

116 E Earle St.
Anderson, SC 29621
(864) 332-0881 Phone
(864) 332-0882 Fax
anderson@wlhawkinslawfirm.com
Wendell L. Hawkins, Esq.
W. Jackson McDonald, Esq.
Susan S. Miranda, Esq.

Wendell L. Hawkins, PA
Attorneys at Law
Wendell L. Hawkins, Esq.

310 The Parkway
Greer, SC 29650
(864) 848-9370 Phone
(864) 848-9759 Fax
greenville@wlhawkinslawfirm.com
Writer's Reply Address
Phone Extension - 211
wlh@wlhawkinslawfirm.com

PURCHASE ENGAGEMENT LETTER

Dear Client:

Once we have gathered all of the information from your service providers, you will receive an engagement letter form our office in the following format with all of the particulars completed.

1. Engagement/Title Insurance

Our Office has been engaged by either yourself or a third party to conduct a real estate closing located at _____. Our office will be issuing an Owner's Policy of Title Insurance unless you specifically instruct us not to issue the same. The South Carolina Department of Insurance requires that we offer the same when we are issuing a Lender's Policy pursuant to the closing. Because of the risk involved in real estate transactions, our office will not close a purchase transaction wherein the Purchaser does not purchase an Owner's Policy of Title Insurance. In your particular case, it is our understanding that your loan amount will be \$ XX.XX, and your purchase price is \$ XX.XX. Based on these figures, your Lender's Policy will cost \$ XX.XX and your Owner's Policy will cost an additional \$ XX.XX.

2. Survey

While the title insurance company does not require a survey to be performed, we highly recommend that you have a licensed land surveyor perform a survey and deliver two sealed copies to our office for review and recording. A new survey may reveal encroachments that do not appear on a less recent survey, or there may be no survey at all on the property you are purchasing.

3. Restrictions/Homeowner's Associations

The Property that you are purchasing may be restricted against certain uses. If you are purchasing a lot in a residential neighborhood or commercial complex, the property is likely to have restrictions and covenants. Your realtor or the seller should have provided those restrictions and covenants for your review prior to the signing of the contract. When our office completes your title exam, you will be provided with a commitment of title insurance which shows exceptions to coverage and requirements of the closing. Restrictions, easements affecting the property and other burdens on the land will be listed in the "Exceptions" portion of the Title Insurance Commitment. Please review those exceptions to make sure that you understand the burdens on the property you are purchasing. You should also look at the legal description of the

property to ensure that what we described is what you think you are purchasing. We will also send the most recent plat which may or may not show the house or improvements on it. Please call us if you have questions. Also, inquire from the realtors or sellers as to the amount of yearly homeowner's dues or monthly regime fees if a condominium or townhouse and inform our office of the amount, frequency and due date of such dues and if you need a copy of the restrictions, let us know and will e-mail a pdf copy. Paper copies of restrictions are provided at a cost of 25 cents per page.

Along with your title commitment, you will also receive a copy of the "jackets" to your final title insurance policy. These "jackets" are the terms of the insurance policy and as with any policy of insurance you should be familiar with the terms of the policy. Your final title policy will contain inserts in the jackets that describe the property insured and the exceptions to coverage (i.e. restrictions, easements and your mortgage, if any).

4. Deed/Manner of Holding Title

HOW DO WE WANT TO HOLD TITLE ?

JOINT TENANTS WITH RIGHTS OF SURVIVORSHIP

vs.

TENANTS IN COMMON

WHAT IS THE DIFFERENCE?

a. JOINT TENANTS WITH RIGHTS OF SURVIVORSHIP AND NOT AS TENANTS IN COMMON

If you hold title as "Joint Tenants With Rights of Survivorship and Not as Tenants in Common," the real property described in the deed (**and that property only**) will automatically pass to the surviving Joint Tenant(s) upon the death of the other without having to go through the probate process. The property is a non-probate asset, but this does not mean that the transfer is non-taxable. That is a separate estate planning matter beyond the scope of the real estate closing representation. Many people prefer to make a Last Will and Testament for the disposition of assets at death. If you do not have a Will, your property will pass to your heirs through the laws of intestacy. Generally, if you are married and do not have a Will, one-half (1/2) of your assets will pass to your spouse and one-half to your children upon your death. If you have no children, all property will pass to your spouse.

The one drawback to Joint Tenancy is that, arguably, if one tenant gets a lien on himself or herself, the lien attached to 100% of the property. Whereas, if you were tenants in common, a lien against one of the tenants can only attach to that tenant's interest in the property (i.e. if husband and wife, and husband gets a judgment against him, it can only attach to his 50% equity interest). This becomes especially important in divorce issues.

b. TENANTS IN COMMON

As Tenants in Common, each tenant owns their respective fractional interests in the property (i.e. if two people, then 50% each unless otherwise delineated in the deed). If one dies, then his or her estate must be probated to sell or otherwise mortgage the property. This could take as long as nine months, especially if the decedent had no will. If children (<18 year old) inherit through intestacy, then a conservatorship will have to be established and special orders issued to either get children off of title or otherwise re-finance. This can be avoided by having a Will.

Please inform our office as to how you would like to hold title as soon as possible.

5. Closing

We will coordinate with your mortgage company and realtors to schedule a closing. Either someone from our office or your real estate professionals will contact you and notify you of the date and time of closing. Please be punctual and note that **a cashier's check or wire transfer is required** for any funds necessary to close. We make every effort to provide a settlement statement (HUD-1) as far in advance as we can so that you know how much money you have to bring to closing, however, if you are borrowing money from a lender, we rarely get loan packages far enough in advance to provide any less than a two hour notice of funds required to close. We ask that you bear with us as it has become somewhat "the norm" in this process. Just try and maintain your sanity throughout this process knowing that we are doing our best to make it as painless as possible. Hopefully we will all have a good experience. Please feel free to contact our office at anytime if you have questions regarding your closing.

6. Copies

Our office is striving to become as paperless as possible. Unless you specifically request paper copies, our office will provide you with a copy of your file in pdf format on a disk.

I want to thank you in advance for choosing our office to handle this closing for you. If you are ever in need of legal services in the future, our office provides a full menu of services including civil litigation matters, estate planning, probate matters, DSS defense, residential and commercial development and consulting, and business planning. We do not practice criminal or domestic law, but we will be happy to refer professionals in any area of law that you might need free of charge.

With kind regards I remain,

Very truly yours,

Wendell L. Hawkins, P.A.