

**LANCASTER, TROTTER, PICKETT &
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BUYER ENGAGEMENT LETTER

Thank you for choosing Lancaster, Trotter, Pickett & Owens, PLLC (“LTPO”), to assist you with the purchase of your property. We look forward to working with you to complete this transaction. The purpose of this engagement letter is to educate you about the closing process and discloses to you our scope of representation. **PLEASE NOTE this is a standard engagement letter and some items may not be applicable to you.**

PLEASE GIVE THE FOLLOWING MATTERS YOUR PROMPT AND CAREFUL ATTENTION:

CASH TO CLOSE

Pursuant to Chapter 45A of North Carolina General Statutes, all amounts due from you at closing must be in the form of certified funds. **WE WILL NOT ACCEPT A PERSONAL CHECK FOR CASH TO CLOSE.** Fraud has increasingly become an issue in the real estate industry. Wire is the preferred method of cash to close. A cashier check may be brought only if brought the day before your closing.

Buyer(s) Initials acknowledging the above statement.

WIRE INSTRUCTIONS

We protect our wire instructions. If you wish to send a wire transfer, we will send you instructions via email or you may come to our office and pick up a physical copy of the wire instructions.

BEFORE SENDING A WIRE, CALL OUR OFFICE TO VERIFY THE INSTRUCTIONS. WE WILL NOT CHANGE WIRE INSTRUCTIONS. IF YOU RECEIVE INSTRUCTIONS FOR A DIFFERENT BANK, (WE BANK WITH TOWNEBANK), ACCOUNT NAME, OR ACCOUNT NUMBER, THEY SHOULD BE PRESUMED FRAUDULENT. DO NOT SEND ANY FUNDS AND CONTACT OUR OFFICE IMMEDIATELY. FAILURE TO FOLLOW THIS PROCEDURE MAY ENDANGER YOUR FUNDS.

Buyer(s) Initials acknowledging the above statement.

REPRESENTATION

During the closing process, we are your attorney. We represent you to the extent of ensuring that you acquire good and marketable title to the property. HOWEVER, we can only advise you on legal questions concerning title to your property, title insurance and the covenants and conditions 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, 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.). We also do NOT represent you with regard to the terms of any covenants and restrictions, which might exist on your property, or any violations thereof. We will not review the restrictions contained on your property unless specifically asked to do so and what to look for. Typically, residential properties contain covenants and restrictions. These can be large, detailed documents of 50 pages or more which govern the uses you can make and the restrictions of use of your property. We suggest that you procure a copy of these covenants and restrictions from the seller, your Broker, or the homeowners association, if there is one, and review them prior to closing. Our representation of you is limited to the closing and terminates when the contract terminates or the property closes.

DUAL REPRESENTATION

The North Carolina State Bar ethics rules allow attorneys to represent both the seller and buyer in a residential transaction in limited circumstances. This is very standard in the residential real estate industry. In the event a dispute later arises between you and the sellers, we would not undertake to represent either side, and would be barred from doing so by our ethics rules.

SERVICES WE PROVIDE IN OUR REPRESENTATION

1. A title examination of the property you have contract to purchase to ensure that all title defects are disclosed, and title insurance policy is acquired for you.
2. If necessary, we will coordinate Homeowners Association Documents.
3. Coordinate payment of your first-year premium with the Homeowners insurance company.
4. If there is a traditional lender involved, we will prepare Lender-supplied documents to be executed.
5. Preparation of settlement statement detailing all the fees and disbursements associated with the transaction.
6. Execution and recordation of required documents with the Register of Deeds Office.
7. Send all executed documents to the Lender and title insurance company.

SERVICES WE DO NOT PROVIDE

We do not negotiate terms with the other party to the transaction, any terms with your Lender, or any amounts owed to the Homeowners Association. We make no representation as to the structural integrity of any improvements, if any, on the property, nor do we provide any opinion as to the environmental condition of the property. We are NOT surveyors or engineers, we make no representation as to house location, possible encroachments, fences, flood plans, watershed rules,

impervious surface area or rules, or anything else that might be revealed by a property survey. We do not check zoning, land use, or other governmental regulation or the suitability of property for any particular usage.

