

**AFFIDAVIT OF UNDERSTANDING AND INDEMNITY AND HOLD HARMLESS AGREEMENT
DUE TO THE CORONAVIRUS PANDEMIC AND THE COVID-19 STATE OF EMERGENCY
“(To be used for Purchase (with or without financing) and Refinance Transactions)”**

Land (Property Address): _____
Closing Attorney: _____
Date of Closing (settlement & disbursement): _____
Seller(s): _____
Buyer(s) (Proposed Insured Owner): _____
Owner(s): _____ (in case of refinance only)
Title Insurance Company (the Company): _____
Issuing Agent: _____
Title Insurance Commitment Number (the Commitment): _____
Other file number(s) or reference: _____
Recordable Documents: Deed, Deed of Trust, Assignment of Leases and Rents, UCC Financing Statement, Subordination, DMV MVR-46G or other documents to be recorded as a part of the transaction (as applicable)

NOTE: Other defined terms are as defined in the ALTA Commitment for Title Insurance (08-01-2016), the ALTA Loan Policy (06-17-2006), ALTA Owner’s Policy (06-17-2006) and ALTA Short Form Residential Loan Policy (12-03-12).

In response to the outbreak of the Coronavirus and the declared states of emergency at the national, state and local levels, a number of courts, registers of deeds, tax offices and other local governmental offices have been closed or have had their access significantly limited. As a result, the processing and recording of deeds, mortgages and other title documents in some jurisdictions has been, and will be, impacted. The Company is willing to continue to insure titles for Proposed Insured Owner and Proposed Insured Lender, if any, as identified in the Commitment under its current policy forms for the transactions up to Amount of Coverage in the Commitment through the ultimate recording date of the Recordable Documents; provided, however, that neither the Company nor Issuing Agent can provide any estimate as to the date of recordation of such Recordable Documents in the Public Records.

NOW THEREFORE, as a result of the aforementioned closures and access restrictions and as an inducement to the Closing Attorney to conduct settlement (including disbursement) and to the Company and/or Issuing Agent to issue policy or policies of title insurance with regard to the Land, as defined in the Commitment, the undersigned agree as follows:

Seller(s)/Owner(s) certify and affirm:

- (a) There are no unrecorded and/or outstanding leases, contracts, options, agreements, trusts or other inchoate rights, interests affecting the Land which have not been disclosed to the Company or its agent in writing.
- (b) All labor and materials used in construction or improvements, repairs or modifications to the Land have been paid for and there are now no unpaid bills for labor or material against the improvements or Land. The Sellers/Owners have received no notice of any mechanic liens claim.

- (c) There are no unrecorded liens or encumbrances affecting the Land, which are not being paid or adjusted as part of the current transaction.
- (d) **Sellers/Owners** have received no written notice of a proposed or pending special assessment or a pending taking of any portion of the Land by any governmental body. Sellers/Owners have no knowledge or notice 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 other utilities or for improvements such as paving or repaving of street or alleys or the installation of curbs and sidewalks.
- (e) **Sellers/Owners** agree to neither allow, nor take any action, following settlement that may result in a lien, encumbrance or other objectionable matter of or adversely affecting title being placed against the title to the Land. In the event any lien, encumbrance or objectionable matter of title arises or occurs between the Commitment Date and the date of the recording of Recordable Documents, **Sellers/Owners** agree to immediately take action to clear and discharge the same and further agree to hold harmless and indemnify the Closing Attorney, the Issuing Agent and the Company against all claims, losses, liabilities, damages, expenses, costs and attorney's fees which may arise out of Sellers/Owners failure to promptly so remove, release, bond, or otherwise dispose of any such liens, encumbrances or objectionable matters of title to the satisfaction of the Company.

Buyer(s) understand and agree:

- (a) Neither Closing Attorney, Issuing Agent nor the Company can provide an estimate as to the date or recordation of the deed or other title documents in the Public Records affecting the Land, as defined in the Commitment.
- (b) Among other things, Buyers may not be able to refinance or sell the Land, obtain building permits, or demonstrate recorded ownership of and legal title to, the Land until the date that the deed or title document is recorded in the Public Records.

Seller(s)/Owner(s) and Buyer(s) acknowledge:

- (a) They have been expressly advised that North Carolina law, specifically the Good Funds Settlement Act (North Carolina General Statutes Chapter 45A), requires recordation of the deed, deed of trust, or other title documents prior to disbursement of closing funds, for which they specifically include waiver of claims or penalties thereunder, below.
- (b) They expressly waive any claim, demand, or cause of action arising solely out of disbursement of closing funds by the Closing Attorney in reliance on the parties' joint instruction to disburse herein.
- (c) They expressly release the Closing Attorney, the Company, the Issuing Agent or other persons acting in reliance on such instruction and release from any claim, demand, or cause of action arising out of such disbursement.
- (d) By their joinder herein, they are authorizing and directing the closing of the sale of the Land and/or of its financing or refinancing and disbursement of funds, that they hereby shall be deemed to have irrevocably released the deed, deed of trust and other Recordable Documents which each party has respectively executed to Closing Attorney with the irrevocable authorization and instruction to cause the Recordable Documents to be recorded as soon as the Closing Attorney is able to cause such recordation.
- (e) They expressly agree they will not execute or cause to be recorded any other deed, deed of trust, or other document of conveyance, encumbrance, or restriction regarding all or any portion of the Land, until and unless the Recordable Documents are properly recorded and indexed at the office of the register of deeds

- (f) They expressly waive and renounce any right, claim, or demand to instruct the Closing Attorney to (i) recall or withdraw any Recordable Document, or (ii) otherwise not to record any Recordable Documents, or (iii) to cancel or rescind the closing.
- (g) NOTE: It is advisable to confirm that contractual matters arising out of the definition of "Closing" as it relates to recordation are addressed in the contract between Buyer and Seller; e.g. risk of loss or damage by fire or other casualty.

The undersigned solemnly affirm under the penalties of perjury and upon personal knowledge that the contents of this Affidavit are true and that this Affidavit and Indemnity is executed in the order to induce the Closing Attorney to make and complete the settlement on the Land and to induce the Company, through the Issuing Agent, to issue its policy or policies of title insurance, insuring title to the Land.

CAUTION: NO MODIFICATION of this Agreement and NO WAIVER of any of its terms or conditions shall be effective unless made in writing and approved by the Company.

Seller(s) / Owner(s):

Signature _____
Print

Signature _____
Print

SUBSCRIBED, SWORN TO, and acknowledged before me this _____ day of _____, 2020.

NOTARY PUBLIC
MY Commission Expires:

Buyer(s):

Signature _____
Print

Signature _____
Print

SUBSCRIBED, SWORN TO, and acknowledged before me this _____ day of _____, 2020.

NOTARY PUBLIC
MY Commission Expires: