

# Sage Acquisitions

## Fully Executed Sales Contract

HUD 9548 Sales Contract, Buyer Select Closing Agent information, and all applicable addenda are included.

We encourage you to reach out to your chosen title company after contract execution to schedule your closing as soon as possible. **Sage Acquisitions does not schedule closings.**

Thank you for your time and consideration.

Sage Acquisitions

## Closing FAQ's



1. **How do I schedule my closing?**  
Please upload your complete closing package as one attachment into the Yardi Portal. Your closing will be assigned to a specialist for review. You will be contacted directly with any corrections or issues with the closing date.
2. **What is the link to access Yardi's P260 Portal and upload my closing package?**  
[https://www.hudp260.com/Pages/Resources/hudtraining\\_mm3\\_portal.aspx](https://www.hudp260.com/Pages/Resources/hudtraining_mm3_portal.aspx)
3. **What is the number to Yardi's P260 helpdesk?**  
805-699-2053
4. **Where do I upload the preliminary HUD-1 Package in the Portal?**  
On the Functions menu, click **Add Attachments**. In the category field, select **Settlement** and subcategory select **Prelim HUD-1**. Please **do not use** any other category or subcategory. Use of the wrong category may delay your approval.
5. **What documents are to be included in the Prelim HUD-1 Package?**  
HUD-1 Settlement Statement (lender approved), tax bills, signed closing instructions, outstanding invoices, and warranty deed with return address instructions.
6. **When should the Prelim HUD-1 Package be uploaded for closing?**  
Your package should be uploaded no later than five (5) days prior to closing. It is not necessary to request a closing date or schedule your closing with Sage Acquisitions.
7. **When and where should I send outstanding invoices to be paid by the seller?**  
Invoices should be submitted no later than 10 days prior to the closing to your assigned compliance specialist. All bills must be sent in advance of closing. Please refer to your executed contract email for your compliance specialist.
8. **Will all closing requests be accommodated?**  
If the package is uploaded timely and there are no outstanding bills/demands/issues preventing closing, the assigned specialist will work to accommodate your requested closing.
9. **Where do I submit any HUD-1 revisions?**  
Please email them to the HUD reviewer assigned to your file. Revisions should be sent after your initial package is reviewed. Please do not upload multiple packages to the portal.
10. **How do I know if the Prelim HUD-1 has been received?**  
An email notification will be sent to the primary email address on file that is associated with your Title ID.
11. **What should I do with the Final Post Closing Package?**  
Within 24 hours of closing, update the Actual Close Date in P260 and then upload the Post Closing Package to the portal under the **Settlement** category and then **Final HUD-1** subcategory. Do not use any other category.
12. **Who do I contact for general closing related questions?**  
Sage Acquisitions' Customer Service Department can assist you with most general closing related questions. In the event they cannot, they will escalate to a closing team member that can assist you.
13. **What is Sage Acquisitions' Customer Service telephone number?**  
Atlanta – 877.369.9018      Denver & Philadelphia – 888.909.5007

Single Family Acquired Asset  
Management System (SAMS)  
**Request to Wire Transfer Funds**

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

OMB Control #2502-0306  
Exp (1/31/2017)

See back for Instructions and Public Reporting Burden Statement

**Required Fedwire Information**

	Field Tag #	Field Contents
1.	Type/Subtype Code	1510
2.	Amount	2000
3A.	Receiver DI	3400
3B.	Receiver Name	3400
4.	Business Function	3600
5A.	Beneficiary ID Code	4200
5B.	Beneficiary Identifier	4200
5C.	Beneficiary Name	4200

10/00	
021030004	
TREAS NYC	
CTR	
D	
86090300	
US Department of HUD	

**Closing Agent.** For each HUD closing, enter the requested information in blocks 6 thru 10 and present this form to your bank's wire transfer department. It is your responsibility to ensure the data are transmitted in the prescribed format. Request that your bank establish a repetitive templet for this format.

**Wire Transfer Agent. Please follow these instructions:**

- A. Transmit each character shown below in the field contents exactly as written.
- B. Do not include the preprinted informational headings, e.g., Closing Agent Business Name, Old FHA Case Number, etc., in the transmission.
- C. Blank fill all lines after entering the required information. Each OBI line contains 35 characters.
- D. Key verified data prior to transmission.
- E. Sample transmission of OBI data: 4231 123-456789

123 First St.  
Anywhere, CA  
ABCDEF1234

	Field Tag #	Field Contents
6.	Originator Name	5000
7.	OBI - Line 1	6000
8.	OBI - Line 2	6000
9.	OBI - Line 3	6000
10.	OBI - Line 4	6000

Closing Agent's Business Name	
4 2 3 1	Old FHA Case Number
Property Address	
City	State
Closing Agent Title ID	

If you have questions regarding this request, please call:  
Contact Person for Closing Agent

Phone Number (include area code)

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Public reporting burden for this collection of information is estimated to average 6 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information and you are not required to complete this form unless it displays a currently valid OMB control number.

This information enables HUD to record and process financial transactions in its automated Single Family Acquired Asset Management System (SAMS) to dispose of acquired single family properties. HUD reimburses property managers, closing agents, selling brokers, and trade vendors for their services in maintaining, marketing, and selling HUD homes, and HUD collects funds associated with the sales of these properties. The information enables HUD to create and maintain sound financial management practices and effective internal controls over the property disposition program. A response is required to obtain or maintain a benefit.

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Treasury Financial Communications Systems (TFCS)  
Instructions for Completing form SAMS-1103, Request to Wire Transfer Funds

**Required Data for Bank Use Only**

1. **Type/Subtype Code (1510):** The type/subtype code will be provided by the sending bank.
2. **Amount (2000):** The transfer amount will be provided by the depositor. Include decimal points, but do not include dollar signs or commas in the transfer amount.
3. **Receiver DI (3400):** This information contains two parts (A and B) and identifies the receiving institution provided on the form. **Do not alter this information.**
4. **Business Function (3600):** The Business Function Code describes the business purpose of the message. Sending banks should use either the Customer Transfer (CTR) or Customer Transfer Plus (CTP) Business Function Code.
5. **Beneficiary (4200):** This information contains three parts (A, B, and C) and identifies the ultimate party to be credited or paid. **Do not alter this information.**

**Note:** Items 3. and 5. above are of critical importance and they must appear on the funds transfer deposit message in the precise manner as stated. This will permit the automated processing and classification of the funds transfer message to the agency location code of the appropriate agency.

**Required Data from Closing Agent**

6. **Originator (5000):** This identifies the business name of the originator of the payment order contained in the transfer and must be provided by the depositor.
7. **OBI - Line 1 (6000):** The nine digit old FHA case number specified on the form HUD-9548, Sales Contract. The pre-printed number 4231 identifies the Single Family Property Disposition Program. **Do not alter this number.**
8. **OBI - Line 2 (6000):** The property address of the property sold/closed.
9. **OBI - Line 3 (6000):** The city and State of the property sold/closed.
10. **OBI - Line 4 (6000):** The closing agent's 10 character Title Identification provided by the local HUD Office.

Closing Contacts  
Philadelphia



Forms and Deed templates are available at [sageacq.com/Philadelphia-hoc-region/](http://sageacq.com/Philadelphia-hoc-region/)

Submit Amendments	<a href="mailto:Philadelphia.Amendment@SageAcq.com">Philadelphia.Amendment@SageAcq.com</a>
Submit Extensions	<a href="mailto:Philadelphia.Extension@SageAcq.com">Philadelphia.Extension@SageAcq.com</a>
Submit Cancellations	<a href="mailto:Philadelphia.Cancellation@SageAcq.com">Philadelphia.Cancellation@SageAcq.com</a>

Upload Prelim Packages (Settlement, Deed & Tax Cert) ready for review and approval by Sage Acquisitions to P260 under "Prelim HUD-1".

