



**NORWOOD, ARMSTRONG  
& STOKES, PLLC.**  
ATTORNEYS AT LAW

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## Buyer Engagement Letter

Greetings:

Thank you for choosing Norwood, Armstrong & Stokes, PLLC. to assist with the purchase of your property. We look forward to working with you throughout this transaction. The purpose of this engagement letter is to disclose to you our scope of representation and other matters that may pertain to this transaction.

**PLEASE GIVE THE FOLLOWING MATTERS YOUR PROMPT AND CAREFUL ATTENTION:**

**CLOSING:** Please contact us as soon as possible to schedule a time and date that works best for you.

**FUNDS AT CLOSING:**

Pursuant to State Bar Regulations, all amounts due from you at closing must be in the form of either wired funds or a certified/official check.

- Closing Funds **LESS THAN \$5,000.00** - a **CERTIFIED CHECK** - payable to **Norwood, Armstrong & Stokes, PLLC.** - is acceptable.
- Closing Funds **MORE THAN \$5,000.00** must be in the form of a **WIRE TRANSFER**. Wiring Instructions are attached.
- Please bring a **Personal Check** to closing to cover any last minute adjustments.

**FRAUD ALERT:**

**SHOULD YOU RECEIVE AN EMAIL INDICATING A CHANGE IN WIRE INSTRUCTIONS DIFFERENT FROM THE ONES ATTACHED, THEY ARE FRAUDULENT AND SHOULD NOT BE USED. WE WILL NOT CHANGE OUR WIRE INSTRUCTIONS.**

**WHO WE REPRESENT:**

We represent you in the closing process to the extent of ensuring that you acquire good and marketable title to the property. This representation shall also include to you only on legal questions concerning: the sales contract, title to your property, title insurance, document preparation, closing coordination, and loan document review. We represent the lender to the extent of assuring full compliance with its loan closing instructions. In the event of a dispute between you and the lender, we will not attempt to represent either party. We do not represent you with respect to the terms of your loan agreement with your lender (i.e., your loan amount, interest rate, conditions for later conversion or refinancing, necessity or amount of mortgage insurance, etc.).

Because of the numerous difficulties which can arise during the loan processing, we request that you remain in close

contact with your lender and with our office. Last minute delays in closing can usually be avoided if you determine in advance what conditions you must meet.

#### WHAT SERVICES WE PERFORM:

We are responsible for conducting the title examination of the property, ensuring that the deed of conveyance and the loan documents have been properly prepared and executed, that the closing funds are properly received and disbursed, a HUD-1 settled statement/Closing Disclosure to be prepared by us and reviewed by you at closing, that the survey (if one is required or requested by you) is reviewed by us prior to closing, and that the deed and deed of trust (mortgage) are duly recorded and that the owners' and lender's policies of title insurance are issued and delivered in proper form. We will furnish payoffs of the outstanding liens, along with cancellation of lien instructions to the proper creditors; however, in the event the creditor does not comply with our cancellation instructions we will not pursue the creditor without being further retained by the borrower, buyer or seller.

#### DUAL REPRESENTATION OF SELLERS AND BUYERS:

We will frequently be requested by the sellers or their Realtor to prepare the deed of conveyance and lien affidavit for the seller. North Carolina law allows us to do this work if the buyers do not object. Of course, if a dispute later arises between you and the sellers, we would not undertake to represent either side. Please let us know immediately if you object to this dual representation.

#### TITLE EXAMINATION:

Normally we conduct a full title examination of the property in compliance with the North Carolina Marketable Title Act. This means that we will search the title for a period of no less than thirty years prior to closing. However, if we find an existing policy of title insurance on the property, we will, unless you object, "tack" to that policy. This means that our title examination would begin with the date and time of issuance of that policy and that we will not certify the status of the title to the property prior to that date. While defects in the title occurring prior to the search period would not be reported by us if we "tack", they should be covered by the existing title policy, so you should receive the same title insurance coverage as if we had conducted a full title examination in our discretion. Title examination does not include any investigation into zoning or building code compliance for the property; these are issues for your property inspectors to investigate.

We make no representation as to the structural integrity of any improvements on the Property (if any), nor do we provide any opinion as to the environmental condition of the Property. In addition, the survey should reveal whether or not the Property lies within a flood plain. As we are neither a surveyor nor engineer, we make no representations as to whether or not the property lies within a flood plain. Our ability to provide you with flood plain information is limited by what is disclosed to us by the surveyor's report and by what, if anything, we may find on the public record.

**PLEASE ALSO BE AWARE THAT MATTERS OF ZONING AND ENVIRONMENTAL HAZARDS ARE NOT INCLUDED IN A STANDARD TITLE SEARCH; HENCE, IF YOU REQUIRE ADDITIONAL INFORMATION FROM US CONCERNING THESE ISSUES; PLEASE ADVISE AT LEAST TWO WEEKS PRIOR TO CLOSING.**

#### SURVEY:

Your lender will most likely not require a current survey. If you decide to order a survey please do so early enough that it may be completed and reviewed prior to the closing date. It is important that you understand the consequences of not ordering a survey. Lenders will sometimes allow you not to procure a survey because the lender's policy of title insurance will offer them coverage from loss or damage resulting from a condition which would have been reflected on an accurate survey. Your title policy will not offer this coverage. This means that any problem which would have been revealed on a survey will become your responsibility and liability.

#### HOMEOWNERS INSURANCE:

You should ensure that the improvements on the property will be insured against fire and other casualties with a reputable company and that the insurance will be in place as of date and time of closing. This will be required by a lender if you are obtaining a loan. You will need to contact your chosen insurance agent and set up coverage well before closing so that the policy is ready in time for closing.

#### TRANSFER OF KEYS:

While it is customary that the keys to the property are transferred at closing, the Standard Offer to Purchase indicates that the keys shall be transferred at the time the deed is recorded. The deed cannot be recorded until we have received all of the funds from you and your lender. Generally, we will have all the funds at closing; however, most lenders require the issuance of a funding number prior to allowing us to disburse any of the lender's funds.

#### RESTRICTIVE COVENANTS:

It is not our practice to print Covenants or restrictions for our buyer clients. If you desire that we produce a copy of any Declaration, Covenant or set of Restrictions, please make your request prior to closing. If you plan on making any improvements to the property, even as slight as the erection of a fence, please let us know well in advance of closing so that we may locate the Declaration, Covenants or Restriction. We do not take any steps to insure that the property, including the structures located thereon, has complied with zoning regulations.

#### OUR FEES:

Our standard fee includes the following services: Settlement charge, title examination fee, title search fee and update and record fee. However, if we are required to perform additional services beyond those described herein, additional fees may be incurred. Without limiting the definition of "additional services," examples would include preparation of a power of attorney, subordination agreement or deed of release, or a simultaneous second mortgage. Understand that we may charge a fee if there is a delay or postponement of the closing through no fault of our own after the closing documents have already been prepared.

Out-of-pocket expenses, such as the survey fee, home inspection fee, the termite report fee, the title insurance premium, the hazard insurance premium and the recording fees are not included in our legal fee.

**PHOTO ID REQUIRED AT CLOSING:** You must have an **unexpired and legible** Driver's License or Government Issued Photo ID at closing. The name on the Driver's License must match how you will hold title. **EXAMPLE** - If your name is shown on your Driver's License as John Paul Smith, you may hold title as John Smith, John P. Smith, or John Paul Smith; however, if your Driver's License show your name as John Smith, we are NOT able to Notarize documents that may show your name as John P. Smith or John Paul Smith. To summarize, there can be more names on your Driver's License than will be used on the Deed, but there cannot be less names on the Driver's License than how your name appears on the Deed. Each name (or initial) that will appear in your name on the Deed must be able to be confirmed by your Driver's License or ID presented at closing. This includes suffixes as well. If you want to hold title as Jr., Sr., II, Etc., that portion must be included in your name on your Driver's License. Confirming with your lender how your name will be shown on the closing documents and comparing that to your Driver's License prior to closing can prevent a delay in closing.

#### UNCLAIMED FUNDS:

Where funds are left unclaimed, abandoned, or otherwise allowed to remain unused and in the possession of the law firm, then prior to escheating to the state, N.C.G.S. § 116B-57(a) allows the firm to assess to you a "dormancy" fee. If after a one year, during which we will make diligent efforts to locate you, funds remain on deposit with the firm then we will charge a annual dormancy fee of \$200.00.

In addition, if a *di minimis* amount of funds are left in the possession of the law firm, then the client hereby consents to the law firm that the firm may be allowed to forego escheating to the state, thereby waiving the law firm's obligation, and allowing the firm to utilize the funds as their own. Client formerly waives client's rights under Rule 1.15-2(h) of the Revised Rules of Professional Conduct to make attempts to return or collect *di minimis* funds. A "*di minimis*" amount is typically defined as less than Ten (\$10) dollars.

We will be in touch with you to confirm your closing date and time. No time of yet has been set. In the event either of you are unable to attend the closing, please let us know immediately. It is possible to close by Power of Attorney if necessary, but your lender must approve that procedure in advance of closing, and necessary document preparation must be completed prior to the date of closing. Upon receipt of your closing package, a closing statement will be prepared by our office. Until that time, we will be unable to provide you with the dollar amount of funds needed to

close. When that number is available, we will let you know immediately.

Please let us know if you have any questions about this transaction. If you agree with the terms contained herein, please sign below and return this letter via email, fax or US Mail to the address on page one. Once received, we will commence work upon your file.

Very truly yours,

Calvin Armstrong/Treze Stokes

Agreed and Accepted:

Date:

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