

MECHANICS' LIEN AND EXTENDED COVERAGE AFFIDAVIT AND INDEMNITY

State of Tennessee

County of \_\_\_\_\_

Commitment (Policy) No. \_\_\_\_\_

The undersigned, first being duly sworn, declare(s) upon oath that:

1. The undersigned is/are the owner(s)/seller(s) of certain real property known generally as:
2. Title to the property is good and marketable.
3. The only occupants of the property are the undersigned or the purchasers.
4. There are no unrecorded contracts, deeds, leases, mortgages, options or taxes and/or special assessments affecting the property.
5. There are no disputes with adjoining property owners or others over fence or boundary lines, driveways, walks, or encroachments or improvements, either onto or from the subject property, or unrecorded easements (as evidenced by known pipes or conduits underground, overhead wires, utility poles, and the like) affecting the property. After careful visual inspection of the property there are no joint drives, walks, or party walls.
6. If a decedent's estate is involved:
  - A. The undersigned is the duly appointed representative of the estate; and
  - B. The undersigned has made a reasonably diligent effort to ascertain all decedent's known creditors by: (1) review of decedent's bank statements, tax returns, and personal papers, invoices, receipts and statements found at decedent's home, office and/or safe deposit boxes; and (2) discussions with decedent's employer, spouse, children, parents, and/or next of kin; and
  - C. All debts, taxes, and/or claims of or against said estate have been satisfied in full (or will be satisfied out of the proceeds of this sale, together with other estate assets).
7. The facts set forth in the paragraph(s) checked below apply to the subject property:
  - A. \_\_\_\_\_ All improvements located on the subject property have been completed for more than twelve (12) months.
  - B. \_\_\_\_\_ Improvements located on subject property have been completed within the last twelve (12) months. A Notice of Completion (filed **after** completion) (HAS \_\_\_\_\_) (HAS NOT \_\_\_\_\_) been of record for more than ten (10) days (or thirty (30) days if commercial property) and, if so, an affidavit from the claims recipient named therein is attached.
  - C. \_\_\_\_\_ The subject property is now unimproved, and there has not been any visible commencement of operations nor have there been any improvements (as defined by Tenn. Code Ann. §§ 66-11-101, *et seq.*, as amended) commenced or undertaken on or about the subject property, and further that no commencement of construction or other operations shall be undertaken until such time as the instrument to be insured by the Company has been placed of record in the appropriate Register's Office (*i.e.*, no commencement of operations shall be undertaken until the recording of the proposed instrument, regardless of the closing date).
8. All mechanics and materialmen who have worked on the improvements or furnished materials therefor, if any, have been paid in full, and there are no persons or entities whatsoever who are in a position to obtain a mechanic's or materialman's lien which would result in a judgment being rendered with priority over the interest being insured by the Policy.
9. THE EXCEPTIONS, IF ANY, TO THE FOREGOING MATTERS ARE AS FOLLOWS:

THIS AFFIDAVIT IS MADE FOR THE PURPOSE OF INDUCING [insert name of title insurer] to issue a policy or policies insuring the title to the property without one or more of the standard ALTA title exceptions 1 through 4, and without exception for unfiled mechanics' and materialmen's liens; and as an inducement to such issuance by [insert name of title insurer], the undersigned agree(s) to INDEMNIFY AND HOLD HARMLESS [insert name of title insurer], its agents/assigns (including the closing attorneys) from any and all loss, costs or damage, including attorneys' fees, which it may incur or for which it may become liable under its policy or policies, either directly or indirectly, as a result of any claims or losses from the above, including any such costs incurred in defense of such claims.

The execution of this affidavit does not obligate the Company to delete any of the referenced exceptions. The Company reserves the right to rely on any information available in making a final determination regarding the deletion of such exceptions.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

Sworn to and subscribed before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_