

SHANKS & BLACKSTOCK
ATTORNEYS AT LAW
POST OFFICE BOX 1346
KNOXVILLE, TN 37901
(865) 637-2981
FAX (865) 637-2017

March 26, 2008

Kenneth Clark Hood
100 S. Main Street
Greeneville, Tennessee 37743

BORROWER: C. PERRY CONSTRUCTION COMPANY, LLC

We have examined the properly indexed records in the Register's Office for the county in which the subject property lies according to standards generally accepted in this legal community and based upon such examination it is our opinion that merchantable title to the property described below is vested in C. Perry Construction, LLC, subject to the following:

- 1) Title certified to: March 20, 2008
- 2) Length of Search: 30 years.
- 3) Record Title is vested in:

C. PERRY CONSTRUCTION, LLC

- 4) Most recent deed:

Warranty Deed from Cascade Falls, LLC (formerly Free Gas I, LLC) to C. Perry Construction, LLC, dated January 3, 2006, of record in Instrument No. 200601050057642.

- 5) Buyer:

N/A

6) Brief Description of Property (not for use in preparing documents):

Lot 23, Cascade Falls Subdivision, Unit 3, as shown by map of record in Instrument No. 200506140101026, situated in District Six (6) of Knox County, Tennessee.

7) **TRUST DEEDS:**

Trust Deed from C. Perry Construction, LLC, to Kenneth Clark Hood, Trustee, dated January 3, 2006, of record in Instrument No. 200601050057643, as modified in Instrument No. 200704230086595, securing American Fidelity Bank in the original amount of \$283,200.00. **NOT RELEASED.**

8) **OTHER LIENS:**

[Lien filed against C. Perry Construction Co., LLC by Robert Carl Barnes, of record in Instrument No. 200702150066129, in the original amount of \$4,821.33. **NOT RELEASED.**

[Claim of Lien filed against C. Perry Construction, LLC, by Marvin P. Mathiak, Agent of Cascade Falls Subdivision Homeowners Association, of record in Instrument No. 200803050066014, in the original amount of \$480.00. **NOT RELEASED.**

9) **OBJECTIONS AND DEFECTS AFFECTING TITLE:**

Trust Deed from Cascade Falls, LLC, to Steven R. Seivers, Trustee, dated December 13, 2004, of record in Instrument No. 200412160049130, as corrected in Instrument No. 200507140004222, securing TNBank in the original amount of \$1,502,674.59 (Includes other property).

We find a Release of record in Instrument No. 200609270027630, which shows Lot 23, however, the exhibits are not attached showing subdivision, unit, etc.

10) **RESTRICTIVE COVENANTS AND CONDITIONS:**

[Subject to the Restrictions of record in Instrument No. 200407270008315 and Instrument No. 200407300009299, as amended in Instrument No. 200503030069119, and as annexed for Unit 3 in Instrument No. 200506210103123.

11) **MATTERS SHOWN ON THE RECORDED MAP:**

[a) Recorded map shows a 20-foot minimum building set-back line on front; 5 feet on sides; 15 feet on rear.

[b) Recorded map shows a 5-foot utility and drainage easement inside all lot lines; 10 feet inside exterior lot lines.

c) Recorded map shows a 7.5-foot easement on each side of water and sewer lines as installed.

12) **MATTERS SHOWN ON THE SURVEY:**

N/A

13) **OTHER:**

a) This property may be subject to fees, dues and assessments of a Homeowners' Association. The actual existence of an association and the imposition of fees, dues and assessments are not typically of record in the Register of Deeds Office and you should ascertain from your seller/borrower whether a Homeowners' Association has actually been formed and whether there are any unpaid fees, dues and assessments. We can make no certification as to this item.

b) If a corporation is involved in the purchase or sale of the subject property, you should ascertain to your satisfaction that it is, in fact, a viable existing corporation and that any conveyance is being made pursuant to the appropriate corporate resolution authorizing such conveyance or purchase. We recommend that you obtain a Certificate of Existence from the Secretary of State for the Corporation.

14) **TAX INFORMATION:**

CONTROL NO. 0910E-008

County Taxes: Assessment \$98,500.00; Paid through 2005; 2006, 2007, and 2008 County Taxes are NOT PAID; It will take \$425.26 to pay the 2006 County Taxes during the month of March; It will take \$2,689.75 to pay the 2007 County Taxes during the month of March; 2008 County Taxes are NOT PAID, but are not yet due and payable. *3115.01*

This title opinion is rendered for the benefit of the address only and is not to be relied on by any other person, firm, individual or corporation, and is subject to the limitations attached hereto.

