

PRO FORMA



Fidelity National Title Insurance Company

SCHEDULE A

Title No.: SMLIS-08-TO BE DETERMINED

1. Effective date: November 12, 2008 at 8:30 o'clock a m

2. Policy or Policies to be issued:

- (a) Policy: Alta 2006 Owner's Policy
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 fee simple estate or interest in the land is at the Effective Date vested in:

Boardview Estates, LLC

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

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

SMI Title Services, LLC
13595 Booker T. Washington Hwy., Suite 201C
Moneta, VA 24121
540-721-4655

Countersigned: _____
Dixie Lee Dusenberry



FIDELITY NATIONAL TITLE INSURANCE COMPANY

Title No: SMLTS-08-TO BE DETERMINED

LEGAL DESCRIPTION

EXHIBIT "A"

The land referred to herein below is situated in the County of Franklin, Commonwealth of Virginia, and is described as follows:

LOI 19, Boardview Estates, as shown on that plat of survey prepared by Robert C Jeans, L.S., dated July 7, 2007, which is of record in the Clerk's Office of the Circuit Court of Franklin County, Virginia in Deed Book 921, page 1994

TOGETHER WITH an easement from the above described lot to the drainfield easement area designated on the aforesaid plat as Drainfield Easement Lot 19, for the purposes of installing, repairing, replacing and maintaining a drainfield area and sewer and septic line.

TOGETHER WITH an easement to install and maintain sewer lines in, over and across the public utility easements, sewer easements and roads shown on the plat and the 20-foot sewer easement crossing Lot 26 and Lot 27 as shown on the aforesaid plat.

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SCHEDULE B – SECTION I

REQUIREMENTS

The following are the requirements to be complied with:

1. Pay us the premiums, fees and charges for the policy.
2. Payment to, or for the account of, the sellers or mortgagors of the full consideration for the estate or interest to be insured.
3. Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record, to wit:
 - (a) Duly authorized Deed from Boardview Estates, LLC to TO BE DETERMINED vesting fee simple title to the subject property.
NOTE: Receipt of the following with respect to Boardview Estates, LLC
 - a) the articles of organization
 - b) operating agreement and all amendments thereto
 - c) current membership roster
 - d) certificate of good standing from the State Corporation Commission**NOTE: In lieu of the foregoing, receipt of written certification by approved attorney that (a) the above documents have been reviewed; (b) the transaction to be insured has been authorized by the limited liability company; and (c) the required instruments relating to the transaction to be insured have been executed and delivered by an authorized person on behalf of the limited liability company.**
4. Receipt of properly executed Owner/Seller Affidavit.
5. Satisfaction and release of record from the property described under Schedule A hereof, of deed of trust dated April 6, 2007, recorded in Deed Book 909, page 1484, showing the beneficiary named therein to be Franklin Community Bank, N A , in the original amount of \$5,400,000.00 **NOTE: If said Deed of Trust is a credit line deed of trust, certification by approved attorney that the credit line account has been closed and all checks and credit cards issued in connection therewith have been surrendered.**
6. Certification by approved attorney that no portion of loan proceeds will finance construction and that the deed of trust to be insured does not secure future advances.
7. Payment of all charges, assessments, costs, etc., required by declaration through effective date of policy.
8. Payment of any and all real estate taxes due and payable, plus penalties and interest which would accrue.



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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. All assessments and taxes for the year 2009 and all subsequent years
3. Restrictions and other matters, if any, appearing of record in Deed Book 932, page 1138 and Deed Book 932, page 1144; however, the Company insures that the above restrictions have not been violated as of the date hereof and that a future violations will not result in a forfeiture or reversion of title. **NOIE: This exception omits any covenant, condition or restriction based on race, color, religion, sex, handicap, familiar status or national origin as provided in 42 U S C. Sec. 3604, unless and only to the extent that the covenant (a) is not in violation of state or federal law, (b) is exempt under 42 U S C. Sec 36707, or (c) relates to a handicap, but does not discriminate against handicapped people.**
4. 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. 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”
5. 30-foot minimum building line as shown on recorded plat of subdivision.
6. 20-foot wide public utility easement along front property line of insured premises as shown on recorded plat of subdivision
7. Easements granted Appalachian Power Company are as follows:
 - a) By instrument dated December 5, 1944, of record in Deed Book 102, page 320.
 - b) By instrument dated September 6, 1944, of record in Deed Book 102, page 70
 - c) By instrument dated January 31, 1961, of record in Deed Book 183, page 443
 - d) By instrument dated November 1, 1974, of record in Deed Book 302, page 550
 - e) By instrument of record in Deed Book 389, page 1375
 - f) By instrument of record in Deed Book 389, page 1382
 - g) By instrument of record in Deed Book 496, page 1632.
8. Terms, provisions and easements set forth in instrument to Appalachian Power Company dated January 20, 1962, of record in Deed Book 192, page 155
9. Terms, provisions and easements set forth in instrument to Appalachian Power Company dated December 24, 1959, of record in Deed Book 172, page 380.
10. Easement granted Central Telephone Company dated May 30, 1975, of record in Deed Book 307, page 353.
11. Easement granted Lee Telephone Company dated December 7, 1956, of record in Deed Book 163, page 212.

12. Easement granted Commonwealth of Virginia to improve Route 665, dated October 3, 1969, of record in Deed Book 260, page 567
13. Easement granted Appalachian Power Company dated January 15, 2008, of record in Deed Book 936, page 459.
14. Easement granted Embarq dated January 23, 2008, of record in Deed Book 931, page 356
15. Rights of others in and to the use of the appurtenant easement(s) as set forth in the description under Schedule A hereof.
16. Rights of others in and to the use of the common areas
17. Rights of others in and to the use and enjoyment of Smith Mountain Lake and the waters thereof.
18. Force Main Septic Agreement recorded in Deed Book 932, page 1144.

NOTE: a portion of insured premises is located within the Federal Insurance Rate Map One Hundred Year Flood Plain

THIS SPECIMEN PRO FORMA POLICY IS FURNISHED AT THE REQUEST OF THE PROPOSED INSURED AND IT IS UNDERSTOOD AND AGREED THAT IT DOES NOT REFLECT THE PRESENT STATE OF TITLE THE FURNISHING OF THE COVERAGE SET FORTH HEREIN IS CONTINGENT UPON ALL OF THE COMPANY'S REQUIREMENTS BEING SATISFIED AT OR PRIOR TO CLOSING