



Issued By  
**CHICAGO TITLE INSURANCE COMPANY**

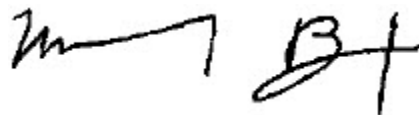
File No.: 17-1462

**SCHEDULE A**

1. Commitment Date: June 8, 2017 at 08:00 AM
2. Policy (or Policies) to be issued:



	Amount
a. ALTA Owners Policy (06/17/06)	TBD
Proposed Insured: Charlotte Radiology Capital Partners, LLC	
b. ALTA Loan Policy (06/17/06)	TBD
Proposed Insured: Lender To Be Determined, its successors and/or assigns as their respective interests may appear.	
3. Fee Simple interest in the land described in this Commitment is owned, at the Commitment Date, by 7 E.M., LLC and Morehead Beachfront, LLC and Morehead LKN, LLC.
4. The land referred to in the Commitment is described as follows:

For a description of the insured land, please see attached Exhibit A.

  
Michael Burt  
Authorized Signatory

**CHICAGO TITLE INSURANCE COMPANY**



By:  President  
ATTEST  Secretary

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

Office: **Morehead Title Company**  
**1805 East Boulevard, Charlotte, NC 28203 704-716-1230/**

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## SCHEDULE B - SECTION I

File No.: 17-1462

### REQUIREMENTS

The following are the requirements that must be met:

1. Payment to the Company of all premiums and fees due hereunder.
2. Instrument(s) satisfactory to the Company in insurable form which must be properly executed, delivered and duly recorded in the proper county registry to effectuate the transaction contemplated herein, said recording must be within the time prescribed to avoid treatment as a preferential transfer under federal bankruptcy, state insolvency or similar creditors rights laws.
3. Payment to or for the benefit of the grantors or mortgagors of the full consideration for the estate or interest to be insured.
4. Receipt of applicable NCLTA form below (or substantially similar form approved by Company), completed, executed and notarized, as follows:

**NO RECENT (last 120 days) OR CONTEMPLATED CONSTRUCTION:**

NCLTA FORM 1 (Owner Affidavit) from every seller (on sale) or borrower (on refinance) who has not contracted for recent or contemplated improvements on the Land or for a construction loan.

**NOTE:** If a contract purchaser has contracted for or is contemplating improvements, see "CONSTRUCTION CONTEMPLATED OR IN PROCESS" below.

**RECENTLY COMPLETED IMPROVEMENTS:**

**Non-MLA project:** NCLTA FORM 2 (Owner/Contractor Affidavit, Lien Waiver, and Indemnity) from every Owner and every Contractor.

**MLA project:**

(1) Receipt of proof satisfactory to the Company that prior to closing or prior to first contracting for construction (whichever occurs first),

(a) A Lien Agent was designated on the LiensNC.com website, AND

(b) The Appointment of Lien Agent was posted at the Land.

(2) NCLTA FORM 5 (Owner Affidavit) from every Owner; AND

(3) NCLTA FORM 6 (MLA Lien Waiver) from every PLC-MLA.

**CONSTRUCTION CONTEMPLATED OR IN PROCESS:**

**Non-MLA project:** NCLTA FORM 3 (Owner/Contractor Affidavit, Indemnity and Lien Subordination) (for lender coverage only) from every Owner and every Contractor.

**MLA project:**

(1) Receipt of proof satisfactory to the Company that prior to closing or prior to first contracting for construction (whichever occurs first):

(a) A Lien Agent was designated on the LiensNC.com website, AND

(b) The Appointment of Lien Agent was posted at the Land;

(2) NCLTA FORM 5 (Owner Affidavit) from every Owner; AND;

(3) NCLTA FORM 6 (MLA Lien Waiver) or NCLTA FORM 7 (MLA Subordination of Liens) from every PLC-MLA.

**NOTE:** If a contract purchaser has contracted for or is contemplating improvements prior to closing, see "NO RECENT IMPROVEMENTS" above regarding seller lien affidavits as well.

**MLA Project - MLA NOT Appointed Prior to Contracting for Labor Services or Materials:**

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In all cases in which an MLA was required but not (timely) appointed, prior approval and terms of coverage (if any) by Company underwriting counsel is required.

**Applicable Definitions:**

**"Non-MLA Projects":** Improvements are (1) first contracted before April 1, 2013, (2) for a value less than \$30,000 OR (3) solely for improvements to owner's existing residence. All other projects (other than public projects) are **"MLA projects"**.

**"Owner"** is holder of any interest in the Land, including leasehold owner or contract purchaser.

**"Potential Lien Claimant"** (or "PLC - MLA") is any person (or entity) entitled to file a claim of lien on real property (herein **"Liens"**), for providing labor, services, (including design professionals such as surveyors, architects, engineers and landscape engineers), materials or rental equipment provided for improvements to the Land (herein **"Improvements"**), pursuant to Article 2 of Chapter 44A of the North Carolina General Statutes AND who either has filed a Notice to Lien Agent, OR was identified in the original Appointment, OR is a Design Professional OR is a PLC whose first furnishing was within 15 days prior to closing OR (for waivers) delivered a claim of lien upon funds on the Owner.

