

Auction Tract 22: Commercial building lot with Improvements - Route 40 at Route 660
Penhook - Franklin County, VA

PRO FORMA



Fidelity National Title Insurance Company

SCHEDULE A

Title No.: SMLTS-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:
Lakefront Investments, 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

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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-2, containing 0.733 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) Duly authorized Deed from Lakefront Investments, 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. Satisfaction and release of record of deed of trust dated May 31, 2006, recorded as Instrument #060006067 in Deed Book 884, page 1894, showing the beneficiary named therein to be First National Bank of Altavista, in the original amount of \$148,750.00. **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. 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. Easement granted Appalachian Power Company dated July 19, 1948, of record in Deed Book 112, page 370.
5. Easement granted Lee Telephone Company dated August 2, 1967, of record in Deed Book 240, page 587.
6. Easement granted Lee Telephone Company dated June 6, 1968, of record in Deed Book 249, page 48.
7. Overhead telephone and electric lines crossing the southwesterly 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.