STATE OF NORTH CAROLINA
WAKE COUNTY

BEFORE THE DISCIPLINARY HEARING COMMISSION
OF THE NORTH CAROLINA STATE BAR
09DHC15

AUG 2009
FILED
DHC

THE NORTH CAROLINA STATE BAR,)
PLAINTIFF,)
) ANSWER
V.)
)
AMANDA R. DIXON, ATTORNEY,)
DEFENDANT,)

Defendant, Answering the Plaintiff's Complaint and says the following:

1. The allegations contained in paragraph 1 of Plaintiff's Complaint are admitted.

2. The allegations contained in paragraph 2 of Plaintiff's Complaint are admitted.

3. The allegations contained in paragraph 3 of Plaintiff's Complaint are admitted.

4. The allegations contained in paragraph 4 of Plaintiff's Complaint are admitted.

5. The allegations contained in paragraph 5 of Plaintiff's Complaint are admitted in part, in that as closing attorney Defendant also represented the seller for the purposes of the Real Estate closing.

6. The allegations contained in paragraph 6 of Plaintiff's Complaint are admitted.

7. The allegations contained in paragraph 7 of Plaintiff's Complaint, namely a, b, and d are admitted, but the allegation contained in 7 c is denied. The final HUD-1 submitted to the lender and signed by all parties represented that the buyer/borrower was to bring nothing to closing.

8. The allegation contained in paragraph 8 of Plaintiff's Complaint are denied in that the HUD-1 was not false and the buyer/borrower based on the revised HUD-1 was not required to bring anything to closing. (See exhibit A)

9. The allegations contained in paragraph 9 of Plaintiff's Complaint are denied, in that Line 603 of the HUD-1 represented that the seller received $54,067.88 at closing which was his total proceeds from the closing. However, seller requested that Defendant pay a 3rd party invoice with a portion of his proceeds pursuant to an outside written Agreement presented at closing and acknowledged by the seller at closing. (See Exhibit B)

10. The allegations contained in paragraph 10 the Plaintiff's Complaint are admitted, and Defendant further says that the HUD-1 does accurately reflect the disbursements to seller in that seller did

receive the amount reflected in the HUD-1 but requested that the Defendant disburse a portion of his funds to a 3rd party pursuant to an outside Agreement.

11. The allegations contained in paragraph 11 are denied. The buyer/borrower was not to contribute anything to the closing as evidenced by the final HUD-1, and Defendant disbursed the seller's proceeds according to his direction and did not intentionally produce a false or misleading HUD-1.

12. The allegations contained in paragraph 12 are denied in that the loan proceeds were disbursed according to seller's instructions, and buyer/borrower was not required to make a cash contribution to closing as reflected in the final revised HUD-1. The allegations contained in paragraph 16 of Plaintiff's Complaint are admitted in part in that as closing attorney, Defendant had a dual representation of buyer/borrower, lender and seller for this Real Estate closing.

13. The allegations contained in paragraph 13 are admitted.

14. The allegations contained in paragraph 14 of Plaintiff's Complaint are denied in that the disbursement of the seller's proceeds did not contravene the terms of the lender's closing instructions. (See Exhibit C)

15. The allegations contained in paragraph 15 of Plaintiff's Complaint are admitted.

16. The allegations contained in paragraph 16 of Plaintiff's Complaint are admitted in part, in that as closing attorney Defendant also represented the seller for the purposes of the Real Estate closing.

17. The allegations contained in paragraph 17 of the Plaintiff's Complaint are admitted.

18. The allegations contained in paragraph 18 of the Plaintiff's Complaint are admitted.

19. The allegations contained in paragraph 19 is denied in that based upon information and belief, buyer had funds at closing, but said funds to close were ultimately paid on behalf of buyer by Denise Harrison pursuant to her agreement with seller and said agreement was presented at closing. Moreover, the closing instructions did not specify that buyer's funds to close had to be in a specific form. (See Exhibit D)

20. The allegations contained in paragraph 20 of Plaintiff's Complaint are denied, in that Line 603 of the HUD-1 represented that the seller received $101,506.15 67.88 at closing which was his total proceeds from the closing. However, seller requested that Defendant pay a 3rd party invoice with a portion of his proceeds pursuant to an outside written Agreement presented at closing and acknowledged by the seller at closing. (See Exhibit E)

21. The allegations contained in paragraph 21 of the Plaintiff's Complaint are admitted, and Defendant further says that the HUD-1 does accurately reflect the disbursements to seller in that seller did receive the amount reflected in the HUD-1 but requested that the Defendant disburse a portion of his funds to a 3rd party pursuant to an outside Agreement. (See Exhibit F)

22. The allegations contained in paragraph 22 of the Plaintiff's Complaint are denied.

23. The allegations contained in Paragraph 23 of the Plaintiff's Complaint are denied in that Defendant did not intentionally produce or distribute a false HUD-1 to the lender, or any other party to the closing transaction.

24. The allegations contained in Paragraph 24 of the Plaintiff's Complaint are admitted.

25. The allegations contained in Paragraph 25 of the Plaintiff's Complaint are denied in that Defendant did not intentionally disburse the seller's funds in a manner contrary to the HUD-1 and the closing instruction do not address in what manner the seller's funds are to be disbursed.

26. The allegations contained in Paragraph 26 of the Plaintiff's Complaint are admitted.

27. The allegations contained in Paragraph 27 of the Plaintiff's Complaint are admitted.

28. The allegations contained in Paragraph 28 of the Plaintiff's Complaint are denied and Defendant further says, to the best of her knowledge and belief the HUD-1(s) were true and accurate statements of all receipts and disbursements made on Defendant's account. Defendant did not intentionally make any false assertions.

29. The allegations contained in Paragraph 29 of the Plaintiff's Complaint are denied and Defendant further says to the best of her knowledge and belief the HUD-1(s) were true and accurate statements of all receipts and disbursements made, and she did not intentionally make any misrepresentations to the lender.

Respectfully submitted this 21st day of August 2009.

BY: _____

Amanda R. Dixon, Defendant
State Bar No. 23882
P.O. Box 27243
Raleigh, NC 27611
(919) 829-5667

VERIFICATION

I, AMANDA R. DIXON, after being duly sworn, deposes and says that she is the Defendant in the above-entitled action, that she has read the foregoing and knows the contents thereof, that the same are true of her own knowledge, except as to those matters and things therein stated upon information and belief, and as to those, she believes them to be true.

AMANDA R. DIXON

Sworn and subscribed before me
This the 21 day of August 2009

Shelia M. Thomas
Notary Public
My Commission Expires: 3-15-2010

(SEAL)

SHELIA M THOMAS
NOTARY PUBLIC
WAKE COUNTY, NC
My Commission Expires 3-15-2010

SETTLEMENT STATEMENT

U.S. Department of Housing and Urban Development

OMB No. 2502-0265

B. Type of Loan

1. [ ] FHA 2. [ ] FmHA 3. [ ] Conv.Unins
4. [ ] VA 5. [X] Conv. Ins.

6. File Number: 1628 ARD

7. Loan Number: 20303046

8. Mortgage Ins. Case #:

C: Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the Settlement Agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for information purposes and are not included in the totals.

D. Name and Address of Borrower
AZUCENA JOHNSON
6305 PUMPKIN SEED COURT
WENDELL, NORTH CAROLINA 275

E. Name and Address of Seller
ADAMSMARK PROPERTIES, INC.
5200 CASSINO LANE
RALEIGH, NORTH CAROLINA 2

F. Name and Address of Lender
FIRST NLC FINANCIAL SERVICES, LLC
700 W HILLSBORO BLVD, B1 #20
DEERFIELD BEACH, FL 33441

G. Property Location
6305 PUMPKIN SEED COURT
WENDELL, NORTH CAROLINA 27591

H. Settlement Agent
AMANDA R. DIXON, ATTORNEY AT LAW

Place of Settlement
2949 NEW BERN AVE., STE 109-
RALEIGH, NC 27610

I. Settlement Date
3/28/03
DISB.DATE: 3/28/03

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower		400. Gross Amount Due To Seller	
101. Contract sales price	188,000.00	401. Contract sales price	188,000.00
102. Personal property		402. Personalproperty	
103. Settlement charges to borrower (line1400)	5,335.58	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due From Borrower	193,335.58	420. Gross Amount Due To Seller	188,000.00
200. Amounts Paid By or in Behalf of Borrower		500. Reduction in Amount Due To Seller	
201. Deposit or earnest money	0.00	501. Excess deposit (see instructions)	0.00
202. Principal amount of new loan(s)	150,400.00	502. Settlement charges to seller (line 1400)	536.00
203. Existing loan(s) taken subject to		503. Existing loans taken subject to	
204. SECOND MORTGAGE HELD BY FI	37,145.78	504. Payoff of first mortgage loan	127,606.32
205. SELLER PAID CLOSING COSTS	5,614.57	505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508. SELLER PAID CLOSING COSTS	5,614.57
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes to		510. City/town taxes to	
211. County taxes 1/1/03 to 3/28/03	175.23	511. County taxes 1/1/03 to 3/28/03	175.23
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	193,335.58	520. Total Reduction Amount Due Seller	133,932.12
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller	
301. Gross Amount due from Borrower (line 120)	193,335.58	601. Gross amount due to Seller (line 420)	188,000.00
302. Less amt paid by/for borrower(line 220)	(193,335.58)	602. Less reduction in amt due seller(ln 520)	(133,932.12)
303. Cash [ ] From [X] To Borrower	0.00	603. Cash [X] To [ ] From Seller	54,067.88

REPORTER TAX ID # RALEIGH, NC 27610

The amount on line 401 on this form is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this item is required to be reported and the IRS determines that it has not been reported. This is a substitute form 1099-S.

ADAMSMARK PROPERTIES, INC. TAX ID # 245-76-0694

DEFENDANT'S EXHIBIT A

J. Settlement Charges

	Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
700. Total Sales/Broker's Commission based on price $ 0.00 @ .00 %		
Division of commission (line 700) as follows:		
701. $ to		
702. $ to		
703. Commission paid at settlement		
704.		
800. Items Payable in Connection With Loan		
801. Loan origination Fee %		
802. Loan Discount %		
803. Appraisal Fee to		
804. Credit report to		
805. Lender's Inspection Fee		
806. Mortgage Insurance Application Fee to		
807. Assumption Fee		
808. WIRE FEE TO FIRST NLC MORTGAGE	8.50	
809.		
810.		
811.		
812.		
813.		
814.		
815.		
900. Items Required By Lender To Be Paid In Advance		
901. Interest from 3/28/03 to 4/1/03 @$ 12.93 /day	51.72	
902. Mortgage Insurance Premium for months to		
903. Hazard Insurance Premium for years to		
904.		
905.		
1000. Reserves Deposited With Lender		
1001. Hazard Insurance months @$ per month		
1002. Mortgage Insurance months @$ per month		
1003. City Property Taxes months @$ per month		
1004. County Property Taxes months @$ per month		
1005. Annual Assessments months @$ per month		
1006. Flood Insurance months @$ per month		
1007. Sanitary Tax months @$ per month		
1008. AGGREGATE ACCOUNTING ADJ months @$ per month	0.00	
1100. Title Charges		
1101. Settlement or closing fee to AMANDA R. DIXON, ATTORNEY AT LAW	250.00	
1102. Abstract or title search to		
1103. Title examination to		
1104. Title insurance binder to		
1105. Document preparation to		
1106. Notary fees to		
1107. Attorney's fees to		
(includes above item numbers: 1101-1107)		
1108. Title insurance to		
(includes above item numbers:)		
1109. Lender's coverage $		
1110. Owner's coverage $		
1111.		
1112.		
1113.		
1200. Government Recording and Transfer Charges		
1201. Recording fees: Deed $ 59.00 ; Mortgage $ .00 ; Releases $ .00	59.00	
1202. City/county tax/stamps: Deed $; Mortgage $		
1203. State tax/stamps: Deed $; Mortgage $		
1204.		
1205.		
1300. Additional Settlement Charges		
1301. Survey to		
1302. Pest inspection to		
1303. WIRE FEE TO AMANDA R .DIXON	35.00	
1304. COURIER FEE TO AMANDA R. DIXON	35.00	
1305. COPY/EMAIL/FAX TO AMANDA R. DIXON	15.00	
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)	454.22	0.00

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.

AZUCENA JOHNSON

Borrowers

Sellers

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agent AMANDA R. DIXON, ATTORNEY AT LAW

Date 3/28/03

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 or imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

SETTLEMENT STATEMENT

U.S. Department of Housing and Urban Development

OMB No. 2502-0265

B. Type of Loan

1. [ ] FHA 2. [ ] FmHA 3. [ ] Conv.Unins
4. [ ] VA 5. [X] Conv. Ins.

6. File Number: 1629 ARD

7. Loan Number: 20303211

8. Mortgage Ins. Case #:

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D. Name and Address of Borrower
AZUCENA JOHNSON
6305 PUMPKIN SEED COURT
WENDELL, NORTH CAROLINA 275

E. Name and Address of Seller

F. Name and Address of Lender
FIRST NLC FINACIAL SERVICES, LLC
700 W HILLSBORO BLVD, B1 #20
DEERFIELD BEACH, FL 33441

G. Property Location
6305 PUMPKIN SEED COURT
WENDELL, NORTH CAROLINA 27591

H. Settlement Agent
AMANDA R. DIXON, ATTORNEY AT LAW

Place of Settlement
2949 NEW BERN AVE., STE 109-
RALEIGH, NC 27610

I. Settlement Date
3/28/03
DISB.DATE:
3/28/03

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower		400. Gross Amount Due To Seller	
101. Contract sales price	0.00	401. Contract sales price	0.00
102. Personal property		402. Personalproperty	
103. Settlement charges to borrower (line1400)	454.22	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due From Borrower	454.22	420. Gross Amount Due To Seller	0.00
200. Amounts Paid By or in Behalf of Borrower		500. Reduction in Amount Due To Seller	
201. Deposit or earnest money	0.00	501. Excess deposit (see instructions)	0.00
202. Principal amount of new loan(s)	37,600.00	502. Settlement charges to seller (line 1400)	0.00
203. Existing loan(s) taken subject to		503. Existing loans taken subject to	
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes to		510. City/town taxes to	
211. County taxes to		511. County taxes to	
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	37,600.00	520. Total Reduction Amount Due Seller	0.00
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller	
301. Gross Amount due from Borrower (line 120)	454.22	601. Gross amount due to Seller (line 420)	0.00
302. Less amt paid by/for borrower(line 220)	(37,600.00)	602. Less reduction in amt due seller(ln 520)	(0.00)
303. Cash [ ] From [X] To Borrower	37,145.78	603. Cash [ ] To [X] From Seller	0.00

REPORTER TAX ID # RALEIGH, NC 27610

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TAX ID #

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704.		
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801. Loan origination Fee %		
802. Loan Discount %		
803. Appraisal Fee to		
804. Credit report to		
805. Lender's Inspection Fee		
806. Mortgage Insurance Application Fee to		
807. Assumption Fee		
808. WIRE FEE TO FIRST NLC MORTGAGE	8.50	
809.		
810.		
811.		
812.		
813.		
814.		
815.		
900. Items Required By Lender To Be Paid In Advance		
901. Interest from 3/28/03 to 4/1/03 @$ 12.93 /day	51.72	
902. Mortgage Insurance Premium for months to		
903. Hazard Insurance Premium for years to		
904.		
905.		
1000. Reserves Deposited With Lender		
1001. Hazard Insurance months @$ per month		
1002. Mortgage Insurance months @$ per month		
1003. City Property Taxes months @$ per month		
1004. County Property Taxes months @$ per month		
1005. Annual Assessments months @$ per month		
1006. Flood Insurance months @$ per month		
1007. Sanitary Tax months @$ per month		
1008. AGGREGATE ACCOUNTING ADJ months @$ per month	0.00	
1100. Title Charges		
1101. Settlement or closing fee to AMANDA R. DIXON, ATTORNEY AT LAW	250.00	
1102. Abstract or title search to		
1103. Title examination to		
1104. Title insurance binder to		
1105. Document preparation to		
1106. Notary fees to		
1107. Attorney's fees to		
(includes above item numbers: 1101-1107)		
1108. Title insurance to		
(includes above item numbers:)		
1109. Lender's coverage $		
1110. Owner's coverage $		
1111.		
1112.		
1113.		
1200. Government Recording and Transfer Charges		
1201. Recording fees: Deed $ 59.00 ; Mortgage $ .00 ; Releases $ .00	59.00	
1202. City/county tax/stamps: Deed $; Mortgage $		
1203. State tax/stamps: Deed $; Mortgage $		
1204.		
1205.		
1300. Additional Settlement Charges		
1301. Survey to		
1302. Pest inspection to		
1303. WIRE FEE TO AMANDA R .DIXON	35.00	
1304. COURIER FEE TO AMANDA R. DIXON	35.00	
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1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)	454.22	0.00

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.

AZUCENA JOHNSON

Borrowers

Sellers

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agent AMANDA R. DIXON, ATTORNEY AT LAW

Date 3/28/03

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CONTRACT : PAYMENT AGREEMENT

THIS CONTRACT AGREEMENT made this 28th day of **march** 2003.
ADAMS MARK, INC (Hereinafter known as the **payor(s)** , and
ADVOCATES 4 BUSINESS MANAGEMENT CO (Hereinafter known as the).)
payee(s).

PAYOR(S) agree to pay the **payee(s)** the following immediately after the closing of the below mentioned property:

A total of the difference between 188,000.00 and 167,900.00 which equals 20,100.00 (minus all fees associated with actual closing, totaling up to 3% of the total purchase price (188,000.00 of the property in this transaction (6305 PUMPKINSEED CT. WENDELL, NC 27591)

THE TOTAL AMOUNT IS 20,100.00

This amount is subject to decrease based on the actual closing cost at the **PAYEE(S)** discretion.

WITNESS the following signatures and seals made this 28th day of **MARCH** 2003.

Denise Harrison

DENISE HARRISON, ADVOCATES 4 BUSINESS MANAGEMENT CO
AS THE PAYEE(S)

ADAMS MARK , INC
AS THE PAYOR(S)

DEFENDANT'S EXHIBIT
12

FIRST NLC FINANCIAL SERVICES, LLC
700 W HILLSBORