

**AFFIDAVIT OF UNDERSTANDING AND INDEMNITY AND HOLD HARMLESS
AGREEMENT DUE TO THE COVID-19 EMERGENCY – FINANCING**

Property: _____

Date of Closing: _____

Seller(s): _____

Buyer(s): _____

File No: _____

Commitment No: _____

In response to the outbreak of the Coronavirus and the declared states of national and local emergency, a number of government offices have been closed or have had their access significantly limited. As a result, the processing and recording of deeds, deeds of trust and other title documents in some jurisdictions has been, and will be, impacted. Although First American Title Insurance Company ("First American") is willing to continue to insure titles for purchasers and lenders under its current policy forms through the ultimate recording date of the deed, mortgage, deed of trust or other insured title document, neither First American nor its title agents can provide any estimate as to the date of recordation of such title documents in the land records.

NOW THEREFORE, as a result of the aforementioned closures and access restrictions and as an inducement to _____ (hereafter "Title Agent") to conduct settlement and to First American to issue it policy or policies of title insurance, the undersigned agree as follows:

Borrower(s) affirm:

(a) There are no unrecorded deeds and/or outstanding leases, contracts, options, agreements, trusts or inchoate rights or interests affecting the Property which have not been disclosed to First American or Title Agent in writing.

(b) All labor and materials used in construction of improvements, repairs, or modifications to the Property have been completed and there are now no unpaid bills for labor or material against the improvements or Property. The Borrowers have received no notice of any mechanic's lien claim.

(c) There are no unrecorded liens or encumbrances affecting the title to the Property, which are not being paid or adjusted as part of the current transaction.

(d) Borrowers have received no written notice of a proposed or pending special assessment or a pending taking of any portion of the Property by any governmental body; Borrowers have no knowledge that work has been or will be performed by any governmental body including, but not limited to, the installation of water or sewer lines or of other utilities, or for improvements such as paving or repaving of streets or alleys, or the installation of curbs and sidewalks.

(e) Borrowers agree to neither allow, nor take any action, following settlement that

may result in a lien, encumbrance or other matter adversely affecting title being placed against the title to the Property. In the event any lien, encumbrance or objectionable matter of title arises or occurs between the date of settlement and the date of the recording of the mortgage, deed of trust or other title document, Borrowers agree to immediately take action to clear and discharge the same and further agree to hold harmless and indemnify Title Agent and First American Title Insurance Company against all expenses, costs and attorneys' fees that may arise out of Borrowers failure to so remove, bond or otherwise dispose of any such liens, encumbrances or adverse matters of title to the satisfaction of First American.

Borrower(s) understand and agree:

(a) Neither Title Agent nor First American can provide any estimate as to the time of recordation of the deed of trust or other title documents in the Land Records.

(b) Among other things, Borrowers may not be able to refinance or sell the Property, or provide recorded evidence of the status liens against the Property until the time that the deed of trust or title document is recorded in the land records.

(c) That for the duration of the State of Emergency in effect in North Carolina for COVID-19, Borrowers waive any claim for enforcement of the duty of settlement agents under N.C.G.S. 45A-4(a) to disburse only upon recordation and authorize such settlement agent to disburse ahead of recordation, as well as any cause of action or penalty under N.C.G.S. 47A-7, for loss or damage, including attorney fees, actual or otherwise, due to delayed recordation.

The undersigned solemnly affirm(s) under the penalties of perjury and upon personal knowledge that the statements in this Affidavit are true and that this Affidavit is executed in order to induce Title Agent to make and complete settlement on the Property and to induce First American to issue its policy or policies of title insurance, insuring title to the Property.

Borrowers:

Signature

Print:

Signature

Print:

Subscribed, affirmed, and acknowledged before me this _____ day of _____, 2020.

NOTARY PUBLIC

My Commission Expires: _____