Commitment Number: 09-288

1. Effective Date: October 1, 2009

- 2. Policy or Policies to be issued:
 - (a) ALTA Owner's Policy with Georgia modifications (6/17/06)

Policy Amount: **\$ TO BE DETERMINED**Proposed Insured: **TO BE DETERMINED**

(b) ALTA Loan Policy with Georgia modifications (6/17/06)

Policy Amount: **TO BE DETERMINED**Proposed Insured: **TO BE DETERMINED**

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

Fee Simple

4. Title to the insured estate or interest in the land is at the Effective Date hereof vested in:

THE VILLAS DEVELOPMENT COMPANY, a Georgia corporation as to Parcel One on Exhibit "A"; THE HAMBY CORPORATION, a Georgia corporation as to Parcel Two on Exhibit "A"; DENVAL B. HAMBY, JR. or DENVAL HAMBY as to Parcel Three on Exhibit "A"

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

SEE EXHBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE.

NOTE: This Commitment consists of insert pages labeled in Schedule A, Schedule B-Section 1, and Schedule B-Section 2. This Commitment is of no force and effect unless all schedules are included, along with any Rider pages incorporated by reference in the insert pages.

Commitment Number: 09-288

The following are the requirements to be complied with:

- 1. Instrument(s) creating the estate or interest to be insured must be approved, executed and filed for record, to wit:
 - (a) Warranty Deed from The Villas Development Company, The Hamby Corporation, Denval B. Hamby, Jr. and Denval Hamby, conveying subject property, free and unencumbered, in fee simple, must be executed and filed for record.
 - (b Deed to Secure Debt from **TBD** to **TBD**, conveying subject property as security for the Loan, must be executed and filed for record.
- 2. Payment of the full consideration to, or for the account of, the grantors or mortgagors.
- 3. Payment of all taxes, charges, assessments, levied and assessed against subject premises, if any, which are due and payable.
- 4. Satisfactory evidence should be had that improvements and/or repairs or alterations thereto are completed; that contractor, subcontractor, labor and materialmen are all paid.
- 5. The following must be furnished in form and substance satisfactory to the Company to delete or amend (in accordance with the facts established) the Standard Exceptions set forth on Schedule B Section 2:
 - A. <u>As to Standard Exception Number 3:</u> Receipt of satisfactory proof in affidavit form establishing who is in possession of Subject Property.
 - B. <u>As to Standard Exception Numbers 6 and 7</u>: Receipt of a current accurate survey and surveyor's inspection report on Subject Property.
 - C. <u>As to Standard Exception Number 4</u>: Satisfactory evidence should be had that improvements and/or repairs or alterations thereto are completed; that contractors, subcontractors, laborers and materialmen are paid in full.
 - D. <u>As to Standard Exception Number 5</u>: Receipt of satisfactory proof of payment of all taxes, charges, assessments, levied and assessed against subject property, which are due and payable, together with an affidavit from the owner of Subject Property as of the effective date of insured instrument, stating that all taxes, charges, assessments, levied and assessed against Subject Property which are due and payable have been paid, and that said owner has no knowledge of any pending assessments.
- 6. The following must be paid, satisfied and cancelled of record:
 - (a) With respect to Parcel One, that Security Deed from the Villas Development Company to The Coastal Bank of Georgia dated November 26, 2004 and recorded in Deed Book 1555, Page 392, Glynn County, Georgia records.

- (b) With respect to Parcel Two, that Security Deed from The Hamby Corporation to The Coastal Bank of Georgia dated April 13, 2006 and recorded in Deed Book 1925, Page 178, Glynn County, Georgia records, with accompanying UCC Financing Statement recorded in Deed Book 1925, Page 192, aforesaid records.
- (c) With respect to Parcel Three, (i) that Security Deed from Denval B. Hamby a/k/a Denval B Hamby, Jr. to The Coastal Bank of Georgia dated September 25, 2002 and recorded in Deed Book 995, Page 361, Glynn County, Georgia records (as to Lot 2, Blk 26, E.B. only), (ii) that Security Deed from Denval B. Hamby Jr., a/k/a Denval Hamby to The Coastal Bank of Georgia dated April 13, 2006 and recorded in Deed Book 1925, Page 155, Glynn County, Georgia records, with accompanying UCC Financing Statement recorded in Deed Book 1925, Page 186, aforesaid records (as to all of Parcel Three); (iii) that Security Deed from Denval Hamby to Merrill Lynch Credit Corporation dated October 17, 2003 and recorded in Deed Book 1284, Page 435, aforesaid records (as to Lot 8, Villas @ Coast Cottages only), and (iv) that Security Deed from Denval B. Hamby to Synovus Mortgage Corp. dated July 11, 2007 and recorded in Deed Book 2267, Page 278, aforesaid records (as to Lot 8, Villas @ Coast Cottages only), as assigned to Regions Bank d/b/a Regions Mortgage by instrument recorded in Deed Book 2321, Page 129, aforesaid records.
- (d) 2007 real property taxes for Parcel 04-02997 (Lot 2, Block 26, East Beach) in the amount of \$881.35, plus further accrued interest and penalties, bearing Bill #07-33625.
- (e) 2007 real property taxes for Parcel 04-03004 (Lot 3, Block 26, East Beach) in the amount of \$919.63, plus further accrued interest and penalties, bearing Bill #07-33631.
- (f) 2009 real property taxes for parcel 04-02997 (Lot 2, Block 26, East Beach) in the amount of \$4,500.62, bearing Bill #09-33273.
- (g) 2009 real property taxes for Parcel 04-03004 (Lot 3, Block 26, East Beach) in the amount of \$4,696.28, bearing Bill #09-33279.
- (h) 2009 real property taxes for Parcel 04-11802 (Lot 8, Villas at Coast Cottages) in the amount of \$19,646.84, bearing Bill #09-41478. Note: The 2009 tax bill is under appeal therefore the amount of this tax bill is only 85% of the actual bill. Additional taxes may be due upon completion of the appeal process.
- (i) 2009 real property taxes for Parcel 04-11801 (Lot 7, Villas at Coast Cottages) in the amount of \$9,355.90, bearing Bill #09-41477. Note: The 2009 tax bill is under appeal therefore the amount of this tax bill is only 85% of the actual bill. Additional taxes may be due upon completion of the appeal process.
- (j) 2009 real property taxes for Parcel 04-11799 (Lot 5, Villas at Coast Cottages) in

the amount of \$16,302.90, bearing Bill #09-41475. Note: The 2009 tax bill is under appeal therefore the amount of this tax bill is only 85% of the actual bill. Additional taxes may be due upon completion of the appeal process.

- (k) 2009 real property taxes for Parcel 04-11800 (Lot 6, Villas at Coast Cottages) in the amount of \$9,047.88, bearing Bill #09-41476. Note: The 2009 tax bill is under appeal therefore the amount of this tax bill is only 85% of the actual bill. Additional taxes may be due upon completion of the appeal process.
- (I) That certain Claim of Lien filed by Villas at Coast Cottages Owners Association, Inc. for unpaid condominium assessments in the amount of \$1,373.53, plus interest thereon, and late charges and attorney's fees against 11 Sea Oats Lane, dated September 21, 2009, as recorded in Lien Book 89, Page 115, Glynn County, Georgia records.
- (m)That certain Claim of Lien filed by Villas at Coast Cottages Owners Association, Inc. for unpaid condominium assessments in the amount of \$1,373.53, plus interest, late charges and attorney's fees against **9 Sea Oats Lane,** dated September 21, 2009 as recorded in Lien Book 89, Page 117, Glynn County, Georgia records.
- (n) That certain Claim of Lien filed by Villas at Coast Cottages Owners Association, Inc. for unpaid condominium assessments in the amount of \$1,373.53, plus interest, late charges and attorney's fees against 15 Sea Oats Lane, dated September 21, 2009 and recorded in Lien Book 89, Page 127, Glynn County, Georgia records.
- (o) That certain Claim of Lien filed by Villas at Coast Cottages Condominium Association, Inc. for unpaid condominium assessments in the amount of \$16,000.00 plus attorney's fees against **15 Sea Oats Lane**, dated September 21, 2009 and recorded in Lien Book 89, Page 129, Glynn County, Georgia records.
- (p) That certain Claim of Lien filed by Villas at Coast Cottages Condominium Association, Inc. for unpaid condominium assessments in the amount of \$5,157.03, plus interest, late charges and attorney's fees against 15 Sea Oats Lane, dated September 21, 2009 and recorded in Lien Book 89, Page 131, aforesaid records.
- (q) That certain Claim of Lien filed by Villas at Coast Cottages Owners Association, Inc. for unpaid condominium assessments in the amount of \$1,373.53, plus interest, late charges and attorney's fees against 13 Sea Oats Lane, dated September 21, 2009 and recorded in Lien Book 89, Page 133, aforesaid records.
- (r) That certain Claim of Lien filed by Villas at Coast Cottages Condominium Association, Inc. for unpaid condominium assessments in the amount of \$16,000.00 plus attorney's fees against **13 Sea Oats Lane**, dated September 21, 2009 and recorded in Lien Book 89, Page 135, Glynn County, Georgia records.
- (s) That certain Claim of Lien filed by Villas at Coast Cottages Condominium ALTA Commitment with Georgia modifications 6/17/06

Association, Inc. for unpaid condominium assessments in the amount of \$5,157.03, plus interest, late charges and attorney's fees against **13 Sea Oats Lane**, dated September 21, 2009 and recorded in Lien Book 89, Page 137, aforesaid records.

