OWNER'S LEASEHOLD CONVERSION ENDORSEMENT

File No.

Issued by

Attached to and forming a part of Owner's Policy of Title Insurance No.

Effective on and after [ ], the Conditions and Stipulations of said policy are hereby amended in the following particulars:

Section 1 of the Conditions and Stipulations is hereby amended by deleting therefrom subparagraph (h).

Section 7 subparagraph (b) is amended to read as follows:

(b) "In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate of interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the amount of Insurance stated in Schedule A, then this policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A."

Section 14 VALUATION OF ESTATE OR INTEREST INSURED and Section 15 MISCELLANEOUS ITEMS OF LOSS, are hereby deleted and Sections 16, 17, 18 and 19 are hereby renumbered 14, 15, 16 and 17 respectively.

This endorsement when countersigned below by a validating signatory, is hereby made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Dated: [ ]

Countersigned:

By: _____
Authorized Agent

SAMPLE