

COUNSELORS TITLE, LLC

Darby, Nalls, Smyth & Muldoon, LLC
GENERAL COUNSEL

SETTLEMENT AGREEMENT AND DISCLOSURE

Case No.: MD Buyer

Buyer(s)/Borrower(s):

Bob Buyer
Betty Buyer

Seller(s)/Owner(s):

Sam Seller
Suzie Seller

Property:

7900 Whittier Boulevard
Bethesda, MD 20816

Lender:

In reference to this case, the undersigned does agree, understand and affirm to the best of his/her knowledge that:

1) **ACKNOWLEDGEMENT OF RECEIPT:** The Purchaser(s)/Borrower(s) and Seller(s)/Owner(s) do hereby acknowledge receipt of a copy of the settlement statement and do approve and accept the same as a correct representation of the agreement. COUNSELORS TITLE, LLC ("Settlement Agent") has no liability for matters not appearing of record subsequent to the date of the title examination. The parties hereby acknowledge notification that COUNSELORS TITLE, LLC, as the title insurance agent, receives a commission on the title insurance premium.

2) **SETTLEMENT STATEMENT:** The Seller(s) or Owner(s) state that there are no unpaid obligations affecting the property other than those shown on the settlement statement. The parties further state that those matters listed on the settlement statement are true and correct. The Seller(s)/Owner(s) further guarantee the prompt and immediate payment, release and full satisfaction of all unpaid liens/bills affecting said property not shown on the settlement statement and hereby indemnifies and holds harmless the Settlement Agent from the same.

3) **THIRD PARTY INFORMATION:** The parties understand and agree that the accuracy of third-party information furnished to COUNSELORS TITLE, LLC as to contract provisions, water and sewer charges, taxes, assessments, balances on notes secured by mortgages, deeds of trust and other evidences of indebtedness, as well as the amount of escrow funds, lender charges and similar items are not guaranteed by COUNSELORS TITLE, LLC. COUNSELORS TITLE, LLC does not guarantee the accuracy of this information and the parties acknowledge that they will be responsible as to any discrepancies affecting them.

4) **LIABILITY:** It is understood and agreed that COUNSELORS TITLE, LLC has no liability, express or implied, for notices of and/or actual violations of governmental orders or requirements, if any, issued by any department, office or other authority of local, state, county or federal government as to occupancy, zoning and/or similar laws, truth-in-lending or consumer protection regulations and/or ordinances.

5) **FDIC WAIVER:** The undersigned does hereby understand and agree that the Federal Deposit Insurance Corporation ("FDIC") coverages apply only to a maximum amount allowed by law for each individual depositor. The funds for this settlement are being deposited in Bank of Georgetown for disbursement. We understand that the Settlement Agent assumes no responsibility for, nor will we hold the same liable for, loss occurring which arises from the fact that the amount of the above account may cause the aggregate amount of any individual depositor's account to exceed the limit allowed by law and that the excess amount is not insured by the FDIC or that FDIC insurance is not available on certain types of bank instruments.

6) **CLOSING CONDITIONS:** The Purchaser(s)/Borrower(s) and Seller(s)/Owner(s) agree that settlement is not complete until the following conditions have been met:

- a) All funds in the form of certified funds have been received and have cleared our escrow account;
- b) All checks (including assignment of funds check) are received and have cleared our escrow account;
- c) All documents [both Purchaser(s)/Borrower(s) and Seller(s)/Owner(s)] have been properly executed and delivered;
- d) All lender's requirements have been fulfilled; and,

The title search to the property has been brought current to the time of recordation.

7) **ACKNOWLEDGEMENT OF LEGAL REPRESENTATION:** It is acknowledged that the law firm of Darby, Nalls, Smyth, Nixon & Muldoon, LLC (the "Law Firm") acts as legal counsel to COUNSELORS TITLE, LLC. In the event that one of the attorneys of the Law Firm has been requested to conduct the settlement, the undersigned Purchaser(s)/Borrower(s) and/or Seller(s)/Owner(s) acknowledge that such attorney, as legal counsel to COUNSELORS TITLE, LLC, is not representing either Purchaser(s)/Borrower(s) or Seller(s)/Owner(s) and that no attorney-client relationship is being created as a result of such attorney conducting the settlement.

8) **ADJUSTMENTS:** The parties understand and agree that COUNSELORS TITLE, LLC may make any subsequent corrections and proper adjustments in the event any information and/or items on the settlement statement are incorrect, or if funds collected for any item prove to be insufficient, and agree to pay and/or reimburse COUNSELORS TITLE, LLC any further sums found to be due since all computations and entries on this settlement statement are subject to final audit. If any legal action is required to collect any such sums, the parties agree to pay all costs and reasonable attorney's fees directly resulting from necessary collection actions.

9) **CORRECTION AGREEMENT - LIMITED POWER OF ATTORNEY:** The undersigned Purchaser(s)/Borrower(s) and Seller(s)/Owner(s), for and in consideration of the Lender funding the closing of the loan and the Settlement Agent closing this transaction, agree that, if requested by the Lender or COUNSELORS TITLE, LLC, to fully cooperate and adjust all typographical or clerical errors discovered in any or all of the closing documentation presented at settlement.

The undersigned appoint COUNSELORS TITLE, LLC and its authorized representatives as their attorney-in-fact, to correct any such errors, place our initials on documents where changes are made, and/or sign our names to any document or form. In the event this procedure is utilized, the party involved shall be notified and receive a copy of the amended document.

10) **MAHT DISCLOSURE:** The parties hereby direct and acknowledge that unless funds are required by applicable law to be deposited into a MAHT or CRESPA Account, all funds received in this transaction shall be deposited into the COUNSELORS TITLE, LLC Trust Account at Bank of Georgetown. This account contains only funds received by COUNSELORS TITLE, LLC in connection with this and other settlement transactions. Any interest earned on said account shall be retained by COUNSELORS TITLE, LLC as additional consideration for closing services.

Initials: _____

COUNSELORS TITLE, LLC

Darby, Nalls, Smyth & Muldoon, LLC
GENERAL COUNSEL

Page 2

11) **CERTIFICATE OF TRUE IDENTITY:** The undersigned does certify and agree that they are the actual parties of record to this transaction and that the representations made to the Settlement Agent with regard to identity are true and correct.

12) **CERTIFICATION:** I have carefully reviewed the HUD-1 SETTLEMENT STATEMENT and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 SETTLEMENT STATEMENT.

13) **TENANCY FOR TITLE DEED:** Please initial your selection

_____ **JOINT TENANTS:** Each owner obtains an undivided, equal interest in the property and each has reciprocal rights of survivorship.

_____ **TENANTS IN COMMON:** Each owner obtains a certain undivided percentage interest in the property (the interests may be split in equal or unequal portions, for example: two owners may have a 50/50% split, or 60/40%, or 90/10%, etc.). Unlike a joint tenancy, tenants in common do not have reciprocal rights of survivorship. If a tenant in common dies, his or her interest will pass according to the terms of his or her Last Will and Testament, or under the laws of intestate succession if he/she dies without a Will. Unless otherwise set forth, a tenancy in common is presumed to create equal undivided interests. Purchasers may indicate a different breakdown as follows: Buyer #1 ____%; Buyer #2 ____%; Buyer #3 ____%; Buyer #4 ____%.

_____ **TENANTS BY THE ENTIRETY:** Undivided ownership by husband and wife with right of survivorship in surviving spouse.

_____ **SOLE OWNERSHIP:** 100% title vested in Grantee.

_____ **TRUST OWNERSHIP:** Title vested in Grantee(s) Trust.

14) **SURVEY REVIEW ACKNOWLEDGEMENT:** I/We, the undersigned Purchaser(s), hereby acknowledge receipt of a copy of this survey and acknowledge that all house locations, lot lines, building restriction lines, easements, rights of way, encroachments and fence lines, if any, have been explained to us at settlement.

