

TAX TITLE ADDENDUM – what does this mean for you?

US National Title (USNTI) is the underwriter we use to issue policies for our tax title properties in Louisiana.

USNTI has been in operation since the 1990's and they insure properties specifically for this "nitch/market", where other companies won't. They re-write insurance policies on previously insured properties frequently. They have insured developments over \$1M, and they are not some fly-by-night company.

Having title insurance will protect you against any claims to title on your property, including but not limited to any claims stemming from the tax sale certificate acquired by the seller and being sold to you. The policy will be issued for the full amount that you paid for the property, and as long as you own an interest in the property, your title insurance will protect your investment.

USNTICo partner agents have an in-depth understanding of the title clearing process from years of experience navigating complex title issues. The reputable agents listed below are ready to help you acquire title insurance by providing innovative solutions to your specific title circumstances.

There are several Louisiana title agents that use USNTI as their underwriter; we have a streamlined, working relationship with Bayou Title and prefer to use them as our title company. However, there are several agents that also use US National as their underwriter:

LOUISIANA AGENTS:

<u>Agency</u>	<u>Phone</u>	<u>Email</u>	<u>Website</u>
** Bayou Title	504-827-1235	meredith@bayoutitle.com	www.bayoutitle.com
>> Lake Charles Title	337-302-4541	sdrost@drostlawfirm.com	www.drostlawfirm.com
>> Le Fleur De Lis Title	985-277-5550	orders@fdltitle.com	www.fdltitle.com
>> Southern Title	504-363-4633	deryle@soutitle.com	www.southerntitleonline.com
>> Security Title & Escrow	337-593-0344	title@securityla.com	www.securityla.com
>> Title Stream	504-525-1491	taxtitle@titlestream.com	www.titlestream.com

**** title company that Adair Holdings, LLC currently uses as their title company**

>> **title companies that have stated they will insure but Adair Holdings has never used or hasn't used in over a year**

The title insurance premium is calculated just like any other title policy (filed rates with the LA department of insurance). The additional cost comes from two endorsements that affirmatively insure over the tax sale title 1) TSE and 2) Alta 34.

The tax sale endorsement will be required for **every** future sale in order to provide coverage to the new buyer. Subsequent buyers will be required to purchase the TSE (tax sale endorsement) and ALTA 34 in addition to the normal Owner's Title Insurance Premium.

Below are estimates:

- Cash Sales Price: \$50,000 (Owners Policy \$305, TSE \$1375, Alta 34 \$76)
- Cash Sales Price: \$150,000 (Owners Policy \$770, TSE \$1800, Alta 34 \$193)
- Cash Sales Price: \$250,000 (Owners Policy \$1220, TSE \$2500, Alta 34 \$305)

It is more expensive to obtain title insurance on a property that has tax sale title, but the end result is knowing clear and marketable title is being issued.

To help the buyer minimize their out-of-pocket costs, the seller has agreed to pay a portion of the buyers title insurance premium → the buyers are asked to pay the first \$1500; and the balance to be paid by the seller.

Questions:

US NATIONAL TITLE INSURANCE COMPANY 888-430-5919 or
SELLER: Adair Holdings, LLC, Angela 402-399-9049 x 126

Buyers Initials _____

Date _____