



INVESTORS TITLE INSURANCE COMPANY

P.O. Drawer 2687
Chapel Hill, North Carolina 27515-2687

ALTA COMMITMENT FORM (SPECIMEN)

This Commitment is not complete without appropriate Schedules and corresponding Jacket unless otherwise agreed in writing.

SCHEDULE A

1. Commitment Date 08/08/2012 Time 08:00 AM Comm. No.

2. Policy (or Policies) to be issued:

(a) Owner's Policy	ALTA 2006	Policy Amount \$	0.00
Proposed Insured	TO BE DETERMINED (OWNER'S COVERAGE AMOUNT TO BE DETERMINED)		

(b) Loan Policy	N/A	Policy Amount \$
Proposed Insured	N/A	

3. Fee simple interest in the land described in this Commitment is owned, at the Commitment Date by:

ROBERT T. SCOTT AND WIFE, DOREY F. SCOTT

4. The land referred to in this Commitment is in the State of North Carolina County of Henderson and described as follows:

BEING ALL OF A 3.86 ACRE TRACT OF LAND IN THE ELK KNOLL SECTION OF ELK DEVELOPMENT, BANNER ELK TOWNSHIP, AVERY COUNTY AS SHOWN ON PLAT BOOK 41 AT PAGE 20 AS LOT 3 AND MORE DULLY DESCRIBED AS FOLLOWS:

BEING ALL OF LOT 3 (REVISED), ELK KNOLL COTTAGES SECTION OF ELK RIVER DEVELOPMENT AS SHOWN ON THE REVISION PLAT PREPARED BY ALAN H. ALLBERT,

Issued through the Office of:

Investors Title Insurance Company
212 South Grove St., Suite G
Hendersonville, NC 28792
Tel. (828)693-1798 (800)697-4842
/ Fax (828)696-9653 (800)546-5564

Authorized Countersignature

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PLS L-3738, DATED JAN 31, 2007 BEING MAP NO. 01701007A AND BEING RECORDED IN PLAT BOOK 41, AT PAGE 20, AVERY COUNTY REGISTRY, TO WHICH PLAT REFERENCE IS HEREBY MADE FOR A MORE COMPLETE DESCRIPTION.

THIS CONVEYANCE IS FURTHER MADE SUBJECT TO THE FOLLOWING:

1. DECLARATION OF COVENANTS AND RESTRICTIONS FOR ELK RIVER DEVELOPMENT RECORDED IN BOOK 140 AT PAGE 1419 AND SUPPLEMENTAL RESTRICTIONS RECORDED IN BOOK 154, AT PAGE 204, AVERY COUNTY REGISTRY.

2. TERMINATION OF DECLARATION OF RESTRICTIONS, COVENANTS AND CONDITIONS, ELK KNOLL COTTAGES SECTION, ELK RIVER DEVELOPMENT, RECORDED IN BOOK 429 AT PAGE 1853 OF THE AVERY COUNTY REGISTRY AND RE-RECORDED IN BOOK 430, PAGE 190, AVERY COUNTY REGISTRY.

EXCEPTED FROM THIS CONVEYANCE IS THE PORTION OF THE ABOVE-DESCRIBED LOT PREVIOUSLY CONVEYED TO THE GRANTEEES AND KNOWN AS THE (ORIGINAL) LOT 5, ELK KNOLL COTTAGES SECTION, ELK RIVER DEVELOPMENT, AS MORE FULLY DESCRIBED ON A PLAT RECORDED IN PLAT BOOK 38, PAGE 41A, AVERY COUNTY PUBLIC REGISTRY.

THE PURPOSE OF THIS CONVEYANCE IS TO RECOMBINE THE PROPERTY DESCRIBED HEREIN WITH THE ORIGINAL LOT 5 NOW OWNED BY THE GRANTEEES TO CREATE LOT 3 (REVISED) AS SHOWN ON THE REVISION PLAT REFERENCED ABOVE.

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SCHEDULE B - SECTION I **REQUIREMENTS**

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured, must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

1. Receipt of Attorney's Final Certificate, along with all additional required documents, in order to issue a final policy or policies.