15) **WATER ESCROW AGREEMENT:** The undersigned Purchaser(s) and Seller(s), of subject property acknowledge that COUNSELORS TITLE, LLC may hold in escrow the sum as reflected on the HUD-1 Settlement Statement for the purpose of paying the final water and sewer bill when it is rendered. However, due to the unknown and uncertain size of water and sewer bills, the Purchaser(s) and Seller(s) hereby agree to indemnify and hold harmless COUNSELORS TITLE, LLC and the title insurance company insuring title to the real property from any claims concerning the water and sewer bill should it later be determined that the escrow amount indicated above is insufficient to pay the final bill when rendered by the billing institution or government. The final bill will be adjusted as of the date of settlement or the date possession is delivered by the seller(s) to the purchaser(s), whichever later occurs.

In the event the amount of escrow is insufficient to pay the water and/or sewer bill, COUNSELORS TITLE, LLC will promptly notify the parties by verbal or written notice of the deficiency and shall send the bill and a check payable to the appropriate billing authority in the amount of the escrow held to the Purchaser(s) who will adjust the bill directly with the Seller(s).

The Seller(s) hereby agree to pay to the Purchaser(s) any additional amount that may be required in addition to the escrowed monies to pay the final water and sewer bill. The Seller(s) further agree to indemnify the Purchaser(s) for any loss or damage sustained by reason of the Seller(s) non-compliance with this provision.

In the event the final water bill has not been received by the escrow agent within 120 days of settlement, the escrow agent shall be irrevocably authorized to return the entire water escrow amount to the Seller(s).

Notwithstanding the return of the escrowed funds to the Seller(s) after the 120-day period, the parties hereto are not relieved of the corresponding responsibilities to adjust the relevant outstanding water bill between them.

We, the undersigned, have agreed to the foregoing as a condition for settlement by COUNSELORS TITLE, LLC.

16) **PRIVACY POLICY:** The Financial Services Modernization Act recently enacted by Congress has brought many changes to the financial services industry, which includes title insurance companies and companies that conduct closings. The new law requires that COUNSELORS TITLE, LLC, provide our privacy policy to all buyers, borrowers and sellers. The new law also requires that all purchasers purchasing an owners title insurance policy receive the privacy policy of the title insurance underwriter which provides such policy.

Below is our Privacy Policy. Attached in a separate form is our underwriter's policy.

We collect nonpublic personal information about you from the following sources:

- **Information we receive from your agent, such as your name, address, phone number, or social security number;**
- **Information about your transactions with us, our affiliates, or others. We receive this information from your lender, attorney, real estate broker, etc; and**
- **Information from public records**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide the products or services requested by you or your lender.

We maintain physical, electronic, and procedural safeguards that comply with appropriate federal and state regulations.

COUNSELORS TITLE, LLC

Darby, Nalls, Smyth & Muldoon, LLC
GENERAL COUNSEL

Page 3

Dated this .

Bob Buyer

Sam Seller

Betty Buyer

Suzie Seller

Notary Public
My Comm. Exp.:

Notary Public
My Comm. Exp.:

Seller's forwarding address:

E-Mail address: _____

Seller's phone numbers: Work _____ Home _____

Cell/Mobile _____

Purchaser's forwarding address: _____

E-Mail address: _____

Purchaser's phone numbers: Work _____ Home _____

Cell/Mobile _____

Attached is Certified To Be a True and Correct Copy of the Original Settlement Statement.

COUNSELORS TITLE, LLC

By: _____

Date: _____

MD - BATCH - MD SALE WITH WORD INTAKE SHEET-Sale

COUNSELORS TITLE, LLC

Darby, Nalls, Smyth & Muldoon, LLC
GENERAL COUNSEL

CERTIFICATION

Case No.: MD Buyer

Buyer(s)/Borrower(s):

Bob Buyer
Betty Buyer

Seller(s)/Owner(s):

Sam Seller
Suzie Seller

Property:

7900 Whittier Boulevard
Bethesda, MD 20816

Lender:

I have carefully reviewed the HUD-1 SETTLEMENT STATEMENT and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 SETTLEMENT STATEMENT.

Effective Date:

Purchaser(s)/Borrower(s):

Seller(s):

Bob Buyer

Sam Seller

Betty Buyer

Suzie Seller

To the best of my knowledge, the HUD-1 SETTLEMENT STATEMENT which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

COUNSELORS TITLE, LLC

By: _____

Date:

WARNING: IT IS A CRIME TO KNOWINGLY MAKE FALSE STATEMENTS TO THE UNITED STATES ON THIS OR ANY OTHER SIMILAR FORM. PENALTIES UPON CONVICTION CAN INCLUDE A FINE AND IMPRISONMENT. FOR DETAILS, SEE TITLE 18 U.S. CODE, SECTION 1001 AND SECTION 1010.

HUD Certification

COUNSELORS TITLE, LLC

Darby, Nalls, Smyth & Muldoon, LLC
GENERAL COUNSEL

FIRPTA DECLARATION OF TRANSFEREE

I, the undersigned, am the transferee of the United States real property interest that is the subject of the attached Non-foreign Certification, and I acknowledge and declare under penalties of perjury that:

- (1) I have no actual knowledge that the Certification is false
- (2) I have not received a notice from any agent involved in the transaction that the Certification is false;
- (3) I have not failed to receive from a transferor corporation that I know to be a foreign corporation a copy of the IRS acknowledgement of that corporation's election under the Internal Revenue Code to be treated as a domestic corporation;
- (4) I have not failed to (and will if requested) furnish a copy of the Certification to the Internal Revenue Service when so required by its regulations; and
- (5) I ___ will ___ will not use the property as a residence (defined as residing at the property for at least fifty percent (50%) of the number of days that the property is in use, during each of the first two 12-month periods following the date of transfer).
- (6) The amount realized for the property is \$

DATED this .

Bob Buyer

Betty Buyer

(IF THE PROPERTY IS TRANSFERRED BY A FOREIGN PERSON/ENTITY AND:

- (A) THE AMOUNT REALIZED EXCEEDS \$300,000.00, OR**
(B) THE AMOUNT REALIZED IS LESS THAN \$300,000.00 AND THE TRANSFEREE WILL NOT USE THE PROPERTY AS A RESIDENCE, THEN A TEN PERCENT (10%) TAX OF THE AMOUNT REALIZED SHALL BE WITHHELD.)

(IF THE TRANSFER DOES NOT EXCEED \$300,000.00, THE TRANSFEREE HAS COMPLETED THIS DECLARATION IN FULL, AND WILL USE THE PROPERTY AS A RESIDENCE, THEN NO TAX NEED BE WITHHELD.)

(THIS CERTIFICATION MUST BE RETAINED BY THE TRANSFEREE UNTIL THE END OF THE FIFTH TAXABLE YEAR FOLLOWING THE TAXABLE YEAR IN WHICH THE TRANSFER TAKES PLACE.)

BATCH - MD SALE WITH WORD INTAKE SHEET-UT

FIRST-TIME MARYLAND HOME BUYER'S AFFIDAVIT

The undersigned, being one of the Grantees of that certain property known as Lot/Unit 831, Block _____, in the subdivision known as THE FAIRWAYS SOUTH AT LEISURE WORLD, do hereby certify, under penalties of perjury:

1. That said property is improved by a residence and we do intend to personally occupy said residence as our principal residence.

2. That each of the undersigned is a first-time Maryland home buyer, defined as an individual who has never owned residential real property in the State that has been the individual's principal place of residence, who will occupy the property as Grantee's principal residence.

Witness:

Bob Buyer

Betty Buyer

STATE OF _____

:ss:

COUNTY OF _____

Subscribed and Sworn to before me this .

Notary Public
My Comm. Exp:

COUNSELORS TITLE, LLC

Darby, Nalls, Smyth & Muldoon, LLC

GENERAL COUNSEL

PURCHASERS POST SETTLEMENT INFORMATION

FIRST MORTGAGE PAYMENT

Within the next thirty (30) days, your Lender will forward a coupon booklet or other loan payment instructions to your mailing address. Your first payment will normally be due on the first day of the second month following settlement (for example, ie. settlement is on January 15th, your first payment will be due on March 1st.)

FIRST CONDOMINIUM FEE PAYMENT (if applicable)

Your first condominium fee payment will also normally be due on the first day of the second month following settlement. Please contact the condominium management company or on-site manager for further instructions.

PAYMENT OF REAL ESTATE TAXES

State of Maryland: Real Estate taxes on owner-occupied properties are generally paid on a semi-annual basis in advance and are assessed on a fiscal basis. The fiscal year is July 1 to June 30. Taxes on non-owner-occupied properties are paid on an annual basis.

