

**TIRSA MEZZANINE FINANCING ASSIGNMENT OF PROCEEDS ENDORSEMENT**

**Attached to and made a part of Policy Number**

1. This Mezzanine Financing Assignment of Proceeds Endorsement is made in connection with that certain Mezzanine loan in which the Borrower is , and the Mezzanine Lender is (“Mezzanine Lender”) and each successor in ownership of its loan (“Mezzanine Loan”) in the amount of $ .

2. The Insured:

a. assigns to the Mezzanine Lender the right to receive any amounts otherwise payable to the Insured under this policy; and

b. agrees that no amendment of or endorsement to this policy can be made without the written consent of the Mezzanine Lender.

3. The Company does not waive any defenses that it may have against the Insured, except as expressly stated in this endorsement.

4. The Mezzanine Lender acknowledges:

a. that the Amount of Insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is hereafter executed by an Insured and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment under this policy; and

b. that the Company shall have the right to insure mortgages or other conveyances of an interest in the Land, without the consent of the Mezzanine Lender.

5. If the Insured, the Mezzanine Lender or others have conflicting claims to all or part of the loss payable under the Policy, the Company may interplead the amount of the loss into Court. The Insured and the Mezzanine Lender shall be jointly and severally liable for the Company’s reasonable cost for the interpleader and subsequent proceedings, including attorneys’ fees. The Company shall be entitled to payment of the sums for which the Insured and Mezzanine Lender are liable under the preceding sentence from the funds deposited into Court, and it may apply to the Court for their payment.

6. Whenever the Company has settled a claim and paid the Mezzanine Lender pursuant to this endorsement, the Company shall be subrogated and entitled to all rights and remedies that the Mezzanine Lender may have against any person or property arising from the Mezzanine Loan. However, the Company agrees with the Mezzanine Lender that it shall only exercise these rights, or any right of the Company to indemnification, against the Insured, the Mezzanine Loan borrower, or any guarantors of the Mezzanine Loan after the Mezzanine Lender has recovered its principal, interest, and costs of collection.

7. This Endorsement may only be issued in connection with the making of a mezzanine loan, and any Endorsement issued other than in connection with the making of a mezzanine loan is null and void.

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.

IN WITNESS WHEREOF the Company has caused its corporate name and seal to be hereunto affixed by

its duly authorized officers on the day of , 20 .

AGREED AND CONSENTED TO:

(Insert name of Insured) (Insert name of Mezzanine Lender)

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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| |  | | --- | | Countersigned by: | | Authorized Countersignature | | Company Name | | City, State | |  |  |