

WILDE | LAW FIRM PLLC

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WILDE LAW FIRM BUYER AND SELLER ENGAGEMENT LETTER (Less than \$250,000)

This agreement is made between _____ (Buyer(s),

_____ Seller(s)/Homeowner(s) *herein referred to as "Clients"* and Wilde Law Firm, PLLC in regard to the short sale of the property located at ("Property"):

Street Address

City

State

Zip Code

Thank you for engaging the services of this law firm in regards to your potential short sale transaction. Wilde Law Firm, PLLC ("Wilde Law Firm") will represent the Clients according to the terms of this Engagement Letter.

Extent of Engagement: Wilde Law Firm is being engaged for the sole purpose of facilitating, negotiating and obtaining approval from the Seller's Lienholder(s) ("Lienholder(s)") to allow a short sale of above Property. Arrangements for any services outside the scope of this Engagement Letter must be made under a separate agreement between Client(s) and Wilde Law Firm. Client must seek separate legal counsel or representation for any issues or matters outside of or incidental to the short sale facilitation and negotiation services described in this Engagement Letter. Such issues or matters may include, but are not limited to closing and title work, foreclosure, foreclosure defense, disputes, disputes with the other parties to the contract, disputes with your Lienholder(s) and tax advice in regards to the short sale. Tax advice is outside the scope of this Engagement Letter.

Wilde Law Firm's Non-Exclusive Representation: Wilde Law Firm does not exclusively represent either party but rather the separate and shared interest of the parties as it pertains to obtaining a short sale approval from the Lienholder(s). If and when Wilde Law Firm obtains an approval letter from the Lienholder(s) the letter(s) shall be given to the Buyer's closing attorney and the Seller's separate closing attorney for consideration and consultation. Neither party is obligated to accept the terms offered by the Lienholder(s), as further outlined in the North Carolina Short Sale Addendum.

Buyer's Interest: The Buyer's Primary Interest includes, but is not limited to, the purchase price of the property and the approval of the short sale by the Lienholder(s) in the shortest amount of time.

Seller's Interest: The Seller's Primary Interest includes, but is not limited to, the waiver of deficiencies, reduction or elimination of any further financial obligation to the Lienholder(s) under the Note and Deed of Trust on the Property, and the approval of the short sale by the Lienholder(s) in the shortest amount of time.

Buyer Obligation to Pay: There will be absolutely no obligation for the Buyer to pay any Attorney's Fee ("Fee") if the Lienholder does not approve closing costs credits for the Buyer ("Closing Costs") or if the closing does not occur. The Lienholder must first approve Closing Costs for the Buyer in order for the Buyer to have any obligation to pay a Fee. The Buyer shall never pay a Fee greater than the amount of approved Closing Costs they receive on the HUD at closing.

Wilde Law Firm shall attempt to obtain Lienholder approved Closing Costs for the Buyer. Any approved Closing Costs provided by the Lienholder(s) shall be credited to the Buyer on the HUD-1 at closing. Buyer agrees to pay Wilde Law Firm the amount of Lienholder approved Closing Costs. Accordingly, the Fee cannot and shall not exceed the amount of any approved Closing Costs. Additionally, if Wilde Law Firm is unsuccessful in obtaining Client's Closing Costs or the property does not close there shall be no obligation by the Buyer to pay any Fee to Wilde Law Firm.

The Lienholder is informed in writing by Wilde Law Firm that if any Closing Costs are approved, some or all of these Closing Costs will be paid to Wilde Law Firm as attorney's fees. All Fees paid to Wilde Law Firm are on the final HUD-1 and approved by the Lienholder prior to closing.

Seller/Homeowner Obligation to Pay: There will be no obligation for the Seller/Homeowner ("Seller") to pay any Attorney's Fee ("Fee") if the closing of the Property does not occur. Wilde Law Firm will attempt to collect the Fee from Seller's Lienholder as attorney's fees and/or the Buyer (from approved Closing Costs as described above) at the closing of the Property. Seller agrees that Wilde Law Firm shall seek a total Fee of four (4%) percent of the contract purchase price or \$3,600, whichever is greater.

