

ALTA. COMMITMENT – 2006
CHICAGO TITLE INSURANCE COMPANY
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SCHEDULE A

Order Number:
09-0010326

1. Effective Date: **April 29, 2009 at 12:00 PM**

2. Policy or Policies to be issued:

Owner's Policy: **ALTA Owner's Policy (06-17-06)**
Policy Amount: **TO BE DETERMINED**
Proposed Insured: **TO BE DETERMINED**

Loan Policy: **NOT APPLICABLE**
Policy Amount:
Proposed Insured: **NOT APPLICABLE**

3. The estate or interest in the land described or referred to in this Commitment is:

Fee Simple

4. Title to the **Fee Simple** estate or interest in the land is at the Effective Date vested in:

REGIONS BANK

5. The land referred to in this Commitment is described as follows:

Lying and being situate in New Hanover County, North Carolina, and more particularly described as follows:

Tract No. 1, Lot No. 3, Shandy Point
BEGINNING at a point in the eastern line of a 60 foot private roadway easement, said point located from the intersection of the eastern line of Shandy Avenue with the Southern line of Pigfish Lane as shown by map of the Shandy Hall Tract as recorded in Book NNN, Page 780 of the New Hanover County Registry by the following courses: South 23 degrees 50 minutes West 150.0 feet with the eastern line of Shandy Avenue to the northwestern corner of Lot 9 of said tract, South 69 degrees 05 minutes East 1,478.70 feet with the northern line of said Lot 9. and South 20 degrees 55 minutes West 100.0 feet, running thence from said Beginning with the eastern line of said 60 foot private easement, South 20 degrees 55 minutes West 100.0 feet to a point; thence South 69 degrees 05 minutes East 1,240 feet, more or less, to a point in the western line of the Shore Acres Company property as shown by map recorded in Map Book 2, Page 141 of the New Hanover County Registry; thence with said western line about North 19 degrees 00 minutes West 100.0 feet to a point; thence with a line parallel to and 100.0 feet southward at right angles from the northern line of said Lot 9 of the Shandy Hall Tract North 69 degrees 05 minutes West 1,230 feet, more or less, to the point of Beginning.

TOGETHER with the rights of ingress and egress over the roadway and utility easement recorded in Book 904, Page 91 of the New Hanover County Registry.

SUBJECT to the right of way of the Atlantic Intracoastal Waterway.

Tract No. 2. Dock Area No. 23. Shandy Point:
BEGINNING at a point in a southern line of the 60 foot roadway and utility easement as recorded in Book 904, Page 91 in the New Hanover County Registry, said point located from a concrete monument at the intersection or the eastern line of Shandy Avenue with the southern line of Pigfish Lane as shown by map of "Redivision of Lots - Pigfish Lane"

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recorded in Map Book 6, Page 58 of the New Hanover County Registry, and by Map of the Shandy Hall Tract recorded in Book NNN, Page 780 in the New Hanover County Registry by the following courses: With the eastern line of Shandy Avenue South 23 degrees 50 minutes West 370.04 feet with a southern line of said 60 foot roadway and utility easement, South 69 degrees 5 minutes East 223.98 feet, South 78 degrees 26 minutes East 124.87 feet, South 71 degrees 09 minutes East 217.02 feet, and South 69 degrees 5 minutes East 120.0 feet, with a western line of said easement South 20 degrees 55 minutes West 140.00 feet crossing said easement South 67 degrees 57 minutes East 60.0 feet with an eastern line of said easement North 38 degrees 02 minutes East 129.41 feet, with a southern line of said easement South 55 degrees 19 minutes East 135.0 feet with a southern line of said easement South 69 degrees 05 minutes West 517.24 feet, with a western line of said easement South 20 degrees 55 minutes West 168.0 feet and with a southern line of said easement South 69 degrees 05 minutes East 30.0 feet, running thence from said Beginning South 20 degrees 55 minutes West 52.31 feet to the low water line of a dredged basin, thence with said low water line South 79 degrees 35 minutes East 30.51 feet to a point; thence North 20 degrees 55 minutes East 46.75 feet to a point in a southern line of said easement, thence with said southern line North 69 degrees 05 minutes West 30.0 feet to the point of beginning.

SUBJECT to an easement and right of way for the use and benefit of the owners of Dock Lot No. 24 which adjoins the subject lot on its easterly side, said easement over Dock Lot No. 23 shall be over the northerly ten (10) feet of said lot, being the ten (10) feet adjoining and parallel to the 60 foot easement and road leading to said lot. It is understood that this ten foot easement is for the benefit only of the owners of Dock Lot no.24 and their guests and invitees, and is not for the general public, and is limited to ingress, egress and underground utilities only.

The above two tracts are subject to restrictions contained in a deed to Ellis L. Ayeock and wife, Anna B. Ayeock, recorded in Book 955, Page 626 of the New Hanover County Registry.

Together with and including that +/- 2.00 acre tract of marsh adjacent to Lot 3, Shandy Point as referenced in that Declaration of Final Resolution of claim to Submerged Lands recorded in Book 1617, Page 1358, New Hanover County Registry.