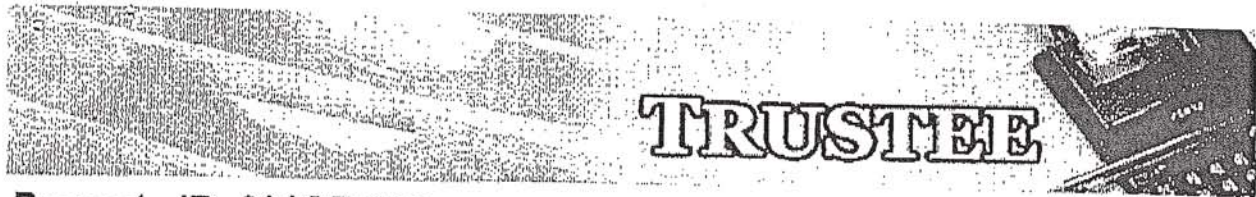
Yours very truly,

SHANKS & BLACKSTOCK

Gregory D. Shanks

GDS/sjj/1061/PerryTR

Enc.



Property ID: 0910E-008

Owner(s) C Perry Construction Llc
Mailing Address PO BOX 32518
 KNOXVILLE, TN 37930
Property Address 2004 CAWOOD FALLS LN
Property Class RESIDENTIAL
Subdivision CASCADE FALLS UNIT 3
Dimensions 92.71 X 146.68 X IRR
Block
Lot 23
Ward / District 6W

Tax Appraised Value	Tax Assessed Value	Tax Rate	Tax Levy	Total Due
\$ 394,000.00	\$ 98,500.00	2.6900	\$ 3.00	\$ 3,115.01

Tax Year	Status	Date Paid	Payment	Balance Due
2007	UNPAID		0.00	2,689.75
2006	UNPAID		0.00	425.26

Knox County Trustee | Main Office: City County Building | P.O. Box 70 | Knoxville, TN 37901 | P: 865.215.2305

STEVE HALL
REGISTER OF DEEDS
KNOX COUNTY

THIS INSTRUMENT PREPARED FOR RECORDING BY:
SHANKS & BLACKSTOCK, ATTORNEYS
POST OFFICE BOX 1346
KNOXVILLE, TENNESSEE 37901

The preparer of this Deed makes no representation as to the status of the title of the property described herein, or as to the accuracy of description. GDS/sjj/694/Perry.WD

WARRANTY DEED

THIS INDENTURE, made this 3rd day of January, 2006 between, CASCADE FALLS, LLC (formerly known as Free Gas I, LLC), a Tennessee Limited Liability Company, First Party, and C. PERRY CONSTRUCTION, LLC, Second Party.

WITNESSETH:

That said First Party, for and in consideration of the sum of ONE AND NO/100 DOLLARS (\$1.00) to it in hand paid by Second Parties, the receipt of which is hereby acknowledged, has granted, bargained, sold and conveyed, and does hereby grant, bargain, sell and convey unto the said Second Parties, the following described premises:

SITUATED in District Six (6) of Knox County, Tennessee, and without the corporate limits of the City of Knoxville, Tennessee, and being known and designated as all of Lot 23, Cascade Falls, Unit III, as shown by map of same of record in Instrument No. 200506140101026, in the Register's Office for Knox County, Tennessee, to which map specific reference is hereby made for a more particular description.

COUNTERSIGNED

JAN 05 2006

JOHN R. WHITEHEAD
KNOX COUNTY
PROPERTY ASSESSOR

BY: *[Signature]*

THE NAME AND ADDRESS OF A PROPERTY OWNER:

C. Perry Construction LLC
ADDRESS: PO Box 32518
Knoxville In 37930

PERSON OR ENTITY RESPONSIBLE FOR PAYMENT OF TAXES: Same

ADDRESS: _____

PARCEL ID NO. 0910E-008


Instr: 200601052057842 Page: 1 OF 3
REC'D FOR REC 01/05/2006 9:52:32AM
RECORD FEE: \$18.00
M. TAX: \$0.00 T. TAX: \$177.63

No boundary survey having been made at the time of this conveyance and the legal description being different than the previous deed of record, the source of the new description is the recorded map of record in Instrument No. 200506140101026, in the Register's Office for Knox County, Tennessee.

BEING a part of the same property conveyed to Cascade Falls, LLC, formerly known as Free Gas I, LLC, by Free Gas I, LLC, by Quit Claim Deed dated July 30, 2004, of record in Instrument No. 200407300009298; and being a part of the same property conveyed to Cascade Falls, LLC, by Brett A. Melancon and wife, Martha E. McIncon aka Beth M. Melancon aka Martha Elizabeth Melancon by Warranty Deed dated December 13, 2004, of record in Instrument No. 200412160049128, in the Register's Office for Knox County, Tennessee.

