

## TAX SALE ENDORSEMENT

This extra-hazardous risk endorsement shall be issued, upon pre-approval of the Company's Underwriting Department, when the chain of title discloses that a political subdivision is the current vestee and seller of the subject property, which was acquired by that political subdivision through a tax sale. This endorsement is primarily to be used to insure tax titles transferred by political subdivisions, at auction to third party developers, who obtain rehabilitation loans to return blighted properties to commerce. The endorsement insures against loss sustained by an insured purchaser or insured lender caused by a final and effective final judgment holding that a tax sale in the chain of title is invalid due to a payment or redemption nullity as defined by Louisiana law. This endorsement also binds the company to insure future sales, leases and mortgages of the property if a future purchaser, lessee or mortgagee purchases the endorsement along with an owner's, leasehold or loan policy.

The rates for the endorsement are determined by the amount of the policy:

| <u>Liability</u>       | <u>Premium</u>                                 |
|------------------------|--|
| Up to \$25,000.        | \$750  |
| \$25,000 to \$50,000   | \$750 plus \$15 per thousand over \$25,000     |
| \$50 to \$150,000      | \$1125 plus \$3.75 per thousand over \$50,000  |
| \$150,000 to \$250,000 | \$1500 plus \$2.50 per thousand over \$150,000 |