**"Contractor"** Any person or entity who has performed or furnished or has contracted to perform or furnish Labor, Services or Materials pursuant to a contract, either express or implied, with the Owner of real property for the making of an Improvement thereon OR who has delivered a claim of lien upon funds to the Owner.

5. If this transaction involves a "short sale" or "short pay" under which an existing lender has agreed to cancel or release land from a deed of trust for less than the current balance owed on the debt or attributed to the land to be released, certification that (a) all lender requirements are met, and (b) lender's agreement to cancel or release does not include any condition or right to refuse to cancel or release land from said deed of trust or to later void the cancellation or release after receipt of the payment amount specified by lender.
6. If a Power of Attorney is to be used in conjunction with this transaction, closing attorney to certify that: (a) the insured lender, if any, has authorized use of a Power of Attorney in regards to the closing of the insured deed-of-trust; (b) that the Power of Attorney so used is valid under North Carolina law to allow the attorney-in-fact to convey or encumber title; (c) that the Power of Attorney has not been revoked, and; (d) that the Power of Attorney has been properly recorded prior to recording any deed or deed-of-trust which is the basis of the interest insured in Schedule A.
7. If the transaction involves the purchase of property at foreclosure, the purchase of real estate owned (REO) by a lender/servicer, or the subsequent resale or mortgage of property where the grantor or mortgagor was a purchaser of REO property; verification that the defaulted borrower in the foreclosure proceeding, or anyone claiming by, through or under him, is not occupying or in possession of the foreclosed property.
8. Certifying attorney must certify that the selling/mortgaging limited liability company is in good standing and that the instruments to be insured have been properly authorized and that all necessary parties have executed the documents.
9. Provide the Company with Operating Agreement for the selling/mortgaging limited liability company and any amendments thereto along with a resolution that the transaction has been approved by the Company. In the event that the sale is all or substantially all of the Company's assets, then a resolution executed by all members will be required.
10. Cancellation or release of Deed of Trust in favor of NCBT, recorded in Book 25869, Page 161 and Assignment f Leases, Rents and Profits recorded in Book 25869, Page 180 and termination of UCC recorded in Book 25869, Page 218, Subordination, Non-Disturbance and Attornment Agreement recorded in Book 25869, Page 191; Subordination, Non-Disturbance and Attornment Agreement recorded in Book

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25869, Page 200; Subordination, Non-Disturbance and Attornment Agreement recorded in Book 25869, Page 209, Mecklenburg County Registry.

11. Cancellation or release of Deed of Trust in favor of Donald J. Sherrill, recorded in Book 25869, Page 224, Mecklenburg County Registry.
12. Termination or release of UCC Financing Statement recorded in Book 30638, Page 194 and Book 30638, Page 199, Mecklenburg County Registry.

Note: The Loan policy will include all endorsements listed below for which requirements for issuance have been met:

TBD

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## SCHEDULE B – SECTION II

File No.: 17-1462

### EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

1. Taxes for the year 2017 and subsequent years, not yet due and payable.
2. The Company does not insure the calculation of the acreage or square footage of the land.
3. Temporary Construction Easement Agreement recorded in Book 24189, Page(s) 628, Mecklenburg County Registry.
4. Utility Easement Agreement to Duke Energy Carolinas, LLC recorded in Book 25285, Page(s) 156, Mecklenburg County Registry.
5. Alleyway Easement recorded in Book 358, Page(s) 361; as qualified by Quitclaim and Alleyway Release recorded in Book 5113, Page 376, Mecklenburg County Registry.
6. Alleyway Easement recorded in Book 473, Page(s) 308; as qualified by Quitclaim and Alleyway Release recorded in Book 5113, Page 376, Mecklenburg County Registry.
7. Estoppel and Lease Agreement recorded in Book 5117, Page(s) 288, Mecklenburg County Registry.
8. Rights of tenant(s) in possession under unrecorded lease(s).

The following exception(s) will appear on the Owner's Policy only:

9. Any discrepancy, conflict, access, shortage in area or boundary lines, encroachment, encumbrance, violation, variation, overlap, setback, easement or claim of easement, riparian right, and title to land within roads, ways, railroads, watercourses, burial grounds, marshes, dredged or filled areas or land below the mean highwater mark or within the bounds of any adjoining body of water, or other adverse circumstance affecting the Title that would be disclosed by a current inspection and accurate and complete land survey of the Land.

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## **EXHIBIT A**

**BEGINNING** at a point formed by the intersection of the southwesterly margin of East Morehead Street and the southeasterly margin of Euclid Avenue, runs thence with said margin of East Morehead Street in a southeasterly direction 100 feet to a stake; thence in a southwesterly direction parallel with said margin of Euclid Avenue 194 feet to a stake; thence in a northwesterly direction 100 feet, more or less, to the point in said margin of Euclid Avenue which is 202.1 feet distant measured along said margin of Euclid Avenue in a southwesterly direction from the point of beginning; thence with said margin of Euclid Avenue in a northeasterly direction 202.1 feet to the point of **BEGINNING**.