

NORTH CAROLINA INTER-UNDERWRITER INDEMNIFICATION AGREEMENT

In order to expedite the clearance of certain types of title insurance Defects and limit the need to obtain individual letters of indemnity or performance, the companies that now or hereafter become signatories to this North Carolina Inter-Underwriter Indemnification Agreement ("Agreement") agree, in consideration of the mutual covenants contained in this Agreement, to indemnify each other subject to the provisions and limitations contained in this Agreement.

I. Definition of Terms. The following terms when used in this Agreement mean:

- A. "Current Insurer" means the title insurance company that is issuing the Current Policy.
- B. "Current Policy" means a policy of title insurance issued by the Current Insurer after the effective date of this Agreement, determined in accordance with Section VII, that is insuring title to the Land after the Date of Prior Policy.
- C. "Date of Prior Policy" means the "Date of Policy" as defined by the Prior Policy.
- D. "Defect" means an alleged item of the type listed in Section IV that was created or existed at the Date of Prior Policy and that may affect the Estate Insured.
- E. "Estate Insured" means the interest in the Land insured by the Prior Policy that is all or a portion of the interest to be insured by the Current Policy.
- F. "Land" means the real property described as "Land" in the Prior Policy.
- G. "Prior Insurer" means the title insurance company that issued the Prior Policy.
- H. "Prior Policy" means a policy of title insurance as set forth in Section V, Paragraphs C or D, issued by the Prior Insurer.
- I. "Public Records" means the "Public Records" as defined by the Prior Policy.

II. Indemnification. Subject to the Limitations contained in Section III, the Conditions contained in Section V and the Stipulations contained in Section VI, the Prior Insurer hereby indemnifies the Current Insurer against loss or damage, including reasonable legal fees, arising from certain Defects listed in Section IV and insured against by the Prior Policy.

III. Limitation of Indemnity. The maximum amount of the indemnity of the Prior Insurer provided by this Agreement shall not exceed the lesser of:

- A. the extent of liability of the Prior Insurer under the Prior Policy;
- B. the amount of insurance as defined in the Prior Policy;
- C. \$50,000.00 for federal and state tax liens, including estate, transfer or inheritance taxes; or,
- D. \$500,000.00.

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IV. Defects. The Indemnification of Section II of this Agreement shall apply only to the following:

- A. Deeds of trust that have not been effectively released, discharged, or reconvened; provided, this Defect shall not include deeds of trust that secure future advances and/or future obligations or an equity line of credit.
- B. Monetary liens for a sum certain attaching to real property when docketed, filed or recorded in the Public Records resulting from judgments or other statutory liens; provided, this Defect shall not include:
 - 1. Statutory liens on real property pursuant to Article 2, Chapter 44A of the North Carolina General Statutes; or,
 - 2. Monetary liens against the vested owner or against the insured as defined in the Prior Policy.
- C. Liens for federal and state estate, transfer or inheritance taxes arising by reason of the death of previous owners of the Land, liens for local government taxes (including municipal charges and fees authorized by statute to be collected like taxes), and liens for special assessments confirmed by local government; provided, this Defect shall not include liens against the vested owner or against the insured as defined in the Prior Policy.
- D. Failure of any conveyance recorded in the Public Records prior to the Date of Prior Policy to disclose the marital status of the grantor.

V. Conditions. The following conditions limit the applicability of this Agreement:

- A. This Agreement is applicable only for title insurance policies insuring title to land within the State of **North Carolina**.
- B. The Prior Policy was issued more than one year prior to the Current Policy, provides coverage against loss due to the Defect, and does not itemize the Defect in its Schedule B exceptions. The Current Insurer must provide a copy of the Prior Policy when making a claim under this Agreement. This Agreement shall not apply if:
 - 1. the Prior Policy insures against loss arising from the Defect by affirmative language in its Schedule B exceptions or by an endorsement that expressly identifies the Defect; or,
 - 2. The Prior Policy is a loan policy and the Defect is itemized in its Schedule B-Part II or is otherwise itemized in the Prior Policy as a subordinate matter.
- C. An owner's policy issued by the Prior Insurer shall be the basis of indemnity under this Agreement if the insured, as defined by the Prior Policy, is the seller or borrower in the transaction that will be insured by the Current Policy.
- D. A loan policy issued by the Prior Insurer shall be the basis of indemnity under this Agreement if:
 - 1. the insured, as defined by the Prior Policy, has subsequently acquired the Land by foreclosure or by deed-in-lieu of foreclosure;

