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Engagement Letter for representing Purchaser/Buyer

Thank you for choosing Lancaster, Trotter & Poe, PLLC (“LTP”) to assist with your purchase transaction. We look forward to working with you and will do our best to make this portion of your transaction as smooth as possible. This engagement letter is intended to detail the terms of our representation for you and to educate you regarding the closing process. We will require a signed copy of this letter to complete your closing. **Please be aware that this is a form engagement letter and not all of the topics may apply to your closing.**

CASH TO CLOSE

Pursuant to Chapter 49 of the SC Code of Laws, all amounts due from you at closing must be in the form of “good funds.” WE WILL NOT ACCEPT A PERSONAL CHECK FOR CASH TO CLOSE. Fraud has increasingly become an issue in real estate industry and we will make no exception.

Buyers initials acknowledging the above statement.

Instructions

1. READ THIS ENTIRE AGREEMENT. Failure to do so may result in a delay of your closing.
2. Initial at the bottom of each page signifying that you have completely read and agree with each page of this agreement.
3. Acknowledge which type of title insurance policy you require and the SC 305 disclosure form. The final policy amount will be signed for at closing.
4. Sign this document acknowledging that you wish to accept all terms and proceed with the closing!

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 and/or insurable 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. 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. 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.

LIMITED DUAL REPRESENTATION

The South Carolina State Bar rules allow attorneys to represent both the seller and buyer in a residential transaction in limited circumstances. LTP **may** be representing the Seller in a limited capacity as well to draft their Seller documents to effectuate the transfer of ownership. You hereby waive any conflict of interest that may exist in connection with us handling the drafting of the Seller documents, coordinating a payoff, and disbursing of Seller funds in connection with this transaction. In the event of a dispute

between you and the Seller, we will not represent either party to the transaction with regards to any dispute as South Carolina law requires.

Buyers (SIGNATURE)

Buyers (SIGNATURE)

SERVICES INCLUDED 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.

What is NOT INCLUDED in our Representation

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 the 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 LTP is required 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 \$250.00 (TWO HUNDRED FIFTY DOLLARS) per hour.

E-RECORDING

LTP utilizes e-recording as its normal method of recording in all counties that allow it. In the event the county we are completing a transaction does NOT e-record, then you as a seller agree to work with us in the event there are any delays due to inaccurate or incomplete documents after we have closed and disbursed funds. You agree to hold LTP harmless from any delay in recording of the closing documents.

TITLE EXAMINATION

We conduct a title examination of the property in compliance with the South Carolina Law. 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.

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.

TITLE POLICY OPTIONS

There are two basic types of title policies. A Basic ALTA Owners title policy and an Enhanced “Homeowners” title policy. The “Homeowners” title policy is 50% more in price than the Basic Owners policy but carries additional protections for a one-time, up-front fee. We ALWAYS recommend the enhanced policy. For more information on the differences between the two policy options, reach out to our office and we will provide you with a PDF of the comparison between the two options.

Please select one of the following Policy options:

_____ Enhanced ALTA Homeowners Policy

_____ ALTA Owners Policy

SURVEY

Although ordering a property survey is an option of the Buyers, we **ALWAYS** recommend that you have a new survey conducted prior to your purchase of real property. A property survey is performed by a state licensed, and registered, professional land surveyor. The job of the surveyor is to mark all property corners, to determine where the home or other improvements are physically located on the property, and to determine whether or not there are any problems or unique characteristics of the property that can sometimes **ONLY** be determined by a property survey (such as fence and structure encroachments, common driveways, power lines, easements, etc.). Based on a combination of record checking at the courthouse, and actual survey work at the site, the surveyor prepares a survey map and report showing these things.

Buyer(s) Signature(s) Acknowledging & Agreeing to Comply With the Below Statements

LTP DOES NOT ORDER SURVEYS FOR CLIENTS. IF YOU WANT A SURVEY ORDERED,
PLEASE CONSULT YOUR REAL ESTATE BROKER.

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.

VESTING INFORMATION

In South Carolina, you can hold title to real property jointly in three different ways: (1) Tenants in Common, (2) Joint Tenants with Rights of Survivorship, or (3) Tenants in Common with an indestructible right of Survivorship.

_____ 1) If you are the only person going on the Deed, none of the following will apply.
PLEASE SELECT OPTION 1 IF YOU ARE ONLY ONE PERSON GOING ON THE DEED.

_____ 2) **Tenants in Comon (“TIC”)**: if you take title as TIC, each co-tenant will own a percentage interest in the Property, and upon the death of either of you, the percentage interest that the deceased owned would be disposed of according to their Last Will & Testament (“LW&T”). If the deceased died without a LW&T, the ownership interest would go to their legal heirs according to the intestacy laws of South Carolina. NOTE: under this jchoie it will be presumed that the co-tenants interest will be equal UNLESS you tell us in writing that the interest are to be divided in another way (i.e. Owner A gets 80% and Owner B gets 20%).

_____ 3) **Joint Tenants with Rights of Survivorship (“JTWROS”)**: If you take title as JTWROS and not as TIC, then each joint tenant would own an undivided interest in the Property. Under this type of ownership, upon the death of a joint tenant, the surviving joint tenant(s) would be vested with 100% ownership of the property as a matter of law without having to go through any probate. However, during their lifetime, any joint tenants can sever the joint tenancy by executing a deed, thereby making it a TIC as discussed above. NOTE: JTWROS will not have the ability to encumber with property without joinder of the other. This is commonly used with family members or soon-to-be-married/married individuals.

_____ 4) **Tenants in Common with an Indestructible Right of Survivorship (“TICWIROS”)**: if you take title as TICWIROS, then your interest in real property is very similar to the ownership interest explained in number three (3) above (i.e. upon the death of one of the Joint owners, then the surviving owner would be vested with 100% ownership of the property as a matter of law); however, this joint ownership CANNOT unilaterally be destroyed, thus requiring the joint owners to agree to the severance. Additionally, unlike JTWROS where title is conveyed equally, this ownership can be conveyed in varying percentages (i.e. Myles and Jake own as TICWIROS with Myles owning 90% and Jake owning 10%).

CANCELLATION OF CONTRACT

LTP 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 pay and receive a loss on 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 & Poe, PLLC

Buyer (SIGNATURE)

Buyer (SIGNATURE)

Buyer (SIGNATURE)

Buyer (SIGNATURE)