Upload Post-Closing Packages to P260 under "Closing Package" or "Final HUD-1".

Reactivate access to P260	<a href="mailto:Philadelphia.CustomerService@SageAcq.com">Philadelphia.CustomerService@SageAcq.com</a>
Property Invoices to be paid	<a href="mailto:closing.invoice@sageacq.com">closing.invoice@sageacq.com</a>
LBP or Termite (WDO) Questions	<a href="mailto:Philadelphia.LBPWDO@SageAcq.com">Philadelphia.LBPWDO@SageAcq.com</a>
Vandalism / Change in Condition	<a href="mailto:Philadelphia.Vandalism@SageAcq.com">Philadelphia.Vandalism@SageAcq.com</a>
Title Questions / Commitments	<a href="mailto:Compliance@SageAcq.com">Compliance@SageAcq.com</a>

Please make sure that the HUD Case Number is added to all documents.

**Sales Contract**  
Property Disposition Program

U.S. Department of Housing and Urban Development  
Office of Housing  
Federal Housing Commissioner

HUD Case No.  
412-578225

1. I (We), Herchler Homes LLC  
(Purchaser(s)) agree to purchase on the terms set forth herein, the following property, as more particularly described in the deed conveying the property to the Secretary of Housing and Urban Development:  
699 Hazelwood Dr., Vermilion, OH, 44089  
(street number, street name, unit number, if applicable, city, county, State)
2. The Secretary of Housing and Urban Development (Seller) agrees to sell the property at the price and terms set forth herein, and to prepare a deed containing a covenant which warrants against the acts of the Seller and all claiming by, through or under him. Title will be taken in the following name(s) and style: Single Person Herchler Homes LLC
3. The agreed purchase price of the property is .....> 3. \$ 40,000.00  
Purchaser has paid \$ \$500.00 as earnest money to be applied on the purchase price, and agrees to pay the balance of the purchase price, plus or minus prorations, at the time of closing, in cash to Seller. The earnest money deposit shall be held by Old Republic Title
4.  Purchaser is applying for FHA insured financing [  203(b),  203(b) repair escrow,  203(k) ] with a cash down payment of \$ TBD due at closing and the balance secured by a mortgage in the amount of \$ TBD for TBD months (does not include FHA Mortgage Insurance Premium, prepaid expenses or closing costs Seller has agreed to fund into mortgage.).  
 Said mortgage involves a repair escrow amounting to \$ \_\_\_\_\_  
 Purchaser is paying cash or applying for conventional or other financing not involving FHA.
5. Seller will pay reasonable and customary costs, but not more than actual costs, nor more than paid by a typical Seller in the area, of obtaining financing and/or closing (excluding broker's commission) in an amount not to exceed .....> 5. \$ \_\_\_\_\_ 0.00
- 6a. Upon sales closing, Seller agrees to pay to the broker identified below a commission (including selling bonus, if offered by seller) of .....> 6a. \$ \_\_\_\_\_ 1,200.00
- 6b. If broker identified below is not the broad listing broker, broad listing broker will receive a commission of: .....> 6b. \$ \_\_\_\_\_ 1,200.00
7. The net amount due Seller is (Purchase price [Item 3] less Items 5 and 6) .....> 7. \$ \_\_\_\_\_ 37,600.00

JAN 24 2017 RCVD

8. Purchaser is:  owner-occupant (will occupy this property as primary residence)  investor  
 nonprofit organization  public housing agency  other government agency. Discount at closing: \_\_\_\_\_ %  
*Discount will reduced by amounts, if any, listed on Line Items 5 and 6.*
9. Time is of the essence as to closing. The sale shall close not later than 45 days from Seller's acceptance of contract. Closing shall be held at the office of Seller's designated closing agent or Old Republic Title
10. If Seller does not accept this offer, Seller  may  may not hold such offer as a back-up to accepted offer.
11. Lead based paint addendum  is  is not attached; Other addendum  is  is not attached hereto and made part of this contract.
12. **Should Purchaser refuse or otherwise fail to perform in accordance with this contract, including the time limitation, Seller may, at Seller's sole option, retain all or a portion of the deposit as liquidated damages. The Seller reserves the right to apply the earnest money, or any portion thereof, to any sums which may be owed by the Purchaser to the Seller for rent. Purchaser(s) Initials: KH Seller's Initials: VHS**

13. This contract is subject to the Conditions of Sale on the reverse hereof, which are incorporated herein and made part of this contract.  
**Certification of Purchaser: The undersigned certifies that in affixing his/her/its signature to this contract he/she/it understands: (1) all the contents thereof (including the Conditions of Sale) and is in agreement therewith without protest; (2) he/she/it is responsible for satisfying itself as to the full condition of the property; and (3) that Seller will not perform repairs after acceptance of this contract.**

Purchaser(s): (type or print names & sign) Herchler Homes LLC Kody Herchler **SIGN HERE**  
Purchaser(s) Address: 3190 Cooper Foster Park Rd  
Vermilion, OH 44089

Purchaser(s) Social Security Number (SSN) or Employer Identification Number (EIN) (include hyphens) 815-03-8771 Phone No: (440) 258-2876  
Date Purchaser(s) Signed Contract: 01/19/2017  
Seller: Secretary of Housing and Urban Development By: (type name & title, & sign) Virginia Strevs  
Contract Specialist  
Date Contract Accepted by HUD: 1/27/17

**Certification of Broker: The undersigned certifies that: (1) neither he/she nor anyone authorized to act for him/her has declined to sell the property described herein to or to make it available for inspection or consideration by a prospective purchaser because of his/her race, color, religion, sex, familial status, national origin, or disability; (2) he/she has both provided and explained to the purchaser the notice regarding use of Seller's closing agent; (3) he/she has explained fully to the purchaser the entire terms of the contract, including Condition B on the reverse hereof; and (4) he/she is in compliance with Seller's earnest money policy as set forth on HUD forms SAMS-1111, Payee Name and Address, and SAMS-1111-A, Selling Broker Certification, which he/she has executed and filed with Seller.**

Broker's Business Name & Address: (for IRS reporting) (include Zip Code) Realty Trust Services  
29550 Detroit Rd. Suite 300 Westlake, OH 44145  
Broker's EIN or SSN: (include hyphens) 20-8435694  
Signature of Broker: Tim Debronsky **SIGN HERE**  
SAMS NAID: RLTYTR5694  
Broker's Phone No: (440) 427-0123

Type or print the name and phone number of sales person: Tim Debronsky timdebronsky@gmail.com (440) 281-4747

This section for HUD use only. Broker notified of:  
 Acceptance  Back-Up No. \_\_\_\_\_  
 Rejection  Return Earnest Money Deposit \_\_\_\_\_  
Authorizing Signature & Date: [Signature] 1/26/17