2. For insurance regarding priority of conveyance by seller to proposed insured owner over potential liens for labor, services or materials (herein "liens:") of seller, or priority of proposed insured lender.s deed of trust over said liens of seller and/or construction borrower, receipt of applicable NCLTA form listed below, completed and executed by all required parties in compliance with the applicable form.s instructions:

NCLTA Form 1, if no construction or improvements have been made on the land within the 120 day lien period (as defined in Form 1) and there are no executory contracts for improvements. If current owner is a builder and the land is improved a copy of the certificate of occupancy dated at least 120 days prior to date of closing must be provided.

NCLTA Form 2, if construction on the land was recently completed; or NCLTA Form 3, if construction is in process or immediately contemplated (for loan, including construction financing).

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In addition, if the proposed purchaser will be obtaining combined purchase and construction financing from proposed insured lender as a part of the transaction to be insured, proposed purchaser must also provide duly completed and executed NCLTA Form 3 in order to obtain insurance of priority of the construction loan over such liens against the proposed purchaser (construction borrower).

3. *Receipt of Attorney's Final Certificate, along with all additional required documents, in order to issue a final policy or policies.*

4. *Duly authorized deed from (Current Owner) Robert T. Scott and wife, Dorey F. Scott, vesting fee simple title in (Purchaser/Proposed Insured) To Be Determined.*

5. *Joinder of the spouse(s) of the seller(s) in the execution of the proposed deed, if applicable.*

6. *Satisfaction and cancellation OR release of record of the property described herein from the lien of Deed of Trust in favor of Carter County Bank, recorded in Book 323 at Page 1423, securing \$500,000.00. Modified in Book 360 at Page 292, Supplemented in Book 429 at page 1877 and Statement of Explanation and Notice of Corrections in Book 430 at Page 487 and Book 430 at Page 429.*

In the event any lien to be paid and satisfied and cancelled of record is an Equity Line, the Certifying Attorney is advised to send a written statement signed by the borrower to the Equity Line lender along with the payoff check instructing the lender to mark the note and Deed of Trust paid and satisfied and to return both documents for cancellation of record AND instructing the Equity Line lender to close the account and issue no more checks or drafts after the date the payoff was quoted. (Sample "written statements" are available from this Company upon request.)

7. *Satisfaction and cancellation OR release of record of any additional Deeds of Trust and/or Liens on record, if any.*

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8. *Proper completion of foreclosure proceedings pursuant to North Carolina General Statute Chapter 45, if applicable.*

9. *Payment of taxes for the year 2012, plus any penalties and interest which may accrue, if said taxes become due and payable prior to the recording of the proposed insured Deed and/or Deed of Trust.*

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SCHEDULE B - SECTION II EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

1. *Taxes for the year 2012, and subsequent years, not yet due and payable.*
2. *Restrictions appearing of record in Book 140, Page 1419; Book 282 at Page 732; Book 154 at Page 204; Book 434 at Page 1203; Book 447 at Page 796; and Elk Knoll Cottages Restrictive Covenants in Book 323 at Page 1401 and Amended in Book 330 at Page 372 as Terminated in Book 429 at Page 1853 and re-recorded in Book 430 at Page 190, but this policy insures that a violation thereof will not cause a forfeiture or reversion of Title.*
3. *Subject to matters shown on recorded plat in Plat Book 41 at Page 20; Book 38 at Page 41A and Plat Book 41 at Page 20.*
4. *Title to that portion of the Land within the right-of-way of Elk Knoll Court.*
5. *Easement(s) to Skyline Telephone Membership Corporation as recorded in Book 218 at Page 131.*
6. *Right of way for Elk Knoll Court recorded in Book 433 at Pages 767-769.*
7. *Special levies or assessments now due or payable in future installments, if any.*
8. *Benefits and burdens of membership in Property Owner's Association, if any.*
9. *Restrictions, easements and rights of way of record.*
10. *Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey*

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of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land. Paragraph 2 (c) of the Covered Risks is hereby deleted.

NOTE: NO INSURED CLOSING PROTECTION COVERAGE PROVIDED - As to the transaction for which this binder and/or policy is issued, the Company specifically excludes this transaction from any closing protection.