- (t) That certain Claim of Lien filed by Villas at Coast Cottages Condominium Association, Inc. for unpaid condominium assessments in the amount of \$1,373.53, plus interest, late charges and attorney's fees against **7 Sea Oats Lane**, dated September 21, 2009 and recorded in Lien Book 89, Page 119, aforesaid records.
- (u) That certain Claim of Lien filed by Villas at Coast Cottages Condominium Association, Inc. for unpaid condominium assessments in the amount of \$1,373.53, plus interest, late charges and attorney's fees against 5 Sea Oats Lane, dated September 21, 2009 and recorded in Lien Book 89, Page 121, aforesaid records.
- (v) That certain Claim of Lien filed by Villas at Coast Cottages Condominium Association, Inc. for unpaid condominium assessments in the amount of \$18,000.00 plus attorney's fees against **1 Sea Oats Lane**, dated September 21, 2009 and recorded in Lien Book 89, Page 123, aforesaid records.
- (w) That certain Claim of Lien filed by Villas at Coast Cottages Condominium Association, Inc. for unpaid condominium assessments in the amount of \$1,373.53, plus interest, late charges and attorney's fees against 1 Sea Oats Lane, dated September 21, 2009 and recorded in Lien Book 89, Page 125, aforesaid records.

Commitment Number:

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 hereof 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. All taxes for the year 2010 and subsequent years, not yet due and payable.

Standard Exceptions

- 3. Rights or claims of parties in possession not shown by the Public Records.
- 4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
- 5. Taxes or special assessments which are not shown as existing liens by the Public Records.
- 6. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.
- 7. Easements, or claims of easements, not shown by the Public Records.

[NOTE: Upon receipt of the Affidavit required in Item 5, Schedule B, Section 1, Exceptions 3, 4 and 5 shall be deleted from the Policy.]

Special Exceptions

As to Parcel One:

- Those restrictive covenants affecting subject property as recorded in Deed Book 1015, Page 498, Glynn County, Georgia records, as amended by those instruments recorded in Deed Book 1475, Page 204, Deed Book 1806, Page 33, Deed Book 1930, Page 278, Glynn County, Georgia records.
- 2. Matters of survey affecting subject property as recorded in Plat Drawer 27, Folio 172, aforesaid records.
- 3. That Drainage Easement in favor of Glynn County dated October 22, 2000 and recorded in Deed Book 737, Page 495, aforesaid records.

- 4. That Gas Main Easement in favor of Atlanta Gas Light Company as recorded in Deed Book 838, Page 470, aforesaid records.
- 5. That Easement in favor of Georgia Power Company dated March 18, 2002 and recorded in Deed Book 936, Page 305, aforesaid records.
- 6. That Declaration of Easements and Covenants dated October 29, 2002 and recorded in Deed Book 1015, Page 581, aforesaid records.
- 7. That Declaration of Condominium dated October 29, 2002 and recorded in Deed Book 1015, Page 590, aforesaid records, as amended by instruments recorded in Deed Book 1844, Page 237, Deed Book 1930, page 272 and Deed Book 1948, Page 110, aforesaid records.

As to Parcel Two and as to Lot 8, Villas at Coast Cottages out of Parcel Three:

- 8. Those restrictive covenants affecting subject property as recorded in Deed Book 1015, Page 498, aforesaid records, as amended by instruments recorded in Deed Book 1475, page 204, Deed Book 1806, Page 33, and Deed Book 1930, Page 278, aforesaid records.
- 9. All matters of survey affecting subject property as recorded in Plat Drawer 27, Folio 172, aforesaid records.
- 10. That Drainage Easement in favor of Glynn County dated October 22, 2000 and recorded in Deed Book 737, Page 495, aforesaid records.
- 11. That Gas Main Easement in favor of Atlanta Gas Light Company as recorded in Deed Book 838, Page 470, aforesaid records.
- 12. That Easement in favor of Georgia Power Company dated March 18, 2002 and recorded in Deed Book 936, Page 305, aforesaid records.
- 13. That Declaration of Easements and Covenants dated October 29, 2002 and recorded in Deed Book 1015, Page 581, aforesaid records.
- 14. That Declaration of Condominium dated October 29, 2002 and recorded in Deed Book 1015, Page 590, aforesaid records, as amended by instruments recorded in Deed Book 1844, Page 237, Deed Book 1930, Page 272 and Deed Book 1948, Page 110, aforesaid records.

