

First American Title Insurance Company

OWNER'S/CONTRACTOR'S AFFIDAVIT FOR CONSTRUCTION LOANS AND SUBORDINATION AGREEMENT FOR GENERAL CONTRACTOR

To: _____ ("Title Company")

STATE OF NORTH CAROLINA

COUNTY OF _____

Before me personally appeared the Owner of the Property and the General Contractor, to me personally known, who being duly sworn on their oath did say as follows:

That, _____ ("Owner") owns that certain real property ("Property") briefly described as follows:

That, the Owner has obtained a loan for certain improvements to the Property from _____ ("Lender") which is or will be evidenced by a promissory note in the principal amount of \$ _____ and bearing interest at the rate of _____% per annum, secured by a deed of trust encumbering the Property ("Deed of Trust") which will be recorded or is recorded in Book _____, Page _____, in the Office of the Register of Deeds of _____ County, NORTH CAROLINA;

That _____ ("General Contractor") is the general contractor for the improvements to the Property, and the Owner has not dealt with any other contractor, subcontractor or supplier regarding improvement to the Property except:

That, the parties hereto desire that any lien, claim of lien or other interest whatsoever which the General Contractor or anyone claiming through it might have in the Property be subordinate to the Deed of Trust;

That, as of the date and time of filing of the Deed of Trust:

(a) no materials or equipment were situated on the Property and there was nothing whatsoever thereon to evidence the visible commencement of construction or to visibly evidence the intent to commence construction; or,

(b) prior to the recordation of the Deed of Trust certain labor and materials for the Property had been furnished by the General Contractor and certain persons, firms or corporations listed on the Subordination Agreement on the reverse side hereof. The General Contractor agrees that the Deed of Trust shall constitute a first and paramount lien for all amounts which have been or may be advanced thereunder, and all of the claims and rights of the General Contractor are hereby subordinated to the lien of the Deed of Trust, and the General Contractor does hereby warrant that all subcontractors who furnished materials or labor to the Property prior to the recordation of the Deed of Trust have executed the Subordination Agreement on the reverse side hereof.

That, the Owner, jointly and severally, agrees to indemnify and hold the Lender and the Title Company harmless of and from any and all loss, costs, damage and expense of every kind, including attorney's fees, which the Lender or the Title Company shall or may incur or become liable for under its policy or policies, directly or indirectly, out of the improvement to the Property, or on account of any mechanics', or materialmen's liens or claims of lien, or in connection with the enforcement of this agreement.

GENERAL CONTRACTOR

BY: _____ (SEAL)

Name: _____ (SEAL)

(Type or Print)

Title: _____

OWNER

_____ (SEAL)

_____ (SEAL)

SWORN TO AND SUBSCRIBED before me this _____ day of _____, 20____.

Notary Public

My Commission Expires: _____

(Notary Seal)

SUBORDINATION AGREEMENT FOR SUBCONTRACTORS

The undersigned subcontractor(s), have contracted with the General Contractor named on the reverse side hereof and have furnished labor and/or materials to the Property prior to the recording of the Deed of Trust described on the reverse side hereof.

The subcontractors herein do understand the Title Company has been requested to issue a title policy insuring the interest of the Lender pursuant to the Deed of Trust without exception to unfiled mechanics' and materialmen's liens and the parties hereto acknowledge that the Lender and the Title Company will be and are relying upon the statements made herein in paying out the proceeds of the loan to be secured by the Deed of Trust and issuing the title insurance policy.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$ 1. 00) and other valuable consideration, receipt of which is hereby acknowledged, each undersigned subcontractor does hereby subordinate in favor of the Lender and the Title Company all right that it may now or hereafter have to a lien upon the Property by virtue of the laws of North Carolina; and each undersigned does further warrant that it has not and will not assign its claims for payment, nor its right to perfect any lien against the Property, and that it has the right to execute this subordination thereof. The undersigned further agrees that the Deed of Trust shall constitute a superior and paramount lien for all amounts which have been or may be advanced thereunder.

Witness the following signatures and seals this _____ day of _____, 20_____

Labor or Material Furnished & By Whom _____(Seal)

Labor or Material Furnished & By Whom _____(Seal)

Labor or Material Furnished & By Whom _____(Seal)

Labor or Material Furnished & By Whom _____(Seal)

Labor or Material Furnished & By Whom _____(Seal)