THIS conveyance is made subject to applicable restrictions, building set-back line, existing easements, and to all conditions as shown on the recorded map.

with the hereditaments and appurtenances thereto appertaining, TO HAVE AND TO HOLD the said premises to the said Second Party, its heirs and assigns forever.

And said First Party, for itself and or its successors, and assigns does hereby covenant with said Second Party, its heirs, and assigns, that it is lawfully seized in fee simple of the premises above conveyed and has full power, authority and right to convey the same, and that said premises are free from all encumbrances except taxes for the year 2005, which are to be prorated between the parties as of the day of closing, the payment of which is assumed by the Second Party; and that it will forever warrant and defend the said premises and the title thereto against the lawful claims of all persons whomsoever.

Whenever in this instrument a pronoun is used it shall be construed to represent either singular or plural, as the case may demand.

IN WITNESS WHEREOF, the said party of the First Part has caused this instrument to be executed and its name to be signed hereto by its duly authorized officer or officers, this the day and year first above written.

CASCADE FALLS, LLC

BY: Tony Patton
ITS: Chief Managing Member



STATE OF Tennessee
COUNTY OF Knox

Before me, the undersigned authority, a Notary Public in and for said County and State aforesaid, personally appeared Jerry Patton, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself to be the Chief Manager of CASCADE FALLS LLC, the within named bargainer, a Tennessee Limited Liability Company, and that he as such Chief Manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as Chief Manager.

Witness my hand and seal at office, this 3rd day of January, 2008.

Bridgette C. Wiles
NOTARY PUBLIC
for the State of Tennessee



My Commission Expires:
3/14/09

I hereby swear or affirm that the actual consideration or true value of this transfer, whichever is greater, is \$ 48000.00
Affiant: _____

Subscribed and sworn to before me, this 3rd day of January, 2008.

NOTARY PUBLIC: Bridgette C. Wiles
My Commission Expires: 3/14/09



SHERRY WITT
REGISTER OF DEEDS
KNOX COUNTY

Prepared by, recording requested by and return to:

Robert Carl Barnes
602 Keller Dr.
Maryville, TN 37803
865-977-8038 or 865-234-4124

-----Above this Line for Official Use Only-----

Name:
Company:
Address:
City:
State: Zip:
Phone:
Fax:

Sworn Statement of Lien - Individual
(Tenn. Code Ann. § 66-11-103)

STATE OF TENNESSEE
COUNTY OF Knox

COMES NOW, Robert Carl Barnes, as a party who has provided labor and/or materials for the improvement of the property located at and described as 2004 Caswood Falls Ln. (Lot 23) Cascade Falls SD Knoxville, TN 37971 and would provide notice of the following: C. Perry Construction Co. LLC
Inst: 200601050057642

1. The undersigned began furnishing labor and/or materials on the 4 day of April 2008.

2. The amount due and owed, or the amount that will become due and owed, to the undersigned for said work, labor, and/or materials is \$ 4821.33


Instr: 200702150066129 Page: 1 of 2
REC'D FOR REC 02/16/2007 12:49:11PM
RECORD FEE: \$12.00
H. TAX: \$0.00 T. TAX: \$0.00

<http://d03.webmail.aol.com/23546/aol/en-us/mail/display-message.aspx>

2/8/2007

Fwd: 02-09

Page 2 of 2

3. Pursuant to Tenn. Code Ann. § 66-11-117, with the filing of this sworn statement, a mechanic's lien for the above amount against the above-described property shall have precedence over all other subsequent liens or conveyances.

This the 15 day of Feb, 2007

[Signature]
Signature

Subscribed and sworn to before me on this the 15th day of February, 2007, by said affiant.

[Signature]
Notary Public

My Commission Expires: 10/12/10



Acknowledgment of Individual

STATE OF TENNESSEE
COUNTY OF _____

On this _____ day of _____, 20____, before me personally appeared _____, to me known to be the person (or persons) described in and who executed the foregoing instrument, and acknowledged that such person (or persons) executed the same as such person (or person's) free act and deed.

