Fidelity National Title Insurance Company

COMMITMENT FOR TITLE INSURANCE
ISSUED BY
FIDELITY NATIONAL TITLE INSURANCE COMPANY

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, Fidelity National Title Insurance Company, a Florida Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within 180 Days after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

Fidelity National Title Insurance Company

By: _____ President

SEAL

ATTEST: _____ Secretary

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Fidelity National Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.
27C165B46

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AMERICAN LAND TITLE ASSOCIATION

Fidelity National Title Insurance Company

Transaction Identification Data for reference only:
Issuing Agent: Acquisition Title and Settlement Agency, Inc.
Issuing Office: 3140 Chaparral Drive, C-107, Roanoke, VA 24018
ALTA® Universal ID: 1069515
Loan ID Number:
Commitment Number: ATS-492-20
Issuing Office File Number: 20-36360-R
Property Address: LAKES EDGE LT 11 & 12 & 13, Bedford, VA 24095
Revision Number:

SCHEDULE A

1. Commitment Date: 10/09/2020 at 8:00 AM

2. Policy to be issued:
   (a) ALTA Owner's Policy
   Proposed Insured: **TBD-Auction AUCTION**
   Proposed Policy Amount: **$**

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 Commitment Date vested in:
   HP LLC,

5. The Land is described as follows:
   Property description set forth in "Exhibit A" attached hereto and made a part hereof.

FIDELITY NATIONAL TITLE INSURANCE COMPANY

By: _____
Acquisition Title and Settlement Agency, Inc.
3140 Chaparral Drive
C-107
Roanoke, VA 24018
DeAnn K Murphy
Authorized Signatory

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Fidelity National Title Insurance Company

File No. 20-36360-R

Commitment No. ATS-492-20

SCHEDULE B, PART I
Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.

2. Pay the agreed amount for the estate or interest to be insured.

3. Pay the premiums, fees, and charges for the Policy to the Company.

4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

   Duly authorized and executed Deed from HP LLC, a Limited Liability Company, to TBD-Auction AUCTION, to be executed and recorded at closing.

5. Receipt of fully completed Owners' Affidavit.

6. Payment of all taxes, charges, assessments, levied and assessed against subject premises, which are due and payable.

7. Certification that there are no federal judgment liens docketed against TBD-Auction AUCTION

8. Receipt of fully executed No Financing Affidavit from HP LLC, a Limited Liability Company

9. The Company must be provided with the following for HP, LLC:

   a. Articles of Organization and any amendments thereto;
   b. Operating Agreement, if any, and any amendments thereto;
   c. Certificate of Organization form the state where the limited liability company is in good standing
   d. a Certificate of Fact from the state of origin as evidence that the limited liability company is in good standing at the time of execution and delivery of the document(s) to be insured

   NOTE: All members of the limited liability company, or the managing member(s) designated in the Operating Agreement, must join in the execution of any instrument(s) required herein. In lieu thereof, such instrument(s) must be executed by the member(s) designated and authorized to act on behalf of the limited liability company as set forth in a satisfactory resolution signed by all members; the resolution shall be provided to the Company prior to closing.

10. NOTICE: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

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Fidelity National Title Insurance Company

File No. 20-36360-R

Commitment No. ATS-492-20

SCHEDULE B, PART II
Exceptions

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attached, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part 1 - Requirements are met.

2. 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. (WILL APPEAR IN THE OWNER'S POLICY ONLY)

3. Those taxes and special assessments which become due and payable subsequent to Date of Policy

4. Terms, provisions, restrictions, conditions, easements, liens, assessments, developer rights, options, rights of first refusal and reservations contained in instrument recorded in Instrument #030007058, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income , as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

5. Subject to the Easement to Appalachian Power Company, recorded on May 20, 1942 in Book 198, Page 457 in the official records of the Bedford County Clerk of Circuit Court.

6. Subject to the Easement to Appalachian Power Company, recorded on October 20, 1961 in Book 300, Page 495 in the official records of the Bedford County Clerk of Circuit Court.

7. Subject to the Easement to Commonwealth of Virginia, recorded on June 29, 1965 in Book 327, Page 35 in the official records of the Bedford County Clerk of Circuit Court.

8. Subject to the Easement to Brabham Petroleum, recorded on October 14, 1977 in Book 452, Page 23 in the official records of the Bedford County Clerk of Circuit Court.

9. Subject to the Easement to Appalachian Power Company, recorded on September 26, 2001 as Instrument #010012936 in the official records of the Bedford County Clerk of Circuit Court.

