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**Truman P. Smith, Esq.** *(SC)*

**\*Jeffrey C. Clark, Esq.** *(NC) (IL)*

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**\*Christina W. Lizzio, Esq.** *(NC)*

 *\*Of Counsel*

Thank you for permitting us to assist with your purchase or refinance of the above-referenced real property. We look forward to working with you, and we will do our best to handle the transaction to your satisfaction. A real estate closing is dependent on all parties completing their task in an orderly, punctual, and competent manner. In short, a closing is only as good as the sum of its parts.

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

**CLOSING**

Understand that we will do our best to prepare the closing documents expeditiously, however, the receipt of the closing package is largely out of our control, and in order to ensure a smooth transaction, we require your lender to have their loan documents to us 2 hours in advance of a refinance and 24-72 hours in advance of a purchase, depending on the transaction. This is to enable all parties to review the HUD and to be fully prepared for the closing.

Closings will not be scheduled after 4:30PM and packages received after 2:00PM must be dated for the following day. Any deviation will require an additional fee.

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.

**FUNDS AT CLOSING**

Pursuant to State Bar regulations, all amounts due from you at closing must be in the form of certified funds. **ALL FUNDS DELIVERED TO OUR OFFICE FOR REAL ESTATE TRANSACTIONS MUST BE IN THE FORM OF A WIRE UNLESS YOU HAVE PRIOR ATTORNEY APPROVAL.** If approved, **c**ertified/cashier’s check should be made payable to "TheFrickFirm,LLC**”**. Please contact our office the day before your closing to determine the amount of money you will owe at closing.

 **WHO WE REPRESENT**

We represent you to the extent of ensuring that you acquire good and marketable title to the property. However, we can advise you only 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.). Therefore, we ask that you obtain a copy of the closing instructions and/or loan documents from your lender a sufficient amount of time prior to closing to enable you to carefully resolve any disagreements or disputes with the lender concerning the terms of your loan.

**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 pursuant to the HUD-1 Settlement Statement to be prepared by us and reviewed by you at closing, that the map of survey (if ordered by you or required by the lender) is reviewed by us prior to closing, and that the deed and deed of trust (mortgage) are duly recorded and that the final opinion required for the owners’ and lender’s policies of title insurance is delivered to the title insurer. 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

buyer or seller.

**We will not act as escrow agent for the purpose of holding money for repairs or any other problems which are to be resolved after the closing. It has been our experience that holding money in escrow for post-closing issues frequently leads to greater dispute and lawsuits.**

This opinion and our representation do not extend to whether or not this property is in a special flood hazard area or to the accuracy of any in information supplied to you from any source concerning its flood zone. We recommend that you have an independent evaluation of the Property made to determine its flood zone and whether or not flood insurance coverage is indicated for any existing improvements or improvements to be constructed on the Property.

If the property is subject to restrictive covenants, presumably you have been provided copies of those restrictive covenants by your real estate agent or by the Seller. If you have not you should obtain a copy of such covenants to be certain your proposed use of the property is consistent with those restrictions. Since we have not yet searched the title to the property, we do not have copies of any such restrictions. If you want us to obtain copies of such restrictions for you, we will be glad to do so in the course of our title search. Please let us know if you want us to provide them to you.

Our representation does not extend to any issues of financial advice or planning, tax advice, marital issues, estate planning, asset protection issues or other matters.

The NC State Bar RPC 216 states, subject to certain limitations, that a lawyer may use nonlawyers to assist him or her in the rendition of the lawyer's professional services. In addition, Authorized Practice Advisory Opinion 2002-1 states that a nonlawyer may: (1) present and identify the documents necessary to complete a North Carolina residential real estate closing, direct the parties where to sign the documents, and ensure that the parties have properly executed the documents; or (2) receive and disburse the closing funds. Accordingly, we may choose to use a nonlawyer in connection with this transaction. We may also use outside attorneys and/or paralegals as independent contractors in order to provide you with the best possible service.

**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. We will prepare the Deed in accordance with the customary standard of care listing all customary exceptions. 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 may, 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.

Obviously, “tacking” enables us to conduct the title examination more expeditiously, and it should not expose you to any increased liability. Unless you immediately instruct us otherwise, we will either “tack” or conduct a full title examination in our discretion.

Title examination does not include any investigation into zoning, flood zone determination, environmental hazards, or building code compliance for the property; these are issues for your property inspectors to investigate.

As part of our title opinion, we will certify that you have access to the property (ingress, egress and regress). We do not certify whether the road is publicly maintained or what the nature of the access is (for example, if you are purchasing a vacant lot and intend to subdivide it and create additional lots, you may be overburdening

an access easement).

**SURVEY**

Your lender may require a current survey, the cost of which will be borne by you and paid at closing. You will, of course, be given copies of the survey.

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. In the event you choose not to order a survey, we will have you sign a survey waiver holding us harmless from any problems an accurate survey may have revealed.

Please let us know if you have any questions about this transaction.

Sincerely,

The Frick Firm, LLC

Acknowledged by:

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BUYER DATE BUYER DATE

**NORTH CAROLINA LOCATIONS**

(P) 704-376-8181 (F) 803-329-7760

**SOUTH CAROLINA LOCATIONS**

(P) 803-324-4000 (F) 803-329-7760

[WWW.THEFRICKFIRMLLC.COM](http://WWW.THEFRICKFIRMLLC.COM)