INSTRUCTIONS FOR ALTA ENDORSEMENT FORM 4.1

CONDOMINIUM

## PURPOSE OF ENDORSEMENT

The ALTA 4.1 Condominium Endorsement insures against loss or damage resulting from (1) the failure of the unit to be a part of a condominium; (2) failure of the condominium documents to comply with the requirements of the state statutes, to the extent that such failure affects the title to the unit or the common elements; (3) present violations of restrictive covenants which restrict the use of the condominium unit or the forfeiture or reversion of Title by reason of those covenants; (4) common charges and assessments that are due but unpaid as of the policy’s effective date; (5) failure of the condominium unit to be entitled to be assessed for real property taxes as a separate unit; (6) the obligation to remove improvements which exist at date of policy because of present encroachments; and (7) failure of title by reason of an existing right of first refusal.

This endorsement can be used when the property to be insured is an existing unit in a condominium that has been created in accordance with state law.

**UNDERWRITING INSTRUCTIONS**

Verify that the declaration, master deed or other document creating the condominium has been recorded in the appropriate land records, and that the unit to be insured has been created in accordance with the requirements of the state statutes.

• Obtain a fully executed Owner's Affidavit (CATIC A-100) as well as any documentation required by state statute to be provided to the buyer, where applicable.

The Owner's Affidavit, together with any other available information, must confirm that:

1. common charges or assessments are current;

2. there are no violations of existing covenants; and

3. there are no encroachments of improvements over a boundary line or into any easements.

• Any right of first refusal must be waived by the homeowners' association prior to closing.

This endorsement may be incorporated into the policy by checking the appropriate box at the bottom of the policy's Schedule B.

**FOR CONNECTICUT ONLY:**

Documents creating the condominium must have been approved by CATIC prior to the issuance of a policy.

For all approved condominiums, CATIC will issue Limited Search Authorizations on request for any existing units. The Limited Search Authorization will include a continuation sheet of recorded interests that affect most if not all of the units in the community. These interests will appear as numbered Exceptions in the Schedule B of any policy, although the Schedule B of the policy must also include numbered Exceptions for interests specific to the unit being insured.

***Please contact a member of CATIC's underwriting staff if there are questions about the issuance of this endorsement.***

ALTA 4.1 CONDOMINIUM—CURRENT ASSESSMENTS ENDORSEMENT

This endorsement is issued as part of Policy Number

issued by CATIC

The Company insures against loss or damage sustained by the Insured by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the State in which the unit and its common elements are located.

2. The failure of the documents required by the State condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the Title to the unit and its common elements.

3. Present violations of any restrictive covenants that restrict the use of the unit and its common elements and that are contained in the condominium documents or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in Section 3, the words “restrictive covenants” do not refer to or include any covenant, condition, or restriction:

a. relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or

b. pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances,

except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at the Date of Policy and is not excepted in Schedule B.

4. Any charges or assessments provided for in the State condominium statutes and condominium documents due and unpaid at the Date of Policy.

5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.

6. Any obligation to remove any improvements that exist at the Date of Policy because of any present encroachments or because of any future unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit.

7. The failure of the Title by reason of a right of first refusal to purchase the unit and its common elements that was exercised or could have been exercised at the Date of Policy.

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.

CATIC



JAMES M. CZAPIGA, PRESIDENT