## Conditions of Sale

- A. All assessments, including improvement assessments which are available for payment without interest or penalty for advance payment, taxes, rent, and ground rent, if any, shall be prorated as of the closing date.
- B. Seller makes no representations or warranties concerning the condition of the property, including but not limited to mechanical systems, dry basement, foundation, structural, or compliance with code, zoning or building requirements and will make no repairs to the property after execution of this contract. Purchaser understands that regardless of whether the property is being financed with an FHA-insured mortgage, Seller does not guarantee or warrant that the property is free of visible or hidden structural defects, termite damage, lead-based paint, or any other condition that may render the property uninhabitable or otherwise unusable. Purchaser acknowledges responsibility for taking such action as it believes necessary to satisfy itself that the property is in a condition acceptable to it, of laws, regulations and ordinances affecting the property, and agrees to accept the property in the condition existing on the date of this contract. It is important for Purchaser to have a home inspection performed on the property in order to identify any possible defects. If FHA insured financing is used, up to \$200 of the cost to perform the inspection may be financed into the mortgage. Names of home inspection companies can be found in the yellow pages of your telephone directory under the heading "Home Inspection Services.**
- C. If financing is involved in this transaction (Item 4), Purchaser agrees that should he/she/it fail to provide documentation indicating that proper loan application was made in good faith within 10 calendar days of the date this contract was accepted by Seller, and/or thereafter otherwise to put forth good faith efforts to obtain necessary financing, Seller shall have the option of rescinding this contract and retaining all or a portion of Purchaser's earnest money deposit.
- D. Seller may rescind this contract and return all or a portion of Purchaser's earnest money deposit under the following conditions:
1. Seller has not acquired the property.
  2. Seller is unable or unwilling to remove valid objections to the title prior to closing.
  3. Seller determines that purchaser is not an acceptable borrower.
- Tender of the deposit shall release the Seller from any and all claims arising from this transaction.
- E. Purchaser may not perform repairs nor take possession of the property until sale is closed. Risk of loss or damage is assumed by Seller until sale is closed, unless Purchaser takes possession of the property prior thereto, in which case State law shall apply. (1) If sale involves FHA insured financing and after damage the property no longer meets the intent of Minimum Property Standards (MPS), Seller may, at its option, perform repairs or cancel the contract and return Purchaser's full earnest money deposit. If, after damage, the property still meets the intent of MPS, Purchaser has the option of accepting the property as-is, with a purchase price adjustment at Seller's sole discretion, or cancelling the contract and receiving refund of full earnest money deposit. (2) If sale does not involve FHA insured financing, Seller will not repair damage but may, at Seller's sole discretion, reduce the sale price. Purchaser has option to cancel the contract and receive refund of full earnest money deposit. Tender of the earnest money shall release Seller from any claims arising from this transaction.
- F. If this property is being offered with FHA insured mortgage financing available, Seller's acceptance of this contract constitutes a commitment to insure, conditioned upon Purchaser being determined by Seller or Direct Endorsement Underwriter to be an acceptable borrower and further conditioned upon Seller's authority to insure the mortgage at the time the sale is closed.
- G. Purchaser understands that Seller's listing price is Seller's estimate of current fair market value.**
- H. No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.
- I. Purchaser and Seller agree that this contract shall be binding upon their respective heirs, executors, administrators, successors or assigns but is assignable only by written consent of the Seller.
- J. If this property was constructed prior to 1978, Seller has inspected for defective paint surfaces (defined as cracking, scaling, chipping, peeling or loose paint on all interior and exterior surfaces). Seller's inspection found no defective paint surfaces, or if defective paint surfaces were found, Seller has treated or will treat such defective surfaces in a manner prescribed by Seller prior to closing. Purchaser understands and agrees that the Seller's inspection and/or treatment is not intended to, nor does it guarantee or warrant that all lead-based paint and all potential lead-based paint hazards have been eliminated from this property. Purchaser acknowledges that he/she/it has received a copy of a pamphlet which discusses lead-based paint hazards and has signed, on or before the date of this contract, the Lead-Based Paint Addendum to Sales Contract - Property Built Before 1978. Purchaser understands that the Lead-Based Paint Addendum must be signed by all Purchasers and forwarded to Seller with this contract. Contracts which are not in conformance with these requirements will not be accepted by Seller.**
- K. The effective date of this contract is the date it is accepted (signed) by the Seller.
- L. If the amount stated in Item 5 exceeds actual and typical financing and/or closing costs, such excess shall not be paid by Seller and may not be used by Purchaser to reduce amount(s) due Seller.
- M. Seller's policies and requirements with regard to earnest money (including forfeiture thereof), extensions of time in which to close the sale, back-up offers, and allowable financing and/or closing costs are detailed in instructions issued to selling brokers.
- N. Seller makes no representations or guarantees that the property will, in the future, be eligible for FHA insured mortgage financing, regardless of its condition or the repairs which may be made.
- O. Warning: Falsifying information on this or any other form of the Department of Housing and Urban Development is felony. It is punishable by a fine not to exceed \$250,000 and/or a prison sentence of not more than two years. (18 U.S.C. 1010, 3559; 3571)**
- P. This contract contains the final and entire agreement between Purchaser and Seller and they shall not be bound by any terms, conditions, statements, or representations, oral or written, not contained in this contract.

Case #

412-578225

### Electronic Filing of 9548 Contract Addendum

Purchaser(s) and Broker have elected to use the electronic 9548 contract downloaded form in the submission of their bid 14082525-9648780 (confirmation number) for case # 412-578225.



By doing so, all parties to this agreement certify, warrant, and represent that no information and/or content of the 9548 contract has been altered in any manner. They further certify, warrant, and represent that this is a true and accurate copy of the 9548 contract.

The broker and purchaser(s) further agree that (i) they read and understand their responsibilities, as stated in the "Conditions of Sale," which is a part of the HUD-9548 Sales Contract and (ii) no contract or binding agreement exists unless and until a written HUD-9548 Sales Contract, executed by the U.S. Department of Housing and Urban Development is returned to purchaser.


The broker and purchaser(s) knowingly execute this addendum with full understanding that "falsifying information on this or any other form of the Department of Housing and Urban Development is felony. It is punishable by a fine not to exceed \$250,000 and/or a prison sentence of not more than two years (18 U.S. C. 1010, 3559, 3571)."

#### CERTIFICATION OF ACCURACY

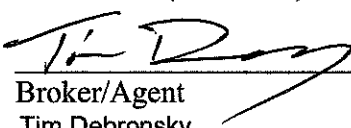

The following parties have reviewed the information above and certify to the best of their knowledge it is true and accurate, and that they agree to all of the terms and provisions hereof.



01/19/2017  
Date

Purchaser  
 Herchler Homes LLC  
 Print Name (Purchaser)


01/19/2017  
Date

Purchaser  
 Print Name (Purchaser)



01/19/2017  
Date

Broker/Agent  
 Tim Debronsky  
 Print Name (Broker/Agent)





# Earnest Money Guidelines

HUD Case #: 412-578225

The following are instructions for collecting and submitting the earnest money. The payee and submission of the earnest money will vary based on HOC Area. Please read the instructions carefully to avoid mistakes that may lead to cancellation of the bid award.

## Amount to be submitted with each awarded bid:

Owner Occupant and Investors - Purchase price of \$50,000 and under - \$500  
 Owner Occupant and Investors - Purchase price of \$50,001 and over - \$1,000  
 Owner Occupant and Investors - Bids submitted on vacant lots require 50% of the list price  
 GNND Bidders - 1% of the list price, but no less than \$500 and no more than \$2,000

## Upon notification of bid award the following guidelines must be followed:

- ⇒ Original earnest money forwarded to the Listing Broker (must be at their office within 2 business days)
- ⇒ The original sales contract package with a copy of the certified earnest money sent overnight to Sage Acquisitions.

