

Do I have a choice in selecting a title company?

Absolutely. North Carolina law specifies that it is illegal for any lending institution to require the use of any one specific company or in any way limit your choice among approved insurers. As a consumer, and possibly a first-time home buyer, it is in your best interest to know which title companies are available, which insurer will afford you the most stable coverage and which one can provide you with prompt, reasonable claims service when needed. Your attorney is best qualified to make a recommendation as to which company is best for your needs. A closing attorney in North Carolina is prohibited from being an agent or employee of a title company and also prohibited from receiving anything of substantial value except as payment for services. Therefore your attorney can make an independent recommendation, unbiased by financial interest. The choice is yours.



"Your attorney is best qualified to make a recommendation as to which company is best for your needs."

Why is Statewide Title any better than the rest?

In today's complex economy it is imperative that a title company not only be financially sound, but also be knowledgeable and highly responsive. Statewide Title operates in, and has working knowledge of, all 100 counties in North Carolina.



"the first company in North Carolina to provide true web-based title services"

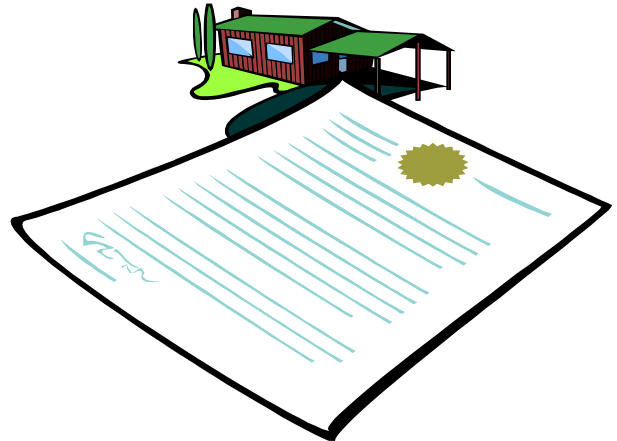
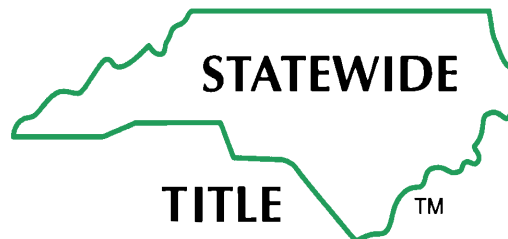
Our ability to quickly and accurately deliver commitments and policies to attorneys and lenders is second to none. We are the first company in North Carolina to provide true web-based title services on the Internet. This means that

when a title opinion is rendered by an attorney, regardless of the location, an experienced assessment will be promptly made by the staff at Statewide Title. A commitment will be issued rapidly in order to accomplish the closing on time.

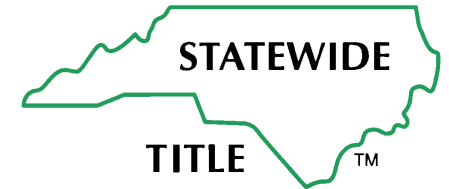
If your sales transaction generates an otherwise significant taxable capital gain, you should consider deferring the gain by utilizing our subsidiary, Statewide Title Exchange Corporation, as a "qualified intermediary."



For peace of mind, and most of all, for the security of your property, choose the best. Choose Statewide Title, Inc.



WHAT IS TITLE INSURANCE? And Do I Need it?



"Quality and Service Always Prevail"®

Authorized Issuing Agent For



Chicago Title

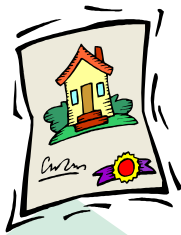
Lawyers Title
Insurance Corporation

stewart



Is it just an unnecessary expense?

Absolutely not! A change in land ownership, requiring a formal transfer of title involves risk that the title may be defective. Title insurance is your guaranteed protection against real estate title losses. Actually, title insurance is one of the best insurance values available. The premium you pay is based on the purchase price of your property. Rates are regulated by the state, and you only pay a one-time premium when you purchase your policy. North Carolina property owners enjoy rates for title insurance premiums that are among the lowest in the nation. This coverage lasts as long as you own your property, and will protect you even after you sell your property.



"title insurance is one of the best insurance values available"

What is title insurance?

A title policy insures the condition of your title or ownership rights to a certain piece of property. Before a policy of title insurance can be issued in North Carolina, a title examination must be conducted under the supervision of an independent attorney licensed to practice law in North Carolina. We believe that this requirement has directly led to North Carolina having one of the very lowest costs in this country, to the owner, for assuring title. The high standards of education and professionalism required of an attorney to be licensed in North Carolina contribute directly to our having a lower rate of claims than most states that do not require attorneys in the process. The attorney carefully researches all relevant recorded documents affecting ownership of the property being examined necessary to determine the status of the title. The attorney will then submit a title opinion to the company. Typically, the title company will then

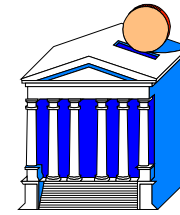
issue a "binder" or "commitment" to the lender and owner, which obligates the company to insure the title as described by the attorney, with certain limitations and requirements. A title insurance commitment describes your property in detail and states what limitations, if any, the final title policy will include when the company issues it to you and your lender. Even the most thorough search will not reveal any "hidden defect" that is not shown on the public records. Such a defect may be a problem caused by an inadequate survey, a clerical error, confusion over names, forgery, fraud, unrecorded claims for improvements or numerous other possible problems. Careful attorneys can not reasonably be expected to discover title problems that are not revealed in the public records. Therefore, the examining attorney is not responsible to you for dealing with these issues when they arise after closing. Without title insurance, you are on your own! Title insurance does not guarantee that title defects do not exist or will never occur. It does insure you against possible losses through certain claims against your title as a result of conditions not revealed on your policy.



"attorneys can not reasonably be expected to discover title problems that are not revealed in the public records."

Is there a difference between coverage to the lender and coverage to the owner?

Yes. There are actually two types of coverage, Lender's Coverage and Owner's Coverage. At one time, title insurance was not required by the lenders in North Carolina. Those days have passed and now virtually every lender in the state requires a Lenders Policy of Title Insurance on most real estate transactions. Lenders now recognize the



"virtually every lender in the state requires a Lenders Policy of Title Insurance"

potential impact of the "hidden risk" factors of any real estate transaction, and require a title insurance policy to protect the amount of money they loan to purchase the property. Property owners in North Carolina benefit from what is referred to as a "Simultaneous Issue Rate". When a lender's policy is requested at the same time an owner's policy is ordered, it is included in the owner's policy premium without additional charge. Through an Owner's Policy, a buyer obtains more protection. This policy covers the owners interests exclusively. Coverage will include protection of the total purchase price. A policy of title insurance will provide security in ownership, and assist in a quick transfer of the property when it is sold. Title insurance will guarantee payment of legal costs to defend your title and payment of all covered, successful claims up to the face amount of the policy. Because the risks are different, lenders are often given coverage that owners are not. A lender's coverage terminates when the loan is paid off.

Are all title insurers the same?

Definitely not. The strength and financial viability of a title insurer is based on the amount of premium revenues generated per year and the amount of surplus funds (reserves) available to pay out possible claims. Statewide Title is proud to represent three of the top five financially strongest and oldest firms doing business in this country, Stewart Title, Chicago Title and Lawyers Title.



"Statewide Title is proud to represent three of the top five"