District of Columbia: Real Estate Taxes are paid bi-annually, six (6) months in arrears. The tax levies are April 1-September 30 and October 1-March 31. The bills are payable in September and March, without penalty.

Note: If your Lender is escrowing for payment of your taxes, it will request your tax bill and you will receive an acknowledgement copy.

SETTLEMENT STATEMENT, DEED AND OWNERS TITLE INSURANCE POLICY

Retain your signed copy of the final settlement statement in a safe place for use in preparation of your tax return. Your tax preparer will require this document for the purpose of determining which settlement charges are tax deductible.

The recorded Deed and Owners' Title Insurance Policy (if purchased) will be mailed to you by this office after settlement. These are important documents and should be placed in a safe place for future reference.

We have appreciated the opportunity to be of service to you and hope that you have found our services to be to your satisfaction. Please feel free to call our office for any additional assistance.

BATCH - MD SALE WITH WORD INTAKE SHEET

SURVEY REVIEW ACKNOWLEDGEMENT

I/We, the undersigned Purchaser(s), hereby acknowledge receipt of a copy of this survey and acknowledge that all house locations, lot lines, building restriction lines, easements, rights of way, encroachments and fence lines, if any, have been explained to us at settlement.

Date: _____

Bob Buyer

Betty Buyer

SAMPLE

FIRST AMERICAN TITLE INSURANCE COMPANY

Case No.: MD Buyer

STATUTORY NOTICE TO BUYER

As required by Section 22-102 of the Insurance Article of the Annotated Code of Maryland.

RE: ADDRESS: 7900 Whittier Boulevard, Bethesda, MD 20816
BORROWERS: Bob Buyer, Betty Buyer
PURCHASE PRICE: \$ LOAN AMOUNT:

With respect to the real estate transaction involving the purchase of the above property by us and the making of the purchase money mortgage by us on this property, we have been notified by our settlement agent of the following:

1. That the Lender in the captioned transaction has requested a Loan Policy of Title Insurance to be issued by First American Title Insurance Company under which Policy the said Lender will be insured as mortgagee of this property.

2. That the face amount of this Loan Policy of Title Insurance is the amount recited above as "Loan Amount".

3. That we, as buyers of this property, have a right to obtain simultaneous title insurance issued in our favor, which will be the issuance of an Owner's Policy of Title Insurance in the amount of the purchase price set forth hereinabove.

4. That there are 2 separate and distinct forms of Owner's Policy of Title Insurance available for our purchase:

- A. 2006 ALTA Owner's Policy of Title Insurance; and,
- B. *OWNER'S RESIDENTIAL EAGLE OWNER'S POLICY* of Title Insurance.

The insurance coverages contained in each form of policy has been disclosed to us.

5. That any Owner's Policy of Title Insurance issued in our favor will be issued subject only to the contingencies and conditions in the title insurance binder/commitment. We understand that we have the right to review a sample of each form of Owner's Policy of Title Insurance in which said contingencies and conditions will be inserted.

6. That, if we desire a Policy as buyers, the Owner's Policy of Title Insurance will be effective upon the payment of the additional premium pursuant to our HUD-1 statement and upon the delivery and recordation of the Deed from the seller to buyer.

As used herein, plural shall be construed to mean singular and vice versa.

WE HEREBY ACKNOWLEDGE receipt of this Notice prior to the disbursement of any funds.

We hereby direct that First American Title Insurance Company, through its policy-issuing agent, proceed as follows:

(**CHOOSE ONE OPTION:** INDICATE CHOICE BY PLACING AN "X")

OPTION 1:

_____ ISSUE **ONLY** LOAN POLICY: WE DO NOT DESIRE AN OWNER'S POLICY OF TITLE INSURANCE AT THIS TIME.

OPTION 2:

_____ ISSUE LOAN POLICY AND 2006 ALTA OWNER'S POLICY.

OPTION 3:

_____ ISSUE LOAN POLICY **AND** *EAGLE ENHANCED OWNER'S POLICY*.

Bob Buyer

SAMPLE