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2. the insured is the seller in the transaction that will be insured by the Current Policy;
and,
 3. The Current Policy is an owner's policy issued to an unrelated insured.
- E. The Prior Insurer that issued a loan policy shall be liable only for indemnity under this Agreement for Defects that are monetary liens listed by Section IV, in Paragraphs A, B and C.
- F. This Agreement shall not apply if the Public Records disclose, or the Current Insurer has actual knowledge, that litigation, foreclosure proceedings or action to collect or otherwise enforce a lien arising from the Defect commenced or occurred after the Date of Prior Policy.

VI. Stipulations.

- A. This Agreement shall be open to participation by any title insurance company licensed to do business in **North Carolina**. A title insurance company signing this Agreement must give immediate notice of its signing to all other participating companies in accordance with Section VII. All obligations under this Agreement between a company signing this Agreement and any other participating title insurance company shall become effective one month after the date on which the signatory company becomes a party to this Agreement.
- B. Any insurer that is a signatory to this Agreement may, at any time, by notice sent to another signatory insurer, decline to participate in this Agreement as to such other signatory insurer. If such notice is sent prior to the effective date of the other company's participation in this Agreement (as specified in Paragraph A), then the two companies shall have no obligations under this Agreement to each other. If such notice is sent after the effective date of the other company's participation in this Agreement, then the two companies shall have no obligations under this Agreement to each other for any title insurance policies issued after the date of such notice. Any notices sent pursuant to this paragraph are not required to be sent to all signatories to this agreement.
- C. The sole obligation of the Prior Insurer under this Agreement is to indemnify the Current Insurer arising from Defects as provided by this Agreement.
- D. This Agreement does not affect the rights or obligations of any insured arising from any the Current and Prior Policies.
- E. Nothing contained in this Agreement shall be construed as changing the Date of Prior Policy, or as providing indemnification against defects, liens or encumbrances created or attaching subsequent to the Date of Prior Policy.
- F. All notices required or permitted by this Agreement shall be given by mail or by courier to the location shown in Section VII and are effective upon receipt. In addition, a notice of claim to the Prior Insurer under this Agreement shall also be mailed to the principal office shown in the Prior Policy.
- G. The Current Insurer shall notify the Prior Insurer of any proposed payment or settlement of a claim arising from a Defect and shall give the Prior Insurer reasonable opportunity to investigate the claim at its own expense.
- H. If the Prior Insurer is prejudiced by the failure of the Current Insurer to provide timely notice of a claim, proposed payment or settlement under this Agreement, the Prior Insurer's liability under this Agreement shall be reduced by the extent of the prejudice. Until the Prior Insurer is notified of a claim, the Prior Insurer has no obligation under this Agreement to take any action.

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- I. Nothing in this Agreement shall be construed to deprive the Prior Insurer of any of the rights of the Prior Insurer as provided by its Prior Policy, including all rights of subrogation and the right to perfect title as insured by settling or litigating.
- J. The Prior Insurer shall act diligently and promptly to discharge its responsibilities under this Agreement.
- K. The Current Insurer shall reasonably cooperate to enable the Prior Insurer to perform its duties and limit its liability under this Agreement. However, nothing in this Agreement shall be construed to delegate any of the duties or the rights of the Current Insurer to the Prior Insurer. The Current Insurer shall be entitled to administer the claim submitted by the insured under the Current Policy.
- L. This Agreement may be supplemented or superseded by any specific written indemnity agreements by and between any of the parties, and such specific agreements shall not be deemed to suspend, cancel or otherwise terminate any of the rights or obligations between those parties under this Agreement or under any separate agreement. However, the obligations of a party arising under this Agreement shall not be altered by any separate agreement to which it is not a party.
- M. The indemnity applies to Prior Policies issued prior or subsequent to the date on which the Prior Insurer becomes a signatory to this Agreement. No new right of indemnification or indemnification obligations as defined in Section II of this Agreement shall be created for a party thirty days after notice of cancellation is received by that party.
- N. After the Current Insurer relies upon this Agreement to issue the Current Policy, the duration of the indemnity of the Prior Insurer shall continue in force so long as the Current Insurer has liability under the Current Policy or under its indemnities to subsequent insurers for a Defect.
- O. Nothing contained in this Agreement shall be construed to create any rights in non-parties to this Agreement (including, without limitation, the insured under the policies issued by the Prior Insurer or the Current Insurer) or to give rise to any claim by a non-party that he, she or it is a third-party beneficiary of this Agreement.
- P. It is recognized and agreed by the parties that participation in this Agreement is voluntary and within the sole discretion of each title insurance company licensed to do business in **North Carolina**; that the sole purpose of a title insurance company's participation in this Agreement is to facilitate real estate transactions where title defects may otherwise pose an impediment and to increase the value received by persons who hold title insurance policies for the protection of their investments in real property; and, that this Agreement may not be used, directly or indirectly, to impede competition between or among title insurance companies licensed to do business in **North Carolina**.

VII. Parties.

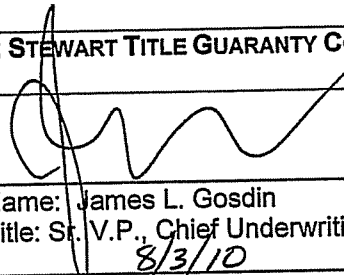
One month after the date of signature, each title insurer intends to be bound by this Agreement to the other parties to this Agreement.

SEE ATTACHED SIGNATURE PAGES

**North Carolina Inter-Underwriter
Indemnification Agreement**

COMPANY: FIRST AMERICAN TITLE INSURANCE COMPANY	SEND NOTICES TO:
By:  Name: John T. LaJole Title: Vice-President Date: September 8, 2010	First American Title Insurance Company c/o John T. LaJole 2750 Chancellorsville Drive Tallahassee, FL 32312
By: _____ Name: _____ Title: _____ Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	

- K. The Current Insurer shall reasonably cooperate to enable the Prior Insurer to perform its duties and limit its liability under this Agreement. However, nothing in this Agreement shall be construed to delegate any of the duties or the rights of the Current Insurer to the Prior Insurer. The Current Insurer shall be entitled to administer the claim submitted by the insured under the Current Policy.
 - L. This Agreement may be supplemented or superseded by any specific written indemnity agreements by and between any of the parties, and such specific agreements shall not be deemed to suspend, cancel or otherwise terminate any of the rights or obligations between those parties under this Agreement or under any separate agreement. However, the obligations of a party arising under this Agreement shall not be altered by any separate agreement to which it is not a party.
 - M. The indemnity applies to Prior Policies issued prior or subsequent to the date on which the Prior Insurer becomes a signatory to this Agreement. No new right of indemnification or indemnification obligations as defined in Section II of this Agreement shall be created for a party thirty days after notice of cancellation is received by that party.
 - N. After the Current Insurer relies upon this Agreement to issue the Current Policy, the duration of the indemnity of the Prior Insurer shall continue in force so long as the Current Insurer has liability under the Current Policy or under its indemnities to subsequent insurers for a Defect.
 - O. Nothing contained in this Agreement shall be construed to create any rights in non-parties to this Agreement (including, without limitation, the insured under the policies issued by the Prior Insurer or the Current Insurer) or to give rise to any claim by a non-party that he, she or it is a third-party beneficiary of this Agreement.
 - P. It is recognized and agreed by the parties that participation in this Agreement is voluntary and within the sole discretion of each title insurance company licensed to do business in **North Carolina**; that the sole purpose of a title insurance company's participation in this Agreement is to facilitate real estate transactions where title defects may otherwise pose an impediment and to increase the value received by persons who hold title insurance policies for the protection of their investments in real property; and, that this Agreement may not be used, directly or indirectly, to impede competition between or among title insurance companies licensed to do business in **North Carolina**.
- VII. Parties.** One month after the date of signature, each title insurer intends to be bound by this Agreement to the other parties to this Agreement.

COMPANY: STEWART TITLE GUARANTY COMPANY		SEND NOTICES TO: STEWART TITLE GUARANTY COMPANY	
By: 	Name: James L. Gosdin	General Counsel	
Date: 8/3/10	Title: Sr. V.P., Chief Underwriting Counsel	1980 Post Oak Blvd., Suite 710	
		Houston, Texas 77056	
		Phone: 800-729-1902 or 713-625-8225	
		Fax: 713-629-2248	
By: _____	Name: _____		
Date: _____	Title: _____		

- K. The Current Insurer shall reasonably cooperate to enable the Prior Insurer to perform its duties and limit its liability under this Agreement. However, nothing in this Agreement shall be construed to delegate any of the duties or the rights of the Current Insurer to the Prior Insurer. The Current Insurer shall be entitled to administer the claim submitted by the insured under the Current Policy.
- L. This Agreement may be supplemented or superseded by any specific written indemnity agreements by and between any of the parties, and such specific agreements shall not be deemed to suspend, cancel or otherwise terminate any of the rights or obligations between those parties under this Agreement or under any separate agreement. However, the obligations of a party arising under this Agreement shall not be altered by any separate agreement to which it is not a party.
- M. The indemnity applies to Prior Policies issued prior or subsequent to the date on which the Prior Insurer becomes a signatory to this Agreement. No new right of indemnification or indemnification obligations as defined in Section II of this Agreement shall be created for a party thirty days after notice of cancellation is received by that party.
- N. After the Current Insurer relies upon this Agreement to issue the Current Policy, the duration of the indemnity of the Prior Insurer shall continue in force so long as the Current Insurer has liability under the Current Policy or under its indemnities to subsequent insurers for a Defect.
- O. Nothing contained in this Agreement shall be construed to create any rights in non-parties to this Agreement (including, without limitation, the insured under the policies issued by the Prior Insurer or the Current Insurer) or to give rise to any claim by a non-party that he, she or it is a third-party beneficiary of this Agreement.
- P. It is recognized and agreed by the parties that participation in this Agreement is voluntary and within the sole discretion of each title insurance company licensed to do business in **North Carolina**; that the sole purpose of a title insurance company's participation in this Agreement is to facilitate real estate transactions where title defects may otherwise pose an impediment and to increase the value received by persons who hold title insurance policies for the protection of their investments in real property; and, that this Agreement may not be used, directly or indirectly, to impede competition between or among title insurance companies licensed to do business in **North Carolina**.

VII. Parties. One month after the date of signature, each title insurer intends to be bound by this Agreement to the other parties to this Agreement.

COMPANY:	SEND NOTICES TO:
Fidelity National Title Insurance Company By: <u><i>Kenneth W. Stone</i></u> Name: Kenneth W. Stone Title: V.P. & State Manager Date: <u>9/8/10</u>	Fidelity National Title Insurance Company Attn: Lisa McSweeney, State Claims Counsel PO Box 2209 Raleigh, NC 27602-2209 421 Fayetteville St., Ste 215, Raleigh, NC 27601 Tel: 919-861-6989; Fax:919-828-2885
Commonwealth Land Title Insurance Company By: <u><i>Kenneth W. Stone</i></u> Name: Kenneth W. Stone Title: V.P. & State Manager Date: <u>9/8/10</u>	Commonwealth Land Title Insurance Company Attn: Lisa McSweeney, State Claims Counsel PO Box 2209 Raleigh, NC 27602-2209 421 Fayetteville St., Ste 215, Raleigh, NC 27601 Tel: 919-861-6989; Fax:919-828-2885

