

11WS01413

Old Republic National Title Insurance Company

COMMITMENT FOR TITLE INSURANCE

Revised August 11, 2011 10:30 am

Commitment ID: 11WS01413

Premium: \$ TBD

SCHEDULE A

1. Effective Date: August 05, 2011 at 8:00am in Avery County
2. Policy or Policies to be issued:
 - (a) ALTA OWNER'S POLICY (6-17-06) Amount: TBD
PROPOSED INSURED:
TO BE DETERMINED
 - (b) ALTA LOAN POLICY (6-17-06) Amount: N/A
PROPOSED INSURED:
N/A
3. The estate or interest in the land described or referred to in this Commitment is:
Fee Simple
4. Title to the estate or interest in the Land is at the Effective Date vested in:
JOHN L. TURLEY and wife, T. J. TURLEY
5. The Land referred to in this Commitment is described as follows:
BEING all of Lot 190, Saddle Ridge Section, Elk River Development as shown on plat recorded in Plat Book 21, Page 79, Avery County Registry.

**SCHEDULE B - SECTION I
REQUIREMENTS**

1. ALTA Commitment 2006: The Company commits to issue its policy or policies of title insurance, as identified in Schedule A, subject to the provisions of Schedules A and B herein and to the terms, provisions and conditions set forth in the American Land Title Association Commitment

ALTA Commitment for Title Insurance 2006

The Title Company of North Carolina

102 West Third Street, Suite 500, P.O. Box 20183, Winston-Salem, NC 27120-0183 (336) 631-8004

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for Title Insurance (6-17-06), all of which are incorporated herein by reference (including an arbitration condition pursuant to Title Insurance Arbitration Rules that can be reviewed at <http://www.alta.org/>). The Company will provide a copy of the commitment form upon request. All liability and obligation under this Commitment will cease and terminate six (6) months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

2. Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured.
3. Instrument(s) satisfactory to the Company creating the estate or interest to be insured must be properly executed, delivered and duly recorded, and a recorded copy of each must be furnished to the Company with the Final Certificate.
4. Payment to the Company for premiums, fees and charges for the policy or policies to be issued.
5. Certifying attorney must notify the Company prior to the date of closing if the instrument(s) to be insured will be executed on behalf of a necessary party by an attorney-in-fact and, in such an event, this commitment will be revised to add applicable power of attorney requirements to be satisfied at closing.
6. Certifying attorney to submit with Final Certificate one or more of the following NCLTA Forms (or other substantially similar lien affidavit forms) appropriate for the transaction(s) contemplated by this commitment:

NCLTA Form 1: OWNER AFFIDAVIT AND INDEMNITY AGREEMENT to be executed by Owner (seller or borrower) for purchase and/or loan transactions when no Labor, Services or Materials have been performed or furnished within the 120-Day Lien Period.

NCLTA Form 2: OWNER/CONTRACTOR AFFIDAVIT, WAIVER OF LIENS AND INDEMNITY AGREEMENT for purchase and/or loan transactions when Improvements have been made to the Land within the 120-Day Lien Period. Form 2 to be executed by Owner (seller or borrower) and by Contractor(s) with whom Owner contracted and who performed or furnished Labor, Services or Materials (including architects, engineers, surveyors and providers of rental equipment) for Improvements to the Land completed within the 120-Day Lien Period.

NCLTA Form 3: OWNER/CONTRACTOR AFFIDAVIT, INDEMNITY AND LIEN SUBORDINATION AGREEMENT for construction loan transactions when Owner (borrower) has contracted for the construction of Improvements to the Land. Form 3 to be executed by Owner (vested owner/borrower or proposed insured owner/borrower) and by Contractor(s) with whom Owner has contracted to perform or furnish Labor, Services or Materials (including

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architects, engineers, surveyors and providers of rental equipment) for Improvements to the Land without regard to commencement. NOTE: If Form 3 is executed by the proposed insured owner (purchaser/borrower), then certifying attorney must also submit NCLTA Form 1 executed by the vested owner (seller).

Each NCLTA Form submitted must be completed and executed in compliance with the Instructions applicable thereto. Copies of the NCLTA Forms will be furnished by the Company upon request and are available on the NCLTA website: www.nclta.org/forms.html.

7. Certifying attorney to submit satisfactory affidavit or opinion that there are no parties in possession pursuant to unrecorded leases or other unrecorded rights, claims or interests.
8. Certifying attorney to certify that all private charges and assessments currently due and payable to the property owners association have been paid in full.
9. Certifying attorney to certify that any option, right of first refusal or other purchase condition or approval contained in Declaration has been waived by the Declarant and, if required, a Resale Waiver has been recorded.
10. Cancellation or release of Deed of Trust in favor of National Bank of Tennessee, recorded in Book 406, Page 4385, amended in Book 424, Page 224, Book 445, Page 34 and Book 453, Page 458, Avery County Registry.
11. Cancellation or release of Deed of Trust in favor of National Bank of Tennessee, recorded in Book 445, Page 41, Avery County Registry.

NOTICE: Closing services insurance covering the transaction(s) contemplated by this commitment is not provided.

**SCHEDULE B - SECTION II
EXCEPTIONS**

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

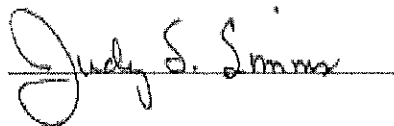
1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

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2. Taxes for the year 2011, and subsequent years not yet due and payable.
3. Private charges and assessments to the property owners association not yet due and payable.
4. Covenants, conditions, restrictions, easements, reservations, options and obligations, if any, contained in Declaration recorded in Book 140, Page 1419, as supplemented including Book 159, Page 1256 (Saddle Ridge Section), amended in Book 434, Page 1203, further amended by General Assignment and Bill of Sale of Developer's Rights recorded in Book 435, Page 2033, further amended by Amended and Restated Declaration recorded in Book 447, Page 776, Avery County Registry. Also, note Amendment to Bylaws recorded in Book 434, Page 1208 and Amended and Restated Bylaws recorded in Book 447, Page 796, Avery County Registry. Restrictions, indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin are hereby deleted to the extent such restrictions violate 42 USC 3604(c).
5. Setback, easement, governmental regulation, or any other matter shown on or disclosed by plat recorded in Plat Book 21, Page 79, Avery County Registry.
6. Access to a public road is dependent upon those rights or reservations appurtenant to Land providing for the non-exclusive use of the subdivision right of ways and easements shown on recorded subdivision plats or being otherwise located on properties known as Elk River Development.
7. Rights of those entitled in and to the non-exclusive use of that portion of the Land within the bounds of existing or proposed subdivision right of ways and easements.
8. Easement(s) of record for public/private utilities and public/private right(s) of way.
9. Any encroachment, defect, encumbrance, violation, variation, adverse circumstance affecting Title, or any other matter that would be shown on or disclosed by an accurate and complete survey of the Land. This exception deletes the coverage provided under Covered Risk 2(c).
10. This policy does not insure the exact amount of acreage or square footage of the Land described in Schedule A.

Authorized Signature:



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