It is your responsibility along with the help of your broker (if applicable) to find out about availability of water, sewer and other utilities. It is also your responsibility to determine whether the property complies with zoning laws, both for any existing structure, and for any usage or structure you may be contemplating for the future use of the property. If we find restrictive covenants as part of our title search, we will report them as exception in the title commitment and final title policy. We assume that you have been provided copies of restrictive covenants applicable to the property by your Real Estate Broker, Seller or Homeowners Association. We strongly advise you to obtain a copy of such covenants to be certain your proposed use of the property to be consistent with those restrictions.

ADDITIONAL SERVICES

If LTPO is requested to perform tasks beyond the standard services mentioned within this agreement, we will charge you for those tasks. The fee for tasks beyond the standard services is \$250-\$350/hour depending on the subject matter.

TITLE EXAMINATION

We conduct a title examination of the property in compliance with the North Carolina Marketable Title Act. If we are able to find an existing title policy from a prior owner we will “tack” to that policy, unless you object, which means we will rely on a prior attorney’s certification to title and perform a title search from the last policy through the date of your closing to ensure that all matters of title are clear. If there were a defect to the title prior to the date of the prior policy, then your title policy should receive the same level of coverage as if we had conducted a full title examination. Restrictions on your property may be found during the search period but we will not notify you of any restrictions unless you ask us to do so. We do not know what you plan on using the property for or what your broker has provided to you. If you plan on building and require a more thorough search than just a 30 year title search for restrictions that might exist beyond the 30 year chain of title, please notify us as soon as possible to not result in a delay of the closing. PLEASE BE AWARE THAT MATTERS OF ZONING AND ENVIRONMENTAL HAZARDS ARE NOT INCLUDED IN A STANDARD TITLE EXAMINATION. IF YOU REQUIRE ADDITIONAL INFORMATION FROM US CONCERNING THESE ISSUES, PLEASE ADVISE US AT LEAST TWO WEEKS PRIOR TO CLOSING.

OWNERS TITLE INSURANCE POLICY

As a standard practice, we will facilitate the ordering of an Owner’s title insurance policy that will be paid on the final settlement statement at closing for every transaction. These are not required, though they are very strongly encouraged. Your Owner’s title insurance policy will protect you in the event there is a defect in the chain of title that might affect ownership of the property you are about to take ownership of. If you wish to waive your right to an Owner’s title insurance policy, you will need to sign a waiver at or before closing acknowledging we have disclosed the risks associated with waiving title insurance and agree to hold LTPO harmless related to your waiver of title insurance.

TRANSFER OF KEYS

While it is customary that the keys to the property are transferred at closing, the Standard Offer to Purchase indicates that keys shall be transferred at the time the deed is recorded. As a general policy, we do not always hold the keys, though we may be asked to hold them to give to the Buyer after recordation. Please discuss with your Real Estate Broker on how the transfer of keys is to occur.

DISBURSMENT OF FUNDS

North Carolina law sets out requirements for when we may disburse funds from a settlement. All funds must first be collected and all authorizations from all parties (including the Lender, if applicable) involved in the closing received before we can record the appropriate documents with the Register of Deeds to effectuate the transfer of ownership. Only after the Deed has been recorded with the Register of Deeds can we disburse funds. NC law prohibits any funds being disbursed prior to funding and recording.

CANCELLATION OF CONTRACT

LTPO incurs costs associated with every transaction (i.e. title abstractor). In the event your transaction is terminated, we need to invoice you for the title search fee that we incur. We do not look to make money on this, we just do not want to have a loss the transaction at no fault of ours.

If you have any questions about the transaction or this engagement letter, please do not hesitate to contact our office.

Please return this Engagement Letter via email, fax, DocuSign ,or other e-signature platform, or mail to the address on page one within 24 hours of receipt to ensure no delays related to your transaction. Once received, we will commence work on your file. We look forward to working with you!

Sincerely,

Lancaster, Trotter, Pickett & Owens, PLLC

Buyer 1 (SIGNATURE)

Buyer 1 Printed Name

Buyer 2 (SIGNATURE)

Buyer 2 Printed Name

Buyer 3 (SIGNATURE)

Buyer 3 Printed Name

Buyer 4 (SIGNATURE)

Buyer 4 Printed Name