Once Sage Acquisitions has executed the sales contract, the listing broker will deliver the earnest money to the selected closing agent within 2 business day.

## EARNEST MONEY PAYEE - QUICK REFERENCE CHART

<u>HUD REGION</u>	<u>EARNEST MONEY PAYEE REQUIREMENTS</u>	<u>CERTIFIED FUNDS</u>
Atlanta HOC and Philadelphia HOC	The earnest money must be made payable to the closing company selected by the buyer.	Cashier's Check or Money Order
Denver HOC	The earnest money payee must show both the Closing Company and the name of the buyer <b>separated</b> by the word "OR".  Example: Pay to the order of "ABC Closing Company OR Buyer Name".	Cashier's Check or Money Order

TD INITIAL HERE (Agent's Initials) I certify that I have read the earnest money guidelines for the specific area in which I am submitting this offer and have accurately advised the buyer on the payee and amount of the earnest money. I further certify that I have read and understand the Forfeiture and Extension Policy Addendum and have explained the guidelines to my buyer.

KN INITIAL HERE (Buyer's Initials) I authorize the listing agent to hold the earnest money from the time of bid award until contract execution. I acknowledge this holding period may exceed three days, due to contract processing time. I further certify that I have read and understand the Forfeiture and Extension Policy attached to my contract package.



U.S. Department of Housing and Urban Development  
Office of Housing  
Federal Housing Commissioner

Single Family Acquired Asset  
Management System (SAMS)  
Buyer Select Closing Agent

For properties identified for the "Buyer Select" closing agent program, the buyer will chose their own Escrow / Settlement Company. HUD will not pay the escrow fee. The purchaser will be the responsible for any and all closing fees. **Amounts listed on line 5 may be applied toward closing fees. Please note Line 9 of the HUD-9548 Sales Contract must contain the name of the buyer selected closing agent listed on this form.**

**TO ENSURE ACCURACY OF YOUR DOCUMENT, PLEASE UTILIZE THE FILLABLE FORMAT BELOW**  
**HANDWRITTEN DOCUMENTS WILL NOT BE ACCEPTED.**

I/We authorize Sage Acquisitions to release a copy of the sales contract and all applicable addenda/amendments for the following property to the closing agent/escrow company listed on this form.

FHA Case Number 412-578225

Property Address 699 Hazelwood Dr. City Vermilion State OH Zip 44089

Buyers Name Herchler Homes LLC Phone Number (440) 258-2876

Phone Number \_\_\_\_\_

Selling Broker Name Andy Morris Phone Number (440) 427-0123

Listing Broker Name \_\_\_\_\_ Phone Number \_\_\_\_\_

**TITLE COMPANY / CLOSING AGENT / ESCROW COMPANY INFORMATION**

Company Name Old Republic Title Phone Number (440) 322-5300

Primary Contact Person Chris Bradley Phone Number (440) 322-5300

Secondary Contact Person \_\_\_\_\_ Phone Number \_\_\_\_\_

Mailing Address <sup>160</sup> 106 Cleveland St. City Elyria State OH Zip 44035

Phone Number (440) 322-5300 Email Address: cbradley@oldrepublictitle.com

Has this closing/escrow company previously registered with HUD? YES  NO  oldrepublictitle.com

If yes, please enter Title ID# OLDREP 0033

**If no, attach a copy of Closing/Escrow Company's State license, evidence of Errors and Omissions insurance, and evidence of appropriate fidelity bonding currently in place. .**

Purchaser's Signature [Signature] Date: 1/19/17

Selling Agent's Signature [Signature] Date: 1/19/17

**As the closing agent/company identified above, we agree that no release, whether written or oral, will be required from the buyer or any other entity prior to forwarding the earnest money to the Department of Housing and Urban Development HUD or their authorized agent should the earnest money is determined as forfeited in part or whole, and such determination is provided in writing by HUD or their designated representatives in accordance with HUD's Earnest Money Policy which the purchaser has signed.**

Closing Company Authorized Agent: [Signature] Date: 1/23/17

For Agency Use Only:

Processed By \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED

DENIED

# Closing Instructions And Certification



The following are **general** instructions and may not provide all disclosures for sales under special programs or circumstances. The selected closing entity must read this certification thoroughly and acknowledge prior to the contract being executed for the specified property.

HUD CASE NUMBER: 412-578225

PROPERTY ADDRESS: 699 Hazelwood Dr., Vermilion, OH, 44089

BUYER'S NAME: Herchler Homes LLC

As settlement/title company/agent, you must adhere to the following closing instructions to close this sale between the US Department of Housing and Urban Development (HUD) and the buyer identified on the attached executed sales contract. If you are unable to perform these tasks within the required time frame (as defined on line 9 of the HUD Form 9548), please notify the buyer's Real Estate agent immediately.

As the settlement agent/title company, you must meet all **applicable** local and state standards as well as those required by HUD. (See "Standards for Acceptable Closing Companies" contained in this document)

You must close this sale for only the buyer(s) identified on the executed sales contract, or amendment/addendum which has been executed by the buyers and SAGE ACQUISITIONS.

**EARNEST MONEY:** SAGE ACQUISITIONS will NOT include the earnest money with the fully executed sales contract. The earnest money will be delivered within (2) business days of receiving the executed sales contract from the Listing Broker. If you do not receive the EM please notify SAGE ACQUISITIONS by the (3<sup>rd</sup>) third day.

**REAL ESTATE TAXES:** Real estate taxes for the current year shall be pro-rated to the date of closing. HUD will only pay for taxes currently due and will not pay or reimburse any party after closing if real estate taxes are reassessed by local government.

**HOMEOWNER ASSOCIATION (HOA) FEES/DUES:** HUD will pay for HOA fees/ dues pro-rated from the date of HUD's ownership to the date of closing. HUD will only pay for HOA fees/dues that are the legal responsibility of HUD during its ownership in accordance with State Statutes .

**RENTAL MONIES:** You will be provided special instructions from SAGE ACQUISITIONS in case the property is being purchased by a HUD approved tenant.

## Closing Instructions And Certification



**SPECIAL PROGRAMS:** HUD has a number of special programs, including the Good Neighbor Next Door (GNND) Sales program, in which the buyer receives a discount off the purchase price, as indicated on the executed sales contract.

Further, some sales such as those under GNND require a second Note and Deed of Trust/ Mortgage and/or a Land Use Restriction Addendum. If applicable to this sale, special instructions for the completion of those documents are attached or will be supplied by SAGE ACQUISITIONS.

For properties covered by an Asset Control Area (ACA) Agreement, SAGE ACQUISITIONS will provide additional closing instructions.

**CLOSING COSTS:** HUD will pay up to the amount on Line 5 of the executed sales contract towards reasonable and customary closing costs and the amount shall be annotated on the HUD 1 in accordance with RESPA. Any unused portion will be credited to HUD's proceeds.

**Closing Agent Fee:** The purchaser is responsible for any and all closing fees up to the maximum allowed per State Law and Regulatory requirements. The buyer may apply amounts listed on line 5 of the sales contract for payment of closing fees.

Recording fees for the Special Warranty/Grant Deeds transferring ownership from HUD to the buyer as stated on the executed sales contract, for the second Note/ Deed of Trust, if required for special HUD programs, and for special addendums, if required, such as Land Use Restriction Addendum, are the expense of the buyer. This expense may be covered from funds on Line 5 of the executed sales contract. If the buyer did not request funds on line 5, the amount to cover the cost of recording shall be collected from the buyer at closing. The recording of the Deed may not be relinquished to any other party.

**EXTENSION FEES:** All requests for extensions must be submitted to SAGE ACQUISITIONS for review and are not guaranteed. Fees will be made payable to HUD. Requests must include the appropriate extension request form, lender documentation or proof of funds and fee. There are instances in which a free extension may be granted. Additional information and instruction will be provided after contract execution.

**HUD-1 PREPARATION:** You must accurately prepare the Preliminary HUD-1 or Settlement Statement and provide it to SAGE ACQUISITIONS five (5) business days in advance of the scheduled closing date for their review, approval, and return prior to closing. This can be accomplished electronically.

**DEED PREPARATION:** You must prepare a Special Warranty or Grant Deed (where applicable) and provide it to SAGE ACQUISITIONS at least three (3) business days prior to the scheduled closing. **The Deed can be sent to SAGE ACQUISITIONS electronically.** SAGE ACQUISITIONS will execute, notarize, and return an original Deed via two-day delivery.

## Closing Instructions And Certification



**WIRE PROCEEDS:** You must wire HUD's proceeds to the US Treasury via FEDWIRE the day of but not later than the next available banking day after closing, ensuring the amount matches that of the executed HUD-1. SAGE ACQUISITIONS will provide specific wiring instructions, including the form to be used. **The case number shown on the sales contract package MUST be included on the wire for the funds to properly post.**

**DEED RECORDING:** You must ensure the deed is delivered for recording to the appropriate county recorder's office no later than one (1) business day after closing.

**NOTIFICATION OF CLOSING:** You must notify SAGE ACQUISITIONS via email on the day the closing has or has not occurred.

**CLOSING PACKAGE:** You must deliver a complete closing package to SAGE ACQUISITIONS not more than two (2) business days after the closing is completed. At a minimum, the post-closing package shall include the following:

- Final HUD-1 and the HUD 1 Certification;
- Copy of the wire of proceeds transfer confirmation;
- Evidence that the deed was delivered for recording;
- Copy of any invoice HUD paid at closing;
- Copy of disbursement log, accounting for all incoming and outgoing funds related to this transaction.

Additional information and instruction on a complete final package will be provided by SAGE ACQUISITIONS after contract execution.

**CANCELLED SALE:** If a sale is canceled and not immediately rescheduled, the deed must be returned to SAGE ACQUISITIONS within two (2) business days of the original scheduled closing date. If the sale does not close on the scheduled date, notify SAGE ACQUISITIONS immediately via email as to the date the closing is rescheduled or if it has been canceled.

If the sale has not been rescheduled or is canceled, the Closing Company shall scan the original of the signed deed, marked VOID in large letters across the front, and electronically deliver it to SAGE ACQUISITIONS no later than the second business day after a closing is cancelled. The original document will then be mailed to SAGE ACQUISITIONS that same day, along with the earnest money deposit and extension fees that are in your possession.

# Closing Instructions And Certification



**FORFEITED EARNEST MONEY:** Comply with the earnest money forfeiture policy that was signed by the buyer(s) and is part of the executed sales contract package. Earnest money forfeitures are to be sent to SAGE ACQUISITIONS, payable to HUD, within 3 business days of the earnest money disposition issued by SAGE ACQUISITIONS or expiration of the contract whichever shall occur first.

HUD, nor SAGE ACQUISITIONS, will be responsible for paying a cancellation fee, if the sale does not close and the contract is cancelled, regardless of reason. Cancellation fees may not be deducted from the earnest money or any other funds held by the closing agent.

## STANDARDS FOR ACCEPTABLE CLOSING COMPANIES

**Buyer Selected Closing Companies (BSCC)** must certify that they meet the following standards:

1. A BSCC must be an attorney, title company, or escrow company. In addition, any BSCC must meet all requirements of state and local laws for the applicable entity type (e.g., if the property is in a state that bans attorneys from conducting a closing, an attorney may not be used as a BSCC).
  - a. **Use of attorneys** - An attorney or law firm may act as a BSCC, provided that they are duly licensed to practice law in the state where the property is located and state law allows an attorney to facilitate Real Estate closings.
  - b. **Use of title companies** - A title company may act as a BSCC, provided that they are duly licensed to do business in the state where the property is located, and are regulated by the State Insurance Commission, or similar regulatory agency recognized by the State.
  - c. **Use of Escrow Company** - An escrow company may act as a BSCC, provided that they are duly licensed to do business in the State where the property is located and meet all state legal and regulatory requirements as a recognized and registered escrow company.
2. **Insurance and Closing Protection Letter requirement** - Any BSCC must be covered by Errors and Omissions Insurance of at least \$1,000,000. Title companies shall provide a Closing Protection Letter (CPL) when required to insure against any improper handling of HUD's proceeds or deed.
3. **Conflict of Interest** - A BSCC who has, or whose immediate family member, or business associates have, a financial interest in the property shall not be involved in the closing process. Financial interest includes having an equity, creditor, lender, or debtor interest in any corporation, trust, or partnership with a financial interest in the property.

## Closing Instructions And Certification




4. **Debarment or suspension** - No attorney, Title Company, Escrow Company, or BSCC, currently debarred, suspended, or otherwise excluded from participating in HUD transactions or federal programs, may participate in any aspect of the closing or title clearance process.
5. **Non-Discrimination** - No BSCC, employee, or person or entity otherwise authorized to act for a BSCC agent may act in violation of Title VIII of the Civil Rights Act of 1968 (the "Fair Housing Act" Title VIII or Public Law 90-284) or Executive Order 11063. BSCC's, their employees, and any person or entity otherwise authorized to act on behalf of a BSCC shall (1) refrain from discrimination on the basis of race, color, creed, religion, sex, sexual orientation, gender identity, marital status, national origin, age or handicap; (2) instruct their staffs in the policies of nondiscrimination and all applicable local, State, and Federal fair housing and non-discrimination laws.
6. **Failure to Abide by HUD's Closing Instruction** - Failure to adhere to HUD requirements or guidance may result in sanctions including, but not limited to civil money penalties or administrative action against any person, part, company, form, or business.
7. I fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts, and/or standards as applicable under the provisions of Title 18, United States Code, and Section 1001, etseq.

## Closing Instructions And Certification



I, the undersigned, for myself and any business entity I represent, certify that I have read this document and can and will perform all the duties and tasks required by the terms of this document, and comply with all of the laws, regulations and standards specified in this document. I further understand and will comply with these instructions and requirements and any subsequently provided written instructions provided by HUD directly or SAGE ACQUISITIONS, for the sales transaction named on the attached executed Sales Contract, and understand that my failure to comply with such instructions and requirements and/or perform such duties and tasks may subject me to sanctions, administrative actions, or civil money penalties.

Signature: Christine Bradley  Date: 1/23/17

Printed Name with Title: Christine Bradley

Telephone# (440) 322-5300 Email: cbradley@oldrepublictitle.com

State License # 50520 HUD Title ID (If known) # OLDREP 0033

HUD CASE NUMBER: 412-578225

PROPERTY ADDRESS: 699 Hazelwood Dr., Vermilion, OH, 44089

BUYER'S NAME: Herchler Homes LLC

Acknowledgement and certification of this document **MUST** be submitted with the sales contract or there will be a delay in execution. Once the contract has been executed, additional training information will be provided, including designated email addresses for SAGE ACQUISITIONS.



# Forfeiture and Extension Policy




HUD Case Number: 412-578225


Property Address: 699 Hazelwood Dr., Vermilion, OH, 44089

## Forfeiture of Earnest Money Deposits / Cancellations

The failure by a Purchaser to close on the sale of a property within the allowable time period, including any extensions granted by HUD, will result in the forfeiture of the earnest money deposit, except where the Purchaser presents documentation to HUD that one of the special circumstances outlined in the section below has occurred **and** all supporting documentation is provided in a timely manner.

**Investor Purchasers:** km   
(Buyer's Initials)

1. Cash / Conventional Sales: Forfeit 100 percent of the deposit for failure to close, regardless of the reason.
2. Insured Sales: Forfeit 50 percent of the deposit for failure to close if purchaser is determined by HUD or DE underwriter to be an unacceptable buyer. Forfeit 100 percent if sale fails to close for any other reason.

**Owner-Occupant Purchasers:** \_\_\_\_\_   
(Buyer's Initials)

1. On insured sales, return 100 percent of the deposit where:
  - a) There has been a death in the immediate family (contract holder, spouse, or children living in the same household);
  - b) There has been a recent serious illness in the immediate family that has resulted in significant medical expenses or substantial loss of income, thus adversely affecting the Purchaser's financial ability to close the sale;
  - c) There has been a loss of job by one of the primary breadwinners, or substantial loss of income through no fault of the Purchaser;
  - d) On an insured sale, HUD (or a Direct Endorsement Underwriter) determines that the Purchaser is not an acceptable borrower;
  - e) For other good cause, as determined and approved by HUD.
2. On an uninsured sale, return 50 percent of the deposit where:
  - a) Purchaser was pre-approved for mortgage financing in an appropriate amount by a recognized mortgage lender and despite good faith efforts, is unable to obtain mortgage financing. Pre-approved means a commitment has been obtained from a recognized mortgage lender for mortgage financing in a specific dollar amount sufficient to purchase the property.

## Vacant Lot Sales:

The purchaser will be considered as an investor and the instructions pertaining to forfeiture by investors will apply.

***Regardless of type of sale, the Purchaser will forfeit 100 percent of the deposit in those instances where no documentation is submitted, where documentation fails to provide an acceptable cause for the buyer's failure to close, or where documentation is not provided within 15 days of contract cancellation for an appeal.***

# Forfeiture and Extension Policy



## Requests for contract extensions

Sage Acquisitions will review extensions of time upon receipt of written request. Extensions of time to close the sale are entirely within Sage Acquisitions and/or HUD's discretion. An extension, if granted, will be under the following conditions:

1. All extensions and supporting documentation must be received by Sage Acquisitions no later than five days prior to the expiration of contract (please read carefully):
  - a. Requests for free extensions may be submitted via email to our office under specific circumstances:
    - i. Owner occupant experiencing delays with financing are entitled to one free extension (in the case of 203k loans, Sage Acquisitions may grant two extensions in 15 day increments). Delays attributed to a seller delay (asset manager clearing title issue, HOA resolution, Utility or other concerns related to a delay due to a HUD contractor) will receive a free extension.
    - b. Extension request that do not meet the criteria outlined above must be mailed to the designated Sage Acquisitions office *with funds made payable to HUD*. See extension request form for additional information and details.
2. The documentation submitted with the request must establish the cause of delay and verification of underwriting approval and loan status. All lender letters must contain the signature of the loan officer or underwriter.
3. Extension fees are only granted in increments of 15 days and fees will be retained by the Seller if closing does not occur. The cost of the extension, when charged, is based on the contract sales price and submitted at the time of request (unless it meets the qualifications as outlined above). Fees for extensions are as follows:

Contract Sales Price	Extension Fee
\$25,000 or less	\$150 (\$10 per day)
\$25,001 to \$50,000	\$225 (\$15 per day)
\$50,001 or more	\$375 (\$25 per day)

4. The granting of one extension *shall not* obligate the Seller to grant additional extensions and the Seller shall declare a Default for the Purchaser's failure to close the sale upon the expiration of the original closing period or upon expiration of the extension.

### Commission:

The commission is calculated on the purchase price shown on line 3 of the sales contract. The selling broker may choose to reduce their commission below 3%; however, the listing broker will automatically receive 3% of the purchase price. On specific cases identified on the property listing, Sage Acquisitions may approve \$1,000 commission for each broker. In either case, the commission check issued at closing must be for the amount designated on the sales contract.

### Closing Costs:

At the time of bid submission, the buyer has the opportunity to request closing costs to be paid by HUD (not to exceed 3% of the purchase price) on line 5 of the sales contract. If an amount is not entered, HUD will NOT pay closing costs, although they may be considered as reasonable and customary for the area. There are some costs identified by HUD that may be included automatically. These items are identified in Sage Acquisitions' Guidebook for buyer select closing agents. If you do not have a copy, contact the assigned Listing Broker. Under no circumstances will HUD pay for costs related to obtaining title, if the buyer did not request closings costs on line 5 at the time of bid submission.

# Forfeiture and Extension Policy



KH  
Buyer's  
Initials

INITIAL HERE

### Seller Disclosure

Seller makes no representations or warranties concerning the condition of the property, including but not limited to mechanical system, dry basement, foundation, structural, or compliance with code, zoning or building requirements and will make no repairs to the property after execution of this contract. Purchaser understands that regardless of whether the property is being financed with an FHA-insured mortgage, Seller does not guarantee or warrant that the property is free of visible or hidden structural defects, termite damage, lead-based paint, mold, or any other condition that may render the property uninhabitable or otherwise unusable. Purchaser acknowledges responsibility for taking such action as it believes necessary to satisfy itself that the property is in a condition acceptable to it, of laws, regulations and ordinances affecting the property and agrees to accept the property in the condition existing on the date of this contract. Seller disclosure concerning HOA dues, Mello Roos taxes, assessments, or any tax concerning HUD homes is based on available information but not deemed complete or accurate. It is the responsibility of the Buyer to obtain all information concerning these issues.

KH  
Buyer's  
Initials

INITIAL HERE

### 15-DAY CONTRACT CANCELLATION CONTINGENCY FOR CONTRACTS OWNER OCCUPANT

Owner Occupant Purchaser(s) may request that the Sales Contract be canceled if, within 15 days of HUD's acceptance, the property is inspected by a professional home inspector, who discovers a structural, roof, system defect, or non-compliance with local codes, zoning, or building requirements that were not previously disclosed and HUD elects not to correct, or if within such 15 day period, the property is inspected for the presence of radon by a professional radon inspector to an extent unsatisfactory to the Buyer. Kitchen appliances, window air conditioner units, light fixtures, receptacles and switch covers are not included in the operating systems. The earnest money deposit will be returned to the owner occupant purchasers ONLY if HUD concurs with the home inspection report finding(s). **If the buyer chooses to cancel the sales contract due to the inspection or other test report, the buyer must submit the cancellation within 15 days of the date executed by Sage Acquisitions on behalf of HUD.**

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Buyer's  
Initials

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### Walk-Thru Inspection

Purchasers are strongly encouraged to perform a walk-through inspection PRIOR to the date of closing. If a Purchaser discovers a change in property condition that did not exist at the time of sale they must immediately notify Sage Acquisitions of the damage. Reporting of the damage does not guarantee the correction of the problem that has been discovered. Each case will be looked at and a determination will be made as to whether the damage will be repaired or proper credits given at the close of escrow, if those repairs or credits are deemed in the best interest of the Dept. of HUD. The buyer assumes full responsibility for the property and its condition on the date of closing. The Department assumes NO responsibility and will make no settlement for damages reported to HUD after the close of escrow. (See item # 13.E of HUD Sales Contract).

KH  
Buyer's  
Initials

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### Letter of Commitment (not applicable for cash sales)

I certify that I have completed a loan application, verification of employment's and obtained a full credit report from the lender that has provided the attached Letter of Commitment. I/we understand that the earnest money deposit will be forfeited, if we enter into this contract without completing this qualification process.

KH  
Buyer's  
Initials

INITIAL HERE

### Change of Financing


If financing is changed from FHA to conventional or cash, the buyer acknowledges he/she will be responsible for reimbursing the cost of completed termite and Lead Based Paint inspections, repairs and clearances, if applicable.


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Buyer's  
Initials


INITIAL HERE

### Buyer Certification

I/we have read all items and understand the guidelines within all three pages. I certify and understand my chosen closing agent will follow the earnest money instructions given by Sage Acquisitions on behalf of HUD, in the event the contract is cancelled.

[Signature]  01/19/2017  
Purchaser (signature) Date  
Herchler Homes LLC

[Signature]  01/19/2017  
Purchaser (signature) Date

[Signature]  01/19/2017  
Selling Broker (signature) Date  
Andy Morris



CAUTION

U.S. Department of Housing and Urban Development Federal Housing Administration (FHA)



OMB Approval No: 2502-0539 (exp. 04/30/2018)

FHA Case No: 412-578225

# For Your Protection: Get a Home Inspection

## Why a Buyer Needs a Home Inspection

A home inspection gives the buyer more detailed information about the overall condition of the home prior to purchase. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home to:

- Evaluate the physical condition: structure, construction, and mechanical systems; Identify items that need to be repaired or replaced; and
- Estimate the remaining useful life of the major systems, equipment, structure, and finishes.

## You Must Ask for a Home Inspection

- A home inspection will only occur if you arrange for one. FHA does not perform a home inspection.
- Decide early. You may be able to make your contract contingent on the results of the inspection.

## Appraisals are Different from Home Inspections

An appraisal is different from a home inspection and does not replace a home inspection. Appraisals estimate the value of the property for lenders. An appraisal is required to ensure the property is marketable. Home inspections evaluate the condition of the home for buyers.

## FHA Does Not Guarantee the Value or Condition of your Potential New Home

If you find problems with your new home after closing, FHA cannot give or lend you money for repairs, and FHA cannot buy the home back from you. Ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

## Radon Gas Testing and other safety/health issues

The United States Environmental Protection Agency and the Surgeon General of the United States have recommended that all houses should be tested for radon. For more information on radon testing, call the toll-free National Radon Information Line at 1-800-SOS-Radon or 1-800-767-7236.

Ask your home inspector about additional health and safety tests that may be relevant for your home.

## Be an Informed Buyer

It is your responsibility to be an informed buyer. You have the right to carefully examine your potential new home with a qualified home inspector. To find a qualified home inspector ask for references from friends, realtors, local licensing authorities and organizations that qualify and test home inspectors.

CAUTION

CAUTION



BUYER INITIALS

*km*



BUYER INITIALS



HUD-82564-CN (6/14)



CAUTION

# Home Inspection Guidelines



Property Case #: 412-578225

Property Address: 699 Hazelwood Dr., Vermilion, OH, 44089

## Buyer and Selling Agent Acknowledgment

(Initial all blanks and sign at the bottom)

KH      TD  
Buyer      Agent

1. Buyers are not allowed inside any structures (those which must be accessed by a HUD key) of any HUD owned property without being accompanied by a NAID-registered Real Estate Broker as their representative.

KH      TD  
Buyer      Agent

2. When ordering utility activation, Purchaser and Agent agree not to attempt activation without prior written authorization. The utility request form must be signed by both the Purchaser and Agent and returned to the FSM for authorization.

KH      TD  
Buyer      Agent

3. All expenses associated with the activation of the utilities and testing of the systems shall be at the expense of the Purchaser. Approval to activate utilities does not remove any liability of damages done to the property by the Purchaser and/or Sales Agent.

KH      TD  
Buyer      Agent

4. The Purchaser, Sales Agent, or their responsible designee must be present at the time of the utility activation and must confirm that all water valves are closed prior to activation. The Purchaser, Sales Agent, or their responsible designees are also responsible for de-winterizing the property.

KH      TD  
Buyer      Agent

5. Per HUD-9548, Conditions of Sale; Buyers are not allowed to repair, modify, or make improvements of a HUD owned property until they have closed on the property.

Refer to assigned FSM's website for fees and schedules.

     01/19/2017  
Purchaser (signature)      Date

     01/19/2017  
Selling Agent (signature)      Date

**LEAD-BASED PAINT DISCLOSURE ADDENDUM**

**SELLER HAS NO RECORDS OR REPORTS PERTAINING TO LEAD-BASED PAINT  
AND/OR LEAD-BASED PAINT HAZARDS**

**Property Case #:** 412-578225  
**Property Address:** 699 Hazelwood Dr., Vermilion, OH, 44089  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Lead Warning Statement**

Every Purchaser of any interest in residential real property on which a residential dwelling was built before 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential property is required to provide the Purchaser with any information on lead-based paint hazards from risk assessments or inspections in the HUD's possession and notify the Purchaser of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended before purchase.

**Inspection Contingency**

Seller has no records or reports pertaining to lead-based paint and/or lead-based paint hazards. The Purchaser has a contingency period that expires fifteen (15) calendar days from the date the contract is accepted by HUD, to conduct at the Purchaser's expense, an independent lead-based paint inspection, visual assessment for deteriorated paint, or risk assessment. The Purchaser may withdraw from the contract by providing written notice of withdrawal on or before the contingency expiration date (as evidenced by the postmark on the Purchaser's notice of withdrawal). The Purchaser will be entitled to a refund of earnest money only if the Purchaser obtains an independent lead-based paint inspection performed by a Certified Lead-Based Paint Inspector or Risk Assessor, and the Purchaser provides HUD with a copy of the inspection report.

**Financing Type (Selling Broker to initial applicable clause)**

KK ***No FHA Financing of Property Constructed Prior to 1978:*** The purchase of this property is not being financed with an FHA insured loan. The Purchaser has an inspection contingency that expires 15 days from the date of the Purchaser's signature below. The property is being sold as is with respect to all conditions including, subject to the above contingency, the potential presence of lead or lead-based paint hazards.

\_\_\_\_\_ ***Any FHA Insured Financing Except 203(k):*** This property is being sold subject to FHA insured financing under any program other than a 203(k) Rehabilitation Mortgage. Upon contract execution the HUD will procure a lead-based paint inspection and will deliver the inspection report to the Selling Broker by overnight delivery service along with a

paint stabilization plan and cost estimate if deteriorated lead-based paint is found and a supplemental Lead-Based Paint Disclosure Addendum.

The Purchaser shall have the right to review the inspection report, paint stabilization plan and cost estimate.

If deteriorated lead-based paint was identified in the Report, HUD will only perform stabilization if the cost estimate is \$4000.00 or less. If the cost estimate is greater than \$4000.00, HUD at its sole discretion may: (1) cancel the sales contract, or (2) allow the purchaser to amend the contract financing to FHA 203k or conventional. In the event that HUD cancels the sale, the purchaser will be entitled to a 100% refund of earnest money.

If the cost estimate is \$4000.00 or less and the Purchaser is dissatisfied with the information provided, the Purchaser may withdraw from the contract and receive a full refund of earnest money by providing written notification to HUD of the intention to withdraw. Written notification must be postmarked by the latest of fifteen (15) calendar days from the date the contract is accepted by HUD or two (2) business days following the date of the Purchaser's signature on the supplemental Lead-Based Paint Disclosure Addendum.

If deteriorated lead-based paint was identified in the Report and the Purchaser does not exercise its option to withdraw from the sale contract, HUD will stabilize the deteriorated lead-based paint in accordance with the stabilization plan and obtain lead clearance by the close of the escrow period or any extensions thereof.

\_\_\_\_\_ ***FHA 203(k) Financing:*** This property is being sold subject to a 203(k) Rehabilitation Mortgage. Upon contract execution HUD will procure a lead-based paint inspection and will deliver the Report to the Purchaser by overnight delivery service along with a lead-based paint stabilization plan, if deteriorated lead-based paint is found, and a supplemental Lead-Based Paint Disclosure Addendum.

The Purchaser shall have the right to review the inspection report, paint stabilization plan and cost estimate. If the Purchaser is dissatisfied with the information provided, the Purchaser may withdraw from the contract and receive a full refund of earnest money by providing written notification to the Seller of the intention to withdraw. Written notification must be postmarked by the later of fifteen (15) calendar days from the date of the Purchaser's signature below, or two (2) business days following the date of the Purchaser's signature on the supplemental Lead-Based Paint Disclosure Addendum.

If deteriorated lead-based paint was identified in the Report and the Purchaser does not exercise its option to withdraw from the sale contract, the Purchaser shall stabilize the deteriorated lead-based paint as part of its work plan for the property rehabilitation and shall obtain lead clearance before occupancy. Purchaser shall complete the 203(k) Rehabilitation Financing Lead Agreement form.



**Purchaser Acknowledgement (initial)**

EM Purchaser has received the pamphlet *Protect Your Family from Lead In Your Home*.

EM Purchaser has received a 15-day opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

**Selling Broker Acknowledgement (initial)**

TD Selling Broker is aware of his/her responsibility to ensure compliance with 42 U.S.C. 4852d.

**Certification of Accuracy**

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

[Signature] (Purchaser) January 19, 2017 (date)

\_\_\_\_\_ (Co-Purchaser) \_\_\_\_\_, 20\_\_ (date)

[Signature] (Selling Broker) January 19, 2017 (date)

[Signature] (Seller) 1/27/17, 20\_\_ (date)

73-119  
421

27536304



FIFTH THIRD BANK

CASHIER'S CHECK

January 23, 2017

Pay to the  
Order of: Old Republic Title\*\*\*

\$\*\*\*\*\*500.00

Amount: FIVE HUNDRED 00/100 US DOLLARS

Drawn on: Fifth Third Bank, Kentucky, Inc  
Lexington, KY

Transaction Number: 768361050  
Cost Center: 0767

Memo: n/a  
Purchased by: Kody Herchler

The purchase of a Surety Bond may be required before any Cashier's Check on this bank will be replaced or refunded in the event it is lost, misplaced, or stolen.

Authorized Signature

⑈ 27536304 ⑆ ⑆ 042101190 ⑆ 0082509918 ⑆

# LIBERTY INVESTMENT GROUP, L.T.D.

Irrevocable Letter of Credit

No. 00002

January 23, 2017

Department of Housing  
and Urban Development  
451 7<sup>th</sup> Street S.W.  
Washington, DC 20410

Re: Irrevocable Letter of Credit No. 00002  
Name of Property: 699 Hazelwood Drive, Vermilion, Ohio 44089

We hereby open our Irrevocable Letter of Credit No. 00002 ("the Letter of Credit"), effective on January 23, 2017 in your favor for the account of Kody Herchler ("the Customer"), for an amount not to exceed \$50,000.00, available by your sight drafts on the Liberty Investment Group, L.T.D. ("the Bank").

The purpose of this Letter of Credit is to furnish the Department of Housing and Urban Development ("the DHUD") with surety for the satisfaction of all obligations of Kody Herchler for the purchase of the real property located at 699 Hazelwood Drive, Vermilion, Ohio 44089 (the "Property"). Drafts hereon shall be promptly honored when accompanied by the following documents:

1. A copy of this Letter of Credit;
2. A certified statement signed by the DHUD (or designee) stating that the Customer has not satisfactorily complied with the obligations of the purchase of the Property; and
3. A certified statement signed by the DHUD to the effect that the demand is for the purpose of providing for the performance of the obligations described in the purchase of the Property by Customer.
4. All drafts must bear the clause "Drawn under the Liberty Investment Group, L.T.D. Letter of Credit No. 00002 dated January 23, 2017."

The drafts shall be presented at Liberty Investment Group, L.T.D., 5500 Warrensville Center Rd., Maple Heights, Ohio 44137.

# LIBERTY INVESTMENT GROUP, L.T.D.

Irrevocable Letter of Credit

No. 00002

We further agree that:

1. This Letter of Credit shall remain in full force and effect until the DHUD (or designee) or other official of the DHUD provides the Bank with written release stating that the Customer has fulfilled all obligations of the purchase of the Property.
2. Funds available under this Letter of Credit shall be paid by us in such amounts and at such times as determined by the DHUD, in its sole discretion, provided that the amount drawn shall not exceed the amount specified above. Checks shall be made payable to "Department of Housing and Urban Development" and sent to the attention of the DHUD or the designee referenced in paragraph 1, above.
3. The Bank shall have no right, duty, obligation or responsibility to evaluate the performance or non-performance of the Customer as set forth by the DHUD.
4. No change, extension of time, alteration or addition to work to be performed or to the plans and specifications relating to the same, shall in any way affect our obligations under this Letter of Credit and we waive notice of any such change, extension of time, alteration, or addition, on the understanding that no such change, extension of time, alteration, or addition shall increase the amount of our obligation under this Letter of Credit.
5. This Letter of Credit is non-transferable by the Bank, the City, or the Customer.
6. Except as otherwise expressly stated, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce, in effect on the date of issuance and the provisions of the Uniform Commercial Code—Letters of Credit, and Chapter 1305 of the Ohio Revised Code, as amended.
7. Approval of this Letter of Credit by the DHUD shall be deemed acceptance without further notice to the Bank or any other party.

# LIBERTY INVESTMENT GROUP, L.T.D.

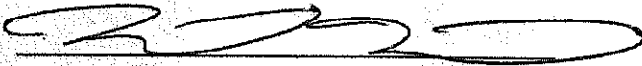
Irrevocable Letter of Credit

No. 00002

8. Any action disputing, seeking to enforce, or otherwise arising out of this Letter of Credit shall be subject to the exclusive jurisdiction and venue of the courts of Cuyahoga County, Ohio.

Executed this 23<sup>rd</sup> Day of January 2017:

LIBERTY INVESTMENT GROUP, L.T.D.




BY: Michael J. Herrick  
ITS: AUTHORIZED MEMBER

State of Ohio            )  
                                  ) ss.  
County of Cuyahoga )

Before me, a Notary Public in and for said County and State, personally appeared the above name Michael J. Herrick, a duly authorized member of Liberty Investment Group, L.T.D., who acknowledged that he did sign the foregoing instrument and that the same is his free act and deed, and the free act and deed of Liberty Investment Group, L.T.D.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal on January 23, 2017.



Notary Public  
MY COMMISSION HAS NO EXPIRATION