

PRO FORMA



Fidelity National Title Insurance Company

SCHEDULE A

Title No.: SMLTS-08-TO BE DETERMINED

1. Effective date: TO BE DETERMINED

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:
Lakefront Investment Company, LLC

5. The land referred to in this Commitment is described as follows:
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

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

Countersigned: _____
Dixie Lee Dusenberry

This commitment is invalid unless the Insuring Provisions and Schedules A and B are attached.



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:

ALL that certain tract or parcel of land lying and being in the Union Hall Magisterial District of Franklin County, Virginia, being known and designated as TRACT A-1, containing 1.259 acre, more or less, according to that plat made by Philip W. Nester, Land Surveyor, under dated of March 21, 1989, and being of record in Deed Book 449, page 76 in the Clerk's Office of the Circuit Court of Franklin County, Virginia.

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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) Deed from Lakefront Investment Company, LLC to TO BE DETERMINED vesting fee simple title to the subject property.
NOTE: Receipt of the following with respect to Lakefront Investments, 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. 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.
6. Payment of all charges, assessments, costs, etc., required by declaration through effective date of policy.
7. 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. 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".
4. 30-foot minimum building line as shown on recorded plat of subdivision
5. 15-foot wide public utility easement along Route 40 as shown on recorded plat of subdivision.
6. 20-foot wide public utility easement along Route 40 and Route 660 as shown on recorded plat of record in Deed Book 449, page 76.
7. Proposed drainfield as shown on recorded plat by Philip W. Nester, of record in Deed Book 449, page 76.
8. Easement granted Appalachian Power Company dated July 19, 1948, of record in Deed Book 112, page 370.
9. General Permit granted to Lee Telephone Company dated January 24, 1939, of record in Deed Book 93, page 503.
10. General Permit granted Lee Telephone Company dated October 31, 1951, of record in Deed Book 123, page 2.
11. General Permit granted Lee Telephone Company dated April 10, 1947, of record in Deed Book 114, page 10
12. Overhead telephone and electric lines crossing portion of insured premises as shown on recorded plat of record in Deed Book 449, page 76.

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.