10. Subject to the Easement to Verizon Virginia Inc., recorded on October 15, 2001 as Instrument #010013954 in the official records of the Bedford County Clerk of Circuit Court.

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11. Terms and conditions of the Lakes Edge Force Main Septic Association Declaration and Agreement recorded as Instrument # 010013968

12. Rights of others in and to the use of the appurtenant easement(s) contained in the description set out in the Deed insured under Schedule A hereof.

13. Rights of others in and to the use and enjoyment of Smith Mountain Lake and the waters thereof.

14. Matters shown on recorded Plat of Subdivision in Plat Book 41, Page 82:

    a) 20' PUE adjacent to streets (all lots)
    b) Property abuts to SML (all lots)
    c) Portion of property lies within the 100 year flood plain
    d) Natural drain located on Lot 11
    e) Two 20' drainage easements located on Lot 11
    f) Private variable width sanitary sewer easement located on Lots 11 & 12 adjacent to the street.

15. No liability is assumed by this Company for the payment of any assessments and/or dues as set forth in the aforesaid restrictive covenants.

16. Reservation of easement(s) as set forth in the aforesaid restrictive covenants.

17. Building restriction line of 10 feet from side as shown on recorded plat of subdivision.

18. All Lots subject to Occupancy and Use Permits recorded 08/25/20 at Instrument #200009700 (Lot 11), #200009702 (Lot 12), and #200009703 (Lot 13).

NOTE: Any reference herein made as to restrictions and/or restrictive covenants is intended to include, as if said language was set forth after each exception "but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law."

NOTE: This Commitment for Title Insurance does NOT constitute a report of title and is not to be relied upon by the insured(s) or any other party as a title report or representation of the status of title. Any title search and examination conducted by or for the Company in connection with the issuance of a Title Insurance Policy, if any, is solely for the benefit of the Company. The sole liability of the Company and/or its issuing agent hereunder shall be as set forth in the Conditions and Stipulations of the Final Title Insurance Policy jacket. Neither the Company nor its issuing agent shall be liable to the proposed insured(s) or any other party for any claim of alleged negligence, negligent misrepresentation, or any other party for any claim of alleged negligence, negligent misrepresentation, or any other cause of action in tort in connection with this Title Insurance Policy.

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Fidelity National Title Insurance Company

File No. 20-36360-R

Commitment No. ATS-492-20

EXHIBIT A
Property Description

Being Lots 11, 12 and 13 as shown on Plat Showing Lakes Edge Section 1, Property of David S. Wilson, made by Lumsden & Associates, P.C., dated April 26, 2001, and being recorded in the Clerk's Office of the Circuit Court of Bedford County, Virginia in Plat Book 41, page 80.

TOGETHER WITH a non-exclusive easement over the lands below the 800 foot contour line, in and to the waters of Smith Mountain Lake, as they rise and fall, being bounded by the 800 foot contour line which is the lakefront frontage of the property and extending outward between lines into Smith Mountain Lake with the extension of the side lot lines of the lot herein conveyed at the same course of the said side lot lines.

TOGETHER WITH an easement to construct, maintain, repair and replace a drainfield in the drainfield dilution areas, 22.994 acres, as shown on Sheets 2 and 3 of the Plat Showing Revised Lakes Edge by Lumdsen Associates, P.C., dated March 13, 2003, of record in the aforesaid Clerk's Office at Plat Book 543, page 60, and including an easement to construct, maintain, repair and replace the sewer line from the lot herein conveyed to the 22.994 acre drainfield dilution areas in the public utility easements, streets, and sanitary sewer easements all as shown on the aforesaid plat of revised Lakes Edge with reasonable ingress and egress to the areas of the drainfield and sewer line easements for the construction, repair, maintenance and replacement of same.

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COMMITMENT CONDITIONS

1. DEFINITIONS

(a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.

(b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.

(c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.

(d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.

(e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.

(f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.

(g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.

(h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

(a) the Notice;
(b) the Commitment to Issue Policy;
(c) the Commitment Conditions;
(d) Schedule A;
(e) Schedule B, Part I—Requirements; and
(f) Schedule B, Part II—Exceptions; and
(g) a counter-signature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

(a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:

(i) comply with the Schedule B, Part I—Requirements;
(ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
(iii) acquire the Title or create the Mortgage covered by this Commitment.

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(b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
(c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
(d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
(e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
(f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
(g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT

(a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
(b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
(c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
(d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
(e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
(f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

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