

LLC Requirements:

Each LLC which is a party to the transaction, whether as buyer, seller, mortgagor, mortgagee, tenant, or otherwise:

____ (1) is a valid and subsisting LLC under the laws of its domicile state, and

[Obtain either a Certificate of Existence--S.C. LLC or similar certificate from State of Organization]

____ (2) has registered with appropriate governmental agencies and is duly qualified to do business in South Carolina

[Obtain either a Certificate of Authorization--Foreign Corporation, or proof satisfactory to the Company that the activities of the corporation do not amount to doing business under S.C. Code Section 33-44-1003]

____ (3) has a written operating agreement signed by all the members.

Signatures of the LLC Members/Managers affixed to documents pertaining to the Land:

____ (1) accurately reflect each member or manager, and

____ (2) are consistent with the name and rank stated in the notarial act.

As to each LLC's signature on documents pertaining to the Land:

____ (1) each LLC's full, correct name is stated in all relevant documents, and

____ (2) the seal (or the word "Seal") appears next to the LLC's signature block.

With regard to witnesses to the acts of corporate officers:

____ (1) each member/manager's signature has been properly witnessed by two competent witnesses, and

____ (2) the signatures and printed names of both witnesses are affixed to each title document.

With regard to "self dealing" or inappropriate diversion of corporate assets:

____ (1) the transaction does not involve self dealing on the part of any member or manager of a LLC, and

_____ (2) the sale or loan proceeds were disbursed to, or will be disbursed for the benefit of, the LLC.

The transaction involves either [check either (1) or (2)]:

_____ (1) A business transaction which does NOT involve selling or mortgaging all or substantially all of the assets of a LLC, and

_____ (a) with respect to any document which was not signed by all of the members/managers of a LLC, the Company has been furnished an operating agreement signed by all the members or written authorization signed by each LLC member /manager who has not personally signed relevant documents, authorizing the specific transaction to which the Company's title insurance pertains, which authority specifies, among other details:

- (i) The sale price or amount of the mortgage loan, and
- (ii) The names, or titles, of those LLC members/managers who are authorized to conduct said transaction, and
- (iii) All other material terms of the transaction, and

_____ (b) the transaction has been conducted and closed in accordance with the applicable LLC operating agreement, and the members/managers of the LLC who signed, sealed and delivered relevant documents were authorized to do so.
OR

_____ (2) A business transaction which DOES involve selling or mortgaging all or substantially all of the assets of a LLC, and

_____ (a) with respect to any document which was not signed by all (100%) of the members of an LLC, the Company has been furnished with written authorization signed by each LLC member who has not personally signed relevant documents, authorizing the specific transaction to which the Company's title insurance pertains, which authority specifies, among other details ,the information described in para. G(1)(a), above, and

_____ (b) rights of dissenting LLC members have been fully protected by compliance with applicable law (as set forth in Code Sec. 33-44-404 et seq, (or in similar provisions of the law of another state to the extent they may be applicable), and

_____ (c) the transaction has been conducted and closed in accordance with the applicable LLC operating agreement and the written authorization of all (100%) LLC members, and the members of the LLC who signed, sealed and delivered relevant documents were authorized to do so.

Applicable Company procedures have been completed [concerning the following matters]:

____ (1) SC Code Sec. 12-54-124 et seq, pertaining to sale of business assets (transfer of majority of assets), and

____ (2) SC Code Sec. 12-8-580 et seq, pertaining to sale by nonresidents (non-resident withholding), and

____ (3) identification of persons named in lists promulgated under the USA Patriot Act, and

____ (4) authentication of documents (including title documents and others) which are signed or notarized outside the United States.

During the twelve (12) months immediately prior to the date of closing:

____ (1) neither a LLC's name, nor the membership of a LLC, has changed, and

____ (2) title to the Land has not been conveyed, by deed or otherwise, to anyone other than an unrelated purchaser for value, and

____ (3) title to the Land has not been conveyed without simultaneous mortgage financing by an institutional lender.

The current transaction does not involve (or occur concurrently with):

____ (1) merger, conversion, or reorganization of a LLC, or

____ (2) contribution of a LLC's Land to another business entity, or

____ (3) creation of a lien on a LLC's land as cross collateral for someone else's debts, or

____ (4) a conveyance of a LLC's land in lieu of foreclosure of a mortgage securing debt owed by either the grantor LLC or by someone else. [If items 1-4 of Paragraph J apply to your transaction you must contact us to discuss.]

____ Requirements of the Foreign Investment in Real Property Tax Act (FIRPTA) have been complied with if applicable