any refusal to purchase, lease, or lend money on the Title; or

c. Any zoning ordinance or zoning regulation adopted after the Date of Policy.

This endorsement is issued as part of the policy. Except as this endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, (iv) insure against loss or damage exceeding the Amount of Insurance, or (v) increase the Amount of Insurance. To the extent a provision of the policy or any prior 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 any prior endorsement.

|  |  |
| --- | --- |
|  | CATICByJAMES M. CZAPIGA, PRESIDENT |