Consisting of all of the properties identified by tax parcel numbers R06309-001 -017-000, R06309-002-002-000, and R06300-001-020-001.

END SCHEDULE A

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SCHEDULE B – SECTION I
REQUIREMENTS

The following requirements must be met:

1. Instrument(s) creating the estate or interest (Title) to be insured, executed, delivered and recorded in the Public Records of the appropriate county:
 - (a) Warranty Deed from the authorized officer(s) of REGIONS BANK to TO BE DETERMINED.
2. Cancellation, release, termination, discharge, or satisfaction of record of the following:
 - (a) None.
3. Payment of the full consideration to or for the account of the grantor(s) or mortgagor(s).
4. Payment of all taxes (including deferred taxes) and assessments (pending or confirmed) which are or may become a lien on the Land and are due OR payable at time of recording of the instrument creating the interest to be insured.
5. Payment of any owners' association dues, charges, or assessments claimed or due and payable at time of recording of the instrument creating the interest to be insured, whether or not a claim of lien has been filed, if same are or may become a lien superior to the interest to be insured.
6. For insurance regarding priority of conveyance by seller to proposed insured owner over potential liens for labor, services or materials, including surveyors, architects, engineers and rental equipment (herein "liens") of seller, or priority of proposed insured lender's deed of trust (once recorded) over said liens of seller and/or construction borrower, receipt of applicable NCLTA form (or substantially similar form approved by Company counsel prior to closing), completed and executed by all required parties in compliance with the form's instructions regarding same, to wit:
 - NCLTA Form 1, if no recent construction or addition of improvements on land and no construction loan by signing owner or borrower is contemplated;
 - 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).

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 (construction loan borrower) 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).
7. If coverage is to include the priority as of the date of recording of the insured deed of trust for advances made after recording, the deed of trust must include notice that it will secure future obligations (including revolving line of credit, if applicable), state the maximum principal amount and, as applicable, state either (1) the amount of present obligations secured and that all future obligations must be incurred within 15 years from the date thereof (in compliance with N.C.G.S. 45-67 et seq.) for future advance or construction loan transactions or (2) that it secures an equity line of credit and is governed by the provisions of Chapter 45, Article 9 of the North Carolina General Statutes (N.C.G.S. 45-81 et seq.) for an equity line of credit.

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END OF SCHEDULE B – SECTION I

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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.
2. Taxes or assessments for the year 2009, and subsequent years, not yet due or payable.
3. Terms, provisions, options, right of first refusal, covenants, conditions, restrictions, easements, charges, assessments, and liens provided for in instrument(s) filed for record in Book 955, page 626, and any related maps, plans, bylaws and other document(s) and amendment(s), but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.
4. Easement(s) to Board of Transportation recorded in Book 1023, page 26.
5. Easement(s) to Carolina Power & Light Company recorded in Book 984, page 80.
6. Easement(s) to Shandy Point Development Co. recorded in Book 904, page 91.
7. Riparian and/or littoral rights incident to the Land; rights of others in and to the continuous and uninterrupted flow of the waters bounding or crossing the Land; and title to any portion of the Land owned by any governmental entity including, but not limited to, marsh, dredged and/or filled areas and Land below the mean high-water mark.
8. Declaration of Final Resolution of Claim to Submerged Lands recorded in Book 1617, Page 1358 and Book 2613, Page 13, New Hanover County Registry.
9. Any discrepancy, conflict, access, shortage in area or boundary lines, encroachment, encumbrance, violation, variation, overlap, setback, easement or claim of easement, riparian right, and title to land within roads, ways, railroads, watercourses, burial grounds, marshes, dredged or filled areas or land below the mean highwater mark or within the bounds of any adjoining body of water, or other adverse circumstance affecting the Title that would be disclosed by a current inspection and accurate and complete land survey of the Land.

END OF SCHEDULE B – SECTION II

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NOTES

(A) NOTE: All terms, provisions, and Conditions of the American Land Title Association (ALTA) Commitment for Title Insurance (2006) are incorporated herein by reference including, but not limited to the following:

(1) All liability and obligation under this Commitment shall cease and terminate 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) If the policy to be issued is an ALTA Owner's Policy (6/17/06) or ALTA Loan Policy (6/17/06), the policy contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <<http://www.alta.org/>>.

(3) Notwithstanding anything to the contrary in this Commitment, if the policy to be issued is other than an ALTA Owner's Policy (6/17/06) or ALTA Loan Policy (6/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this Commitment. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

A full copy of the ALTA Commitment for Title Insurance (2006) is available on our website at <<http://www.northcarolina.ctt.com>> or by contacting your local Chicago Title issuing office.

(B) NOTE: NO CLOSING SERVICES INSURANCE/PROTECTION: - As to the transaction for which this commitment is issued, the Company does not afford insured closing protection to the Proposed Insured(s) identified in Schedule A of this Commitment. Any closing protection coverage or letter which heretofore may have been or hereafter may be provided shall not be effective and is hereby rescinded as to this transaction absent revision of this commitment to specifically provide for said coverage.

END OF NOTES