

GWYNN & EDWARDS, P.A.

Attorneys at Law
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Dear Homebuyer:

Thank you for permitting us to assist with the purchase of your new home. We look forward to working with you and will do our best to handle the transaction to your satisfaction. **Please note we are unable to begin any work on your purchase until we receive the signed buyer checklist by you and a copy of your contract to purchase your new home.**

PLEASE GIVE THE FOLLOWING MATTERS YOUR PROMPT AND CAREFUL ATTENTION:

CLOSING

If a time and date has not already been set, please contact your real estate agent or your builder representative and our office as soon as possible to arrange a closing date and time. We cannot guarantee a date and time if you are attempting to schedule this closing within two weeks of your desired date. Although we will do our best to accommodate your schedule, if your closing is delayed for any reason our office may not be able to reschedule the closing for the same day at a later time or even the next day depending on the number of transactions we have previously scheduled.

FUNDS AT CLOSING

Amounts due from you at closing must be in the form as follows:

Up to \$1,000.00 – Certified Check
\$1,000.01 – Up – Wire only

Checks should be made payable to “Gwynn & Edwards, PA.” If you plan to pay by check, it should be delivered to us no later than the closing. Wire transfers should be made so that the wire has been received by us prior to closing. Please contact our office for wiring instructions.

From Your Lender: Likewise we must have a wire transfer or certified funds prior to or immediately following closing.

DISBURSEMENT OF FUNDS

We will handle all receipts and disbursements of funds made at closing through our Real Estate Trust Account. Based upon State Bar rules, we are unable to disburse until we are in receipt of all necessary funds and have recorded the deed and any deeds of trust at the proper Register of Deeds office.

OUR REPRESENTATION

We represent you to the extent of ensuring that you acquire good and marketable title to the property. We will advise you on legal questions concerning title to your property, title insurance and the terms of your loan documentation.

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 which cannot be resolved at closing, we will not attempt to represent either party. We ask that you obtain a copy of your closing instructions and good faith

estimate from your lender a sufficient amount of time prior to closing to enable you to carefully review them and resolve any disagreements with the lender concerning the terms of your loan.

TITLE EXAMINATION

We will conduct a title examination of the property. Normally we will attempt to find an existing policy of title insurance on the property and “tack” to that prior policy. This means that our title examination would begin with the date and time of the issuance of the prior policy and we will not certify the status of the title to the property prior to that date. While defects in the title occurring prior to our search would not be reported by us if we “tack”, they should be covered by the existing title policy. In addition, “tacking” frequently will lead to a reduced rate of title insurance company as they have previously insured the title and offer a reissue rate. If a prior title insurance policy cannot be located we will either conduct a full search (30 years) or meet the requirements of a title insurance company to obtain for you and your lender title insurance.

In many situations, the lender, builder or real estate agent may require that we use a particular title insurance company. In such situations we are often unable to “tack” to prior policies.

Unless you contact us immediately, we will either “tack” or conduct a title examination sufficient to obtain title insurance for you and the lender in our discretion.

Please note a 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.

OTHER SERVICES WE PERFORM

In addition to the Title Examination of the property, we ensure the deed of conveyance and all loan documents are properly prepared and executed, that the closing funds are properly received and disbursed pursuant to the HUD-1 Settlement Statement prepared by us and reviewed by you at or before closing, that the survey (if one is requested) is ordered and reviewed by us, that the transaction is properly closed, that all documents are properly recorded in the register of deeds office and title insurance policies are issued. We will also ensure that payoffs are furnished to all outstanding liens and mortgages and may pursue mortgage lenders who do not properly cancel their deeds of trust against the property.

DUAL REPRESENTATION OF BUILDER

If you have been referred to us by one of our builder clients, you should know we have an ongoing prior representation of the builder. By signing this letter of engagement you will acknowledge notice of our prior and continuing representation of the builder and your acceptance of our representation of you at closing.

In the event a dispute arises between you and the builder which cannot be mutually resolved, we are required to withdraw from representation of both parties in the dispute. In most instances we are able to represent both buyer and builder without major dispute.

SURVEYS

We highly recommend that all buyers obtain a new survey of the property. Lenders often do not require a new survey because a lender’s title insurance policy will offer them coverage from loss or damage resulting from a condition which would have been reflected on a new accurate survey. The owner’s policy does not offer this coverage without a new survey. This means that any problem which would have been revealed on a survey will become your responsibility and liability. In the event you do not procure a survey we will have you sign a survey waiver holding us harmless from any problems an accurate survey would have revealed.

As an alternative, if an accurate previous survey is available, the current owners and you may sign an affidavit certifying that there have been no changes to the lot or its improvements since the date of the survey. The buyer will then be offered survey coverage.

If a new survey is ordered you will have to pay the cost of the survey regardless of whether you actually close or not. Copies of the survey will be provided to you.

If we are not instructed to order a survey none will be ordered. If we are instructed to order a survey within two weeks prior to closing we cannot guarantee it will be complete prior to closing.

OUR FEES

Our fee for these services is \$975.00. (\$750 for CASH purchase). If we are required to perform additional services beyond those described herein, we reserve the right to charge an additional fee. Without limiting the definition of “additional services”, examples would be preparation of a power of attorney, an estate or trust certification, a deed of release or other documents, the preparation of a second mortgage package, a delay in the closing not caused by our office, extensive attorney/paralegal involvement in negotiating the contract or resolving disputes between the parties, or a closing for property located outside of Wake County.

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

TERMINATED TRANSACTIONS

If a transaction fails to close through no fault of ours, our fee will be computed as follows:

Prior to Start of Title Examination:	\$250.00
After Start of Title Examination and Before Closing:	\$450.00
During or After Closing:	\$ Full Fee and any additional costs

You are also responsible for payment of all additional services, survey fees, inspection reports or other services you ordered or requested our office to order. You shall also be responsible for any fees advanced by our office in order to conduct the closing. These fees may include, but are not limited to, homeowner association certification fees, overnight fees, copy fees or other expenses that our office may incur in connection with the terminated transaction.

YOUR OBLIGATIONS

Your responsibilities include providing your lender with all documents they require in a timely manner so as to avoid a delay in the closing, obtaining a homeowners insurance policy at least one week prior to closing for the property you are purchasing, contracting for and providing copies of home inspections you desire, providing our office with copies of all invoices you wish to have paid at closing, notifying us in advance of any additional services our office will be required to render and attending closing on the designated date and time. We ask that you plan to arrive in our office 15 minutes prior to your scheduled closing time.

For additional information regarding our firm or to send an e-mail to any member of our firm, please visit our web page at www.gwynn-edwards.com. Please contact us if you have any additional questions about your transaction and thank you for allowing us to assist you in this matter.

Sincerely yours,
Gwynn & Edwards, PA
Attorneys at Law

GWYNN & EDWARDS, P.A.

BUYERS CHECKLIST

Please Fax information Back to 919-871-0701 or e-mail to smoreton@gwynn-edwards.com

Paralegal: _____

DATE: _____

Estimated CLOSING DATE: _____

Estimated CLOSING TIME: _____

We would appreciate your assisting us in gathering the buyer's information as follows and faxing or emailing back to our office. This information needs to be provided to our office ASAP.

Please mark: This Purchase will be a Primary Residence 2nd Home Investment Property

Buyers' names as they will be shown on the deed:

_____/_____
Married / Single / Divorced / Separated (need copy of recorded separation agreement)

Please note that ALL Buyers/Borrowers -including spouse(s)- must attend closing and sign certain documents, even if not on the loan. Please contact us immediately if a Power of Attorney will be necessary.

The Buyers may be reached at (Best phone) _____ (Email) _____

Buyer's Current Address: _____

Mortgage Company: _____ Contact: _____

Do you have approval? Y / N Phone and/or email: _____

Please have your lender send us your Homeowners Insurance Company info and invoice.

Termite report will be done by: _____ Cost: \$ _____

(Please fax a copy of the report as well as the invoice)

If there are any brokerage fees due from the buyer to selling agent, please write the amount of the fee and whether it should be a separate check from the commission check:

\$ _____ Separate Check? Y / N

Should we order a survey? Y / N

In order to have a survey for closing, we MUST order it no later than 3 weeks prior to closing.

NOTE: If a survey is not ordered, THE BUYER WILL BE REQUIRED TO SIGN A SURVEY WAIVER AT CLOSING.

Any additional charges to be collected at closing: (Please fax a copy of all invoices to be paid at closing ASAP)

I have read the terms and conditions of representation of Gwynn & Edwards and understand and agree to the same. I grant permission to Gwynn & Edwards to share the closing statement and other closing documents pertaining to this purchase with my realtor.

_____ Date: _____ Date: _____

PLEASE ADVISE BUYERS THAT ALL CLOSING FUNDS MUST BE IN THE FORM OF A CASHIERS CHECK, CERTIFIED CHECK, OR MONEY ORDER if required funds are less than \$1000 made payable to GWYNN & EDWARDS, P.A. A BANK WIRE is required for funds over \$1000.

*****PLEASE NOTE*****

DUE TO UNUSUALLY HIGH CLOSING VOLUMES, WE CANNOT GUARANTY YOUR CLOSING TIME OR DATE UNLESS YOUR PACKAGE ARRIVES AT LEAST 24 HOURS PRIOR TO CLOSING. PLEASE ADVISE YOUR LENDER TO PLAN ACCORDINGLY.