

APPLYING FOR TITLE INSURANCE

PRELIMINARY OPINION ON TITLE:

A Preliminary Opinion on Title form is used when you are applying for a Commitment/Binder. The numbered lines below match the numbers on the preliminary title opinion and provide guidance on how to complete each segment of the standard preliminary opinion.

CHICAGO TITLE INSURANCE COMPANY PRELIMINARY OPINION ON TITLE (N.C. Bar Assoc. Form No. 1-p 1989)

1. County in which property is located.
2. Current vested owner (seller or proposed borrower) - usually from last deed or will. Please include marital status and add name of spouse in parentheses, if known.
3. Insert "fee simple", "leasehold", "easement", etc., as appropriate.
4. Insert or *attach* legal description.
5. Insert year through which taxes are paid..
6. Year(s) for which real, personal, deferred taxes are or will be due as of date of closing.
7. Year(s) for which taxes not due, included deferred taxes if not a sale.
8. Assessments payable, if any for streets, sidewalks, water, owners' association; amounts due or payable through closing.
9. Amounts due, if any, through closing date for estate or inheritance taxes, which are a lien on the property. (May be included with estate exception and explanation under Item #19 below.)
10. Mark if restrictive covenants apply; complete items #1 through #5, as applicable from those provisions.
11. Mark if survey is, or will be, provided as part of the application.
12. Mark if there is a recorded plat of the property; complete items #1 through #4 reflecting what plat shows, as applicable.
13. Mark "yes" or "no" whether property has *legal* access to a public road.
14. Indicate if access is by private road or easement, or by adjacent public road.
15. If access is by private road(s) or easement(s), were those titles searched to assure good title to the access?
16. Mark if property is occupied by owner or tenant, or if unimproved or unknown.
17. If updating ("tacking") to a prior policy, mark "yes" and provide policy number. *Attach* a copy of policy if not *Chicago Title* policy.
18. Mark "yes" or "no" whether judgments, liens or other matters were fully checked for the period beginning either 1) with the date of the prior policy or 2) 10 years prior to the effective date of the search.
19. List any and all other matters which may affect the property. You may reference the prior policy, listing any items to delete and inserting any new items to be added as a part of this title update and this transaction. *Please reference back of form or attachments, if exceptions are continued beyond this space.*
20. Enter beginning date of this search – usually either (a) beginning date of appropriate search, or (b) from effective date of prior policy, as applicable.
21. Enter ending date and time of your search or update.
22. Attorney/Firm telephone number.
23. Attorney/Firm address (if commitment is to be mailed to attorney.
24. Attorney/Firm fax number (if commitment is to be faxed to attorney.
25. Signature of certifying attorney. Type or print name under signature line.

26. Owner's coverage amount requested – usually purchase price or lot price plus contemplated improvements (n/a if a temporary construction policy and no owner's coverage is required or requested).
27. Owner to be insured at closing – usually the purchaser. Should match the name on the loan documents or the offer to purchase contract.
28. Mark appropriate use of property or "unknown".
29. Loan coverage amount requested – usually face amount of deed of trust.
30. Name of lender to be insured at closing – usually same as lender of deed of trust or assignment.
31. Mark type of loan. (A temporary construction loan equals 1 to 5 years maturity.)
32. List any endorsements requested by lender or the owner in their instructions. Commonly requested ALTA endorsements include the following:
 - ATLA 4 - (Condominium)
 - ALTA 5 - (Planned Unit Development –PUD)
 - ALTA 6 - (Variable Rate Mortgage)
 - ALTA 7 - (Manufactured Housing Unit)
 - ALTA 8.1 - (Environmental Protection Lien)
 - ALTA 9 - (Restrictions, Encroachments, Minerals – commonly called "Comprehensive")
33. Note: If an Insured Closing Letter is required you may request it here.
34. Indicate to whom commitment should be faxed or mailed.
35. If to be faxed, mark and put fax number and to whose attention, as applicable. If requesting original be mailed to lender, insert address.

ATTACH:

1. Prior policy, if not a Chicago Title policy
2. Legal description
3. Additional exceptions, if any.
4. Private easement agreement, if any.

PRELIMINARY OPINION ON TITLE FOR
CHICAGO TITLE INSURANCE COMPANY

The undersigned has examined the record title on the 1 _____
County records (and municipal tax and assessment records if within a municipality) for the period shown below
relative to title to the real property described below, and gives the following opinion of status:

Owner(s): 2 _____

Interest or estate: 3 _____

Property Description: (or attach copy of legal description)

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Subject to the un-initialed **STANDARD EXCEPTIONS** on reverse side hereof.