Wilde Law Firm may not be successful in collecting the entire Fee from the Lienholder and/or Buyer. Wilde Law Firm, therefore, has a minimum fee of \$2,500 that the Seller guarantees to Wilde Law Firm if the property closes ("Minimum Fee"). To the extent Wilde Law Firm receives its Fee from Lienholder and Buyer, such amounts will be credited towards Seller's obligation for the Minimum Fee. If the amount(s) received is greater than the Minimum Fee there will be no obligation for the Seller to pay any Fee. If, however, the amount received from the lienholder and Buyer together is less than the Minimum Fee the Seller agrees to pay at closing any portion of the Minimum Fee that Wilde Law Firm is not able to collect from Seller's Lienholder and/or the Buyer. The Seller understands and agrees that Wilde Law Firm will attempt to collect the Fee from the Client's Lienholder as attorney fees. In no event shall the Fee charged hereunder be less than the Minimum Fee calculated above.

Collection of Fees: Any Fee due Wilde Law Firm from the Seller shall be paid at closing in certified funds or prior to closing in a wire transfer. If the Seller is unable or unwilling to pay the Fee at closing the Seller specifically agrees that the closing attorney shall not complete the closing until the Fee is paid.

Disclosures to Seller: Seller understands that Lienholders typically do not permit short sale sellers to receive any funds at closing and that the purpose of this engagement is to help the short sale closing occur, not to obtain the recovery of any funds which will be paid to the Seller. *Seller understands that any amount paid by the Lienholder or allowed by the Lienholder to be deducted at closing from the proceeds of the short sale may be part of a deficiency, if any, owed to the Seller's Lienholder(s).*

Foreclosure: Seller agrees to keep Wilde Law Firm informed of any foreclosure proceedings filed against the Property and will participate in such proceedings as requested by Wilde Law Firm and/or directed by Seller's foreclosure defense counsel. Wilde Law Firm does not represent or defend Seller in any Foreclosure action or proceeding.

Seller's Participation: Seller understands that one of the requirements of a short sale is the complete participation of the Seller. The Seller, therefore, agrees to cooperate completely with Wilde Law Firm and provide accurately all information requested by Wilde Law Firm in order for Wilde Law Firm to negotiate and facilitate the short sale transaction.

Full Disclosure to Lienholder: Wilde Law Firm will send to Lienholder(s) all requested information including but not limited to the Offer to Purchase and Contract, Listing Agreement, Buyer's Pre-Qualification Letter, Seller's hardship letter, financial statement, pay stubs and tax returns. Additionally, Seller understands that Wilde Law Firm must disclose all material information to your Lienholder(s), including but not limited to, additional offers or contracts, or side deals between Seller and Buyer which are not disclosed on the sales contract(s) presented to the Lienholder(s).

Conflict of Interest Between the Parties: Buyer and Seller hereby waive any conflict of interest that may exist as to Wilde Law Firm's contemporaneous engagement by and with any potential Buyer(s) and the Seller. In the event of a dispute between a potential Buyer and the Seller, Wilde Law Firm is not permitted to, nor will it, represent the interests of either party against the other.

Withdrawal of Representation: Wilde Law Firm requires engagement of both Buyer and Seller. Wilde Law Firm reserves the right to withdraw from any representation and facilitation of the short sale for the Seller if the Buyer does not also engage Wilde Law Firm as the facilitator. Wilde Law Firm, at its discretion and for any reason, can withdraw at anytime, including but not limited to, prior to submitting the Short Sale Package to the bank(s)/servicer(s), even if the Seller has previously sent all or part of the required documentation to Wilde Law Firm.

Work Product: Any and all notes created by any attorney or employee of Wilde Law Firm and/or any communication with the servicer(s), bank(s) or negotiators during the duration of its representation is "work product" and is the sole property of Wilde Law Firm. Work Product is shared with clients at the sole discretion of Wilde Law Firm.

Multiple Offers: The Law Firm shall (and may be required by law to) inform of and/or submit any back up or additional offer(s) to the Lienholder(s) for consideration as outlined in the Short Sale Multiple Offer Addendum. The Buyer understands the Lienholder(s) may accept, counter or reject any offers and that Wilde Law Firm has no control over the Lienholder(s) actions or decisions. Client acknowledges the possibility that there may be other and higher offers for the short sale purchase of the Property that may or may not be accepted by the Lienholder(s) instead of Buyer's offer.

Other Potential Buyers: The Buyer understands and agrees that Wilde Law Firm may be engaged by other potential buyers regarding any additional offer(s) submitted to the lienholder(s) as allowed under the first lienholder's policy on multiple offers. The Buyer specifically consents to such a relationship(s) and waives any conflict of interest as to any other potential buyer(s) of the Property.

Litigation Costs: If it is necessary to resort to litigation to collect the Fee owed pursuant to this Engagement Letter, parties agree the attorney fees and costs of the prevailing party shall be paid by the losing party. Such fees shall include, but are not limited to, fees and costs incurred in all matters of collection and enforcement, construction and interpretation, before during and after trial proceedings and appeals, as well as appearances in connection with any bankruptcy proceedings or creditors reorganization proceedings or probate proceedings. For purposes of this provision, and any statutory provision governing attorney's fees and costs, the Clients agree that Wilde Law Firm shall be entitled to the fees of our attorneys, law clerks, paralegals and legal assistants, based on our standard rates if Wilde Law Firm does represents itself in such matters and that the services of law clerks, paralegals or other paraprofessionals will be deemed "attorneys fees". Further any dispute shall be maintained in the courts located exclusively within Buncombe County, NC.

Should you have questions at any time about our fee arrangements or any particular element of our representation, please let us know immediately. Prompt communication of this kind is essential if we are to maintain a clear and mutually satisfactory understanding of our attorney-client relationship.

Please sign and date this Engagement Letter to indicate your acceptance of all terms, and to acknowledge your receipt of the attached disclosures*, and return same to Wilde Law Firm. Receipt of your signature(s) on this Engagement Letter will allow Wilde Law Firm to deliver its services.

Very Truly Yours,

Wilde Law Firm

By: _____
WLF Representative (Type/print full name) Sign name Date

Agreed and Accepted by Buyer(s):

Buyer (Type/print full name) Sign here Date

Buyer (Type/print full name) Sign here Date

Agreed and Accepted by Seller(s):

Seller (Type/print full name) Sign here Date

Co-Seller (Type/print full name) Sign here Date

***Attached Documents:**

- i) Disclosures For Short Sale Transaction Engagements
- ii) Important Terminology

DISCLOSURES FOR SHORT SALE TRANSACTION ENGAGEMENTS

Please note the important information contained in this disclosure. By signing the engagement letter the Client is acknowledging receipt of this disclosure.

