

NCLTA COMMITMENT REQUIREMENT:

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

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.