Also subject to the following **SPECIAL INFORMATION AND EXCEPTIONS**:

Taxes:

1. Ad valorem taxes are paid through and including those for the year: 5 _____
2. Taxes now due and payable: 6 _____
3. Taxes, a lien, deferred or otherwise, but not yet due and payable: 7 _____
4. Special levies or assessments now due or payable in future installments: 8 _____
5. Estate or inheritance taxes: 9 _____

Restrictive Covenants? Yes [] ; No [] (Attach Copy). 10

1. Book _____, Page _____.
2. Does survey and/or public record indicate a violation? Yes [] ; No [] ; Unknown [] .
3. Contain reversionary or forfeiture clause? Yes [] ; No [] .
4. Building Setback Line(s) of _____ feet from front; _____ feet from side; _____ feet from side street;
_____ feet from rear.
5. Easements/Other Matters: _____

Survey and Inspection Report Attached? Yes [] ; No [] . 11

Recorded Plat? Yes [] , No [] . 12

1. Book _____, Page _____.
2. Building Setback Line(s) of _____ feet from front; _____ feet from side; _____ feet from side street;
_____ feet from rear.
3. Violated? Yes [] ; No [] ; Unknown [] .
4. Easements/Other Matters: _____

Access to Public Right of Way? Yes [] ; No [] . 13

Direct [] ; or over a private easement []? (If private easement, attach copy). 14

If over a private easement, has a search been made of adjoining property on which easement crosses? Yes []
No [] . 15

Property Occupied By: Owner [] ; Tenant [] ; Unimproved [] ; Unknown [] . 16

Updating from Previous Title Insurance Policy? 17 Yes [] ; No [] (Attach Copy). If "Yes", has a
search of the public records been accomplished for such period of time within which judgments, liens or other
matters could affect the property, regarding the owner(s) of the property on and after the date of said policy?

Yes [] ; No [] . 18

Other Easements, Liens, Deeds of Trust, Objections or Defects: 19

(Continue on back if necessary)

This opinion of title is for the parties to whom it is furnished, is not transferable, and may not be used by any other
person or entity without the prior written consent of the undersigned.

The Search Period was from 20 _____ to: 21 _____ at _____ o'clock am/pm.

Telephone: 22

Address: 23

24

By: 25 _____

Attorney

TITLE INSURANCE APPLICATION

1. Owner's Insurance: \$ 26 (purchase price/value).
- a) Insured: 27
- b) Use of Property: 28 Commercial []; Residential []; Unknown []; or Other [] _____.
2. Mortgagee insurance: \$ 29 (loan amount).
- a) Insured: 30
- b) Loan is: 31 Permanent []; Temporary []; Construction []; FHA []; VA []; Conventional []; Other [] _____.
- c) The following Standard ALTA Endorsements are requested: 32

Send original Binder to: 33

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STANDARD EXCEPTIONS

The attorney should initial any exceptions that are to be eliminated on the line to the left of the exception.

- ___ 1. Interest or claims not disclosed by public records, including but not limited to:
- (a) Unrecorded Mechanics' or Materialmen's liens. (Liens may be filed by persons or entities furnishing labor or materials to any improvements of real property within 120 days from the last day of performance and will upon perfection relate in priority to the first day of performance as a valid lien on real property.)
 - (b) Unrecorded leases. (Under North Carolina law, parties in possession of the premises under a verbal or unrecorded lease of three years or less duration may remain in possession under terms of the tenancy.)
 - (c) Matters that may defeat or impair title which do not appear on the record. (Evidence revealing missing heirs, forgeries, etc. may not be on the public records, but such facts if properly established may impair or defeat what appears to be a good title on the record.)
 - (d) Taxes, special assessments and other governmental charges that are not shown as existing liens by the public records. (Governmental charges may be made for acreage fees, tap-on fees, cost of weed cutting, demolition of condemned buildings and other matters that are not shown as existing liens on the property by the public records.)
 - (e) Unlisted personal property taxes. (If discovered, such taxes and any penalties may be assessed as a lien on the subject property.)
- ___ 2. Matters occurring prior to and subsequent to the inclusive dates of examination.
- ___ 3. Matters which would be revealed by a review of the public records regarding the proposed purchaser/borrower, who is not a current owner of the property.
- ___ 4. Any inaccuracies and discrepancies which an accurate survey of the property may disclose. (A survey, if procured from a competent surveyor or civil engineer, will normally determine whether improvements lie within the boundaries of the property, whether existing utility lines, roads or other easements cross the premises, and whether there are any encroachments.)
- ___ 5. Security interests that may have attached to fixtures on the subject property as provided in Article 9 of the Uniform Commercial Code of North Carolina.
- ___ 6. Compliance with any local, county, state or federal government law or regulation relative to environment, zoning, subdivision, occupancy, use, construction or development of the subject property.
- ___ 7. Federal judgments, liens, and proceedings filed only in the Federal Court. (Upon the filing of a petition in Bankruptcy, title to real property vests in the Trustee in Bankruptcy and notice thereof is not always required to be filed in the County in which the Bankrupt owns property; federal condemnation proceedings may vest property in the federal government and notice thereof is not required to be recorded among the County records.)
- ___ 8. Civil actions where no notice of lis pendens against subject property appears of record.

Note: The matters included in Standard Exceptions Number One (1) above set forth are items that cannot be checked. Standard Exceptions numbered 2,3,4,5,6,7 and 8 are not included in a normal search of the County records during examination of title. Upon special request, additional investigation may be made, and Standard Exceptions numbered 2, 3, 4, 5, 6, 7 and 8 can be eliminated. Any such elimination is evidenced by the initialing of such exception in the left margin by the attorney.

(Continued from front)

FINAL TITLE OPINION:

A Final Title Opinion is the form used by the attorney to obtain a Final Policy, with or without a current commitment. The numbered lines below match the numbers on the Final Title Opinion and provide guidance on how to complete each segment of the standard final title opinion.

CHICAGO TITLE INSURANCE COMPANY FINAL TITLE OPINION (N.C. Bar Assoc. Form No. 1-f)

1. Binder/Commitment number for current outstanding closing for which this Final Opinion on Title is related. If no commitment has been issued *attach* Preliminary Opinion on Title.
2. Date & time through which title is updated/certified – usually recording of the last document of this closing.
3. List any exceptions deleted through closing, new documents filed since Preliminary Opinion, etc. (for example, property taxes paid, deeds of trust paid and to be cancelled, judgments satisfied). *If a commitment was issued, please address all Requirements of Schedule B, Section 1 of the commitment, either by attaching documents or certifying compliance, as applicable.*
4. If requesting an Owners Policy, enter purchase price on which excise tax stamps are based. If not a sale transaction, enter amount of owner's coverage requested, based on value of property.
5. Insert information from deed(s) from this closing, if applicable; or enter "see attached" if all required information is on the attached copy.
6. If requesting a Loan Policy, enter the loan amount as shown on the face of the deed of trust.
7. Insert information from the deed(s) of trust from this closing, if applicable; or enter "see attached" if all requested information is on the attached copy.
8. Insert information from Assignment of Deed of Trust, if applicable; or enter "see attached" if all requested information is on the attached copy.
9. Enter any other miscellaneous information and instructions, as appropriate. (For example, related Assignments of Leases, Rents and Profits, or UCC Financing Statements, also recorded at closing, if not already included in Item #3 above). May also include here loan number, if applicable or street address of the insured property, any additional ALTA endorsements requested, etc.
10. Signature of certifying attorney. Type or print name under signature line.
11. Attorney/Firm address and phone number, if it has changed since Preliminary Opinion.
12. If Owners policy is to be sent directly to owner(s), insert address and to whose attention.
13. If Loan policy is to be sent directly to lender, insert address and to whose attention.

ATTACH:

1. Copy of prior policy if updating from other than Chicago Title and if not previously provided with Preliminary Opinion.
2. Preliminary Opinion on Title if no commitment has been issued.
3. First page(s), description page(s), signature page(s) and special exception or reservation page(s), if any, from Deed, Deed of Trust, Easement(s), Restrictions, or other documents recorded as part of this closing.
4. Affidavit/Agreement Regarding Liens and/or Owner's/Contractor's Affidavit, as applicable.
5. Survey.
6. Check for premium.

FINAL TITLE OPINION

Supplementing Binder No. 1 (If no binder, attach Preliminary Opinion).

Supplementing the Preliminary Opinion On Title of the undersigned, we have updated our examination to 2 at _____ m. The following exceptions are eliminated:

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TRANSACTION RECORDING INFORMATION:

WARRANTY DEED, in consideration of \$ 4, from

Grantor _____
to _____

5 Grantee _____
dated _____, filed for record _____, at
_____ o'clock ____M, and recorded in _____ Book _____, Page
_____, in the records of _____ County, State of North Carolina.

DEED OF TRUST in principal amount of \$ 6.

From _____
To: _____, Trustee,
for _____, Beneficiary,

7 dated _____, filed for record _____, at
_____ o'clock ____M, and recorded in _____ Book _____, Page _____, in the
records of _____ County, State of North Carolina.

ASSIGNED BY _____
to _____

8 By assignment dated _____, filed for record on
_____, and recorded in _____ Book _____, Page _____,
of the records aforesaid; and that such assignment or endorsement is, based on the face of the
instrument and assuming a valid transfer or negotiation of the indebtedness, sufficient in such
state to transfer the benefits of the lien.

REMARKS: _____

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By: 10 _____
Attorney

Address: Street _____ City _____ State _____ Zip Code _____ Phone _____
No. _____

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Send Owners Policy To: 12

Send Lenders Policy To: 13