Notary Public

Printed Name: _____

Commission Expires: _____



<http://d03.webmail.aol.com/23546/aol/en-us/mail/display-message.aspx>

2/8/2007

This instrument was prepared by: Marvin P. Mathiak, 8129 Laurel Falls Ln, Knoxville, TN 37931
 Recording requested by: Cascade Falls Subdivision Homeowners Association
 When recorded, mail to:
 Marvin P. Mathiak
 8129 Laurel Falls Ln
 Knoxville, TN 37931-4045

SHERRY WITT
 REGISTER OF DEEDS
 KNOX COUNTY

CLAIM OF LIEN

State of Tennessee
 County of Knox

I, Marvin P. Mathiak, agent of Cascade Falls Subdivision Homeowners Association, hereinafter referred to as "Association", being duly sworn, state the following:

In accordance with the DECLARATION OF COVENANTS AND RESTRICTIONS, CASCADE FALLS SUBDIVISION, ARTICLE V, COVENANTS FOR MAINTENANCE ASSESSMENTS, the annual assessment for the year 2007, determined in according with these Declarations, on the following described real property located in Knox County, State of Tennessee, and commonly known as 2004 Cawood Falls Lane and legally described as:

SITUATED in the Sixth (6th) Civil District of Knox County, Tennessee, without the corporate limits of the City of Knoxville, Tennessee and being known and designated as all of Lot 23, of Cascade Falls Subdivision, Unit III, as shown by map of same of record in instrument Number 200506140101026, in the Register's Office Knox County, Tennessee, to which map specific reference is hereby made for a more particular description thereof.

which property is owned by C. Perry Construction, LLC, whose address is P.O. Box 32518, Knoxville, TN 37930, of a total value of \$480.00, of which there remains unpaid \$480.00.

Association hereby, under the laws of the State of Tennessee, claims a lien against the above described property in the amount of money stated above, all of which remains unpaid to Association.


Marvin P. Mathiak

Signature of agent

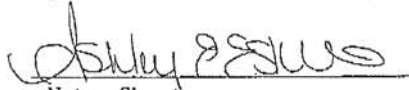
Marvin P. Mathiak

Name of agent

Address:
 8129 Laurel Falls Ln
 Knoxville, TN 37931-4045


 Knox County Page: 1 of 2
 REC'D FOR REC 03/05/2008 10:41:55AM
 RECORD FEE: \$12.00
 M. TAX: \$0.00 T. TAX: \$0.00
 200803050066014

On March 4, 2008, Marvin P. Mathiak came before me personally and, under oath, stated that he is the person described in the above document and that he signed the above document in my presence.


Notary Signature

Notary Public,
In and for the County of Knox, State of Tennessee

My commission expires: 9/8/2009




Page: 2 of 2
200803050066014

Prepared by:
TNBANK
401 S. Illinois Ave.
Oak Ridge, TN 37830

205807

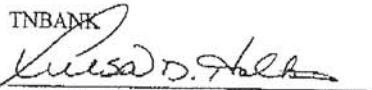
PARTIAL RELEASE

STEVE HALL
REGISTER OF DEEDS
KNOX COUNTY

I declare that TNBANK of Oak Ridge, the true and lawful owner and holder of the Claim secured by a Trust Deed executed by **Cascade Falls, LLC** to **Steven R. Seivers of Knox County, Tennessee**, as Trustee for TNBANK, dated the 13th day of December, 2004, and recorded in Instrument No. 200412160049130 and corrected in Instrument No. 200507140004222 of the Register's Records Office of **Knox** County, Tennessee, to which instrument reference is hereby made, and for a valuable consideration in hand paid do hereby acknowledge **partial satisfaction only** and do hereby release the lien, all modifications and extensions in said instrument in **part only** as to the following property:

DESIGNATED as all of lots 1, 8, 23, 26, 28, 29, 41, 46, and 80.

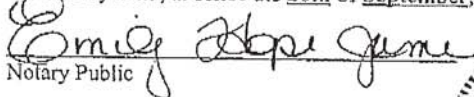
SITUATED in the Sixth Civil District of Knox County, Tennessee, and being described as shown in attached EXHIBIT "A & B".

TNBANK

Teresa D. Holbert,
Loan Operations Manager

STATE OF TENNESSEE
COUNTY OF ANDERSON

Personally appeared before me, Teresa D. Holbert, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who acknowledged that she/he executed the within instrument for the purpose therein contained and who further acknowledged that she/he is the Loan Operations Manager of the maker or a constituent of the maker and is authorized by the maker or by its constituent, the constituent being authorized by the maker, to execute this instrument on behalf of the maker.

Witness by hand, at office the 20th of September, 2006.


Notary Public

My Commission Expires: 11/21/2006




Instr: 200808270027530 Page: 1 OF 1
REC'D FOR REC 08/27/2006 3:28:17PM
RECORD FEE: \$17.00
M. TRX: \$0.00 T. TRX: \$0.00