:As to Parcel Three (Lots 2 and 3, Block 26, East Beach Subdivision):

15. Those restrictive covenants affecting subject property as recorded in Deed Book 3-Y, Page 110, aforesaid records, as amended by instruments recorded in Deed Book 3-Z, Page 161, Deed Book 4-T, Page 478, Deed Book 6-B, Page 121, Deed Book 6-H, Page 600 and Deed Book 17-A, Page 752, aforesaid records.

16. All matters of survey as set forth on that certain plat affecting subject property and recorded in Plat Drawer 3-R, Page 312-315, aforesaid records.

NOTE: On loan policies, junior and subordinate matters, if any, will not be reflected in Schedule B.

EXHIBIT "A" TO CHICAGO TITLE INSURANCE COMMITMENT

Parcel One owned by The Villas Development Company:

ALL THAT LOT, TRACT OR PARCEL OF LAND situate, lying and being in the 25th G.M.D., St. Simons Island, Glynn County, Georgia, shown on that certain plat of survey entitled "Final Plat for The Villas at Coast Cottages, Lots 1, 2, 3, 4, 5, 6, 7 & 8, St. Simons Island, Georgia, Area – 2.5182 Acres", prepared by Pruitt & Purcell, P.C., as recorded in the Office of the Clerk of Superior Court of Glynn County, Georgia in Plat Drawer 27, as Map No. 172, as ALL OF LOT 5, THE VILLAS AT COAST COTTAGES, having street addresses of 13 Sea Oats Lane and 15 Sea Oats Lane according to the numbering system of Glynn County, Georgia.

Parcel Two owned by The Hamby Corporation:

ALL THAT LOT, TRACT OR PARCEL OF LAND situate, lying and being in the 25th G.M.D., St. Simons Island, Glynn County, Georgia, shown on that certain plat of survey entitled "Final Plat for The Villas at Coast Cottages, Lots 1, 2, 3, 4, 5, 6, 7 & 8, St. Simons Island, Georgia, Area – 2.5182 Acres", prepared by Pruitt & Purcell, P.C., as recorded in the Office of the Clerk of Superior Court of Glynn County, Georgia in Plat Drawer 27, as Map No. 172, as ALL OF LOTS, 6 and 7, THE VILLAS AT COAST COTTAGES, having street addresses of 5, Sea Oats Lane, 7 Sea Oats Lane, 9 Sea Oats Lane and 11 Sea Oats Lane according to the numbering system of Glynn County, Georgia.

REFERENCE is hereby made to said plat and to the record thereof for all further purposes of description and location.

Parcel Three owned by either Denval B. Hamby, Jr. or Denval Hamby:

ALL THAT LOT, TRACT OR PARCEL OF LAND situate, lying and being in the 25th G.M.D., St. Simons Island, Glynn County, Georgia, shown on that certain plat of survey entitled "Final Plat for The Villas at Coast Cottages, Lots 1, 2, 3, 4, 5, 6, 7 & 8, St. Simons Island, Georgia, Area – 2.5182 Acres", prepared by Pruitt & Purcell, P.C., as recorded in the Office of the Clerk of Superior Court of Glynn County, Georgia in Plat Drawer 27, as Map No. 172, as ALL OF LOT 8, THE VILLAS AT COAST COTTAGES, having street addresses of 1 Sea Oats Lane according to the numbering system of Glynn County, Georgia.

REFERENCE is hereby made to said plat and to the record thereof for all further purposes of description and location.

ALL OF THOSE CERTAIN LOTS, TRACTS OR PARCELS OF LAND situate, lying and being in Glynn County, Georgia in the 25th District G.M., on St. Simons Island, and in that certain subdivision on said island, well known as and called EAST BEACH, described and identified according to the map and plan of said subdivision made by W.N. Grambling and W.T. McCormick, Civil Engineers, and of record in the Office of the Clerk of Superior Court of Glynn

County, Georgia in Deed Book 3-R, Page 312-315, as ALL OF LOTS 2 AND 3, BLOCK 26, EAST BEACH SUBDIVISION, having street addresses of 2204 Bruce Drive and 2208 Bruce Drive according to the numbering system in Glynn County, Georgia.

Reference is hereby made to said plat and to the record thereof for all further purposes of description and location.