- There is no “right” to a short sale.
- The Lienholder is NOT a party to the Offer to Purchase and Contract (“Offer to Purchase”). The Lienholder is not obligated to agree to any of the terms of Offer to Purchase and Contract.
- Neither the Buyer nor Seller is obligated to accept the terms offered by the Lienholder.
- Wilde Law Firm will facilitate a potential short sale but does not and cannot make any promises, guarantees or representations about outcome. The short sale approval usually takes 45 – 90 days from the date the Short Sale Package is submitted, not from the date the offer was made by the Buyer or the date accepted by the Seller.
- Short Sale Sellers and Buyers must cooperate and provide all the requested information in a timely manner in order for Wilde Law Firm to be able to perform the services necessary for the Lienholder to consider the short sale transaction.
- Wilde Law Firm will negotiate and facilitate the potential short sale by using provided information from the Buyer and the Seller for the purpose of obtaining, for the benefit of both Buyer and Seller, all needed Lienholder approval(s) in order to allow the parties to close on the Property.
- No liens or financial obligations attached to the Property are automatically eliminated by the short sale. Unlike a foreclosure, all Liens and/or obligations attached to the Property must be negotiated and released or paid at or before closing.
- It is important for the Buyer to be ready to close shortly after receipt of the Approval Letter from the Lienholder(s). The Lienholder(s) may give the parties a limited time frame in which to close on the property after receiving the Approval Letter. That limited time frame is often only 30 days. There may not be an ability to obtain an extension on this closing requirement from the Lienholder(s) due to foreclosure and other known or unknown factors.
- The Lienholder’s point of view is that all due diligence has been completed prior to making the Offer. No additional time after receipt of the Approval Letter is usually allowed for due diligence. The Lienholder does not own the property and will not make any repairs. This should be considered an “as is” contract. It is recommended that unless there is a multiple offer situation, the Buyer perform all due diligence, including a home inspection, as soon as possible. Little or nothing can be done with the information from the home inspection if received after the BPO/Appraisal (see below).
- If a Lienholder (or any other party whose permission is required for a short sale to proceed) refuses to release the property for less than the outstanding balance, then the Lienholder may proceed with foreclosure.
- Even if a short sale is approved, a Lienholder may reserve the right to pursue a deficiency judgment for amounts owed but not collected.
- All Costs and fees paid at closing by the Lienholder including closing costs and attorney’s fees will increase the amount of a deficiency.

- Wilde Law Firm, may use the electronic systems and other services of outside companies to help process the file. Information, documents and communications may regularly be processed by and among Wilde Law Firm and these outside providers, which means both processing and data storage may occur outside the physical offices of Wilde Law Firm.
- The Seller will receive a 1099 for the full amount of the deficiency if the deficiencies have been waived or forgiven by the Lienholder(s). The Seller is required to consult with a tax professional prior to accepting the terms offered by the Lienholder(s) and closing on the property.

IMPORTANT TERMINOLOGY

Short Sale. A short sale is defined as a sale of real estate in which the proceeds from the sale fall short of the balance owed on a loan secured by the property sold. In a Short Sale, the bank or mortgage Lienholder agrees to release a lien on a property for less than the outstanding balance.

Short Sale Package. The Short Sale Package is the set of documents required by the Lienholder in order to consider a Short Sale. The documents will most likely include but are not limited to a financial statement, bank statements, tax returns, paycheck stubs, hardship letter, listing agreement, Offer to Purchase contract, and the buyer pre-qualification letter.

Lienholder. The Lienholder is the bank, mortgage company or other entity or individual who holds a Promissory Note from the Seller and is the Beneficiary of the Deed of Trust, or mortgagee, secured by the property. The Lienholder is not a party to this Agreement and is free to accept or reject any offer submitted.

BPO/Appraisal. The BPO (Broker Price Opinion) / Appraisal is an evaluation and estimation of the market value of the property. The BPO/Appraisal is ordered by the Lienholder to establish the present market value of the property as part of the Short Sale process. The Lienholder will use information contained in the BPO/Appraisal in deciding whether to approve the transaction.

Property. The real estate described in the sales contract between the Seller and Buyer.

Deficiency and Deficiency Judgment. The Deficiency is the difference between the total amount the Lienholder is owed and the lesser amount it agrees to take as the “net” payoff in order to allow the transaction to occur. A Deficiency Judgment can result if the Lienholder decides to pursue the Seller for the amount of the Deficiency. Lienholders do not always choose to pursue the Deficiency, and in some circumstances Lienholders are not permitted to pursue the Deficiency. The risk of being pursued for the Deficiency Judgment is an important consideration for a Seller in deciding whether to participate in a short sale of their property. This should be discussed in depth with the Seller’s closing attorney prior to accepting the terms offered by the Lienholder(s) and closing on the Property.