COMPANY:	SEND NOTICES TO:
By: _____ Name: _____ Title: _____ Date: _____	
CHICAGO TITLE INSURANCE COMPANY By: <u>[Signature]</u> Name: Deborah Brittain Title: State Manager Date: <u>2/4/10</u>	Chicago Title Insurance Company c/o Legal Department 230 N. Eugene Street Greensboro, NC 27401 Telephone: (336) 665-1314 or (800) 445-9983 Facsimile: (336) 665-9652 or (888) 542-0192
By: _____ Name: _____ Title: _____ Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	

COMPANY:	SEND NOTICES TO:
<p>North American Title Insurance Company</p> <p>By: <u>Floyd Krause</u> Name: <u>FLOYD KRAUSE</u> Title: <u>EXECUTIVE V.P.</u> Date: <u>September 23, 2010</u></p>	<p>Robert Meyers 305-559-5656 rmeyers@nat.com</p>
<p>By: _____ Name: _____ Title: _____ Date: _____</p>	
<p>By: _____ Name: _____ Title: _____ Date: _____</p>	

COMPANY: INVESTORS TITLE INSURANCE COMPANY	SEND NOTICES TO:
By: <u>Elizabeth Wainio</u> Name: Elizabeth Wainio Title: VP, Managing Claims Counsel Date: <u>September 18, 2010</u>	<u>Newclaims@invtitle.com</u> or Attn: New Claims PO Drawer 2887 Chapel Hill, NC 27515
Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	
By: _____ Name: _____ Title: _____ Date: _____	

- K. The Current Insurer shall reasonably cooperate to enable the Prior Insurer to perform its duties and limit its liability under this Agreement. However, nothing in this Agreement shall be construed to delegate any of the duties or the rights of the Current Insurer to the Prior Insurer. The Current Insurer shall be entitled to administer the claim submitted by the Insured under the Current Policy.
- L. This Agreement may be supplemented or superseded by any specific written indemnity agreements by and between any of the parties, and such specific agreements shall not be deemed to suspend, cancel or otherwise terminate any of the rights or obligations between those parties under this Agreement or under any separate agreement. However, the obligations of a party arising under this Agreement shall not be altered by any separate agreement to which it is not a party.
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N. After the Current Insurer relies upon this Agreement to issue the Current Policy, the duration of the indemnity of the Prior Insurer shall continue in force so long as the Current Insurer has liability under the Current Policy or under its indemnities to subsequent insurers for a Defect.

O. Nothing contained in this Agreement shall be construed to create any rights in non-parties to this Agreement (including, without limitation, the insured under the policies issued by the Prior Insurer or the Current Insurer) or to give rise to any claim by a non-party that he, she or it is a third-party beneficiary of this Agreement.

P. It is recognized and agreed by the parties that participation in this Agreement is voluntary and within the sole discretion of each title insurance company licensed to do business in North Carolina; that the sole purpose of a title insurance company's participation in this Agreement is to facilitate real estate transactions where title defects may otherwise pose an impediment and to increase the value received by persons who hold title insurance policies for the protection of their investments in real property; and, that this Agreement may not be used, directly or indirectly, to impede competition between or among title insurance companies licensed to do business in North Carolina.

VII. Parties. One month after the date of signature, each title insurer intends to be bound by this Agreement to the other parties to this Agreement.

COMPANY:	SEND NOTICES TO:
By: <u>Robert L. Chipinski</u> Name: ROBERT L. CHIPINSKI Title: FIRST-VICE-PRESIDENT Date: <u>10-15-2010</u>	Claims Department Old Republic National Title Insurance Co. 400 Second Avenue South Minneapolis, Minnesota 55401
By: _____ Name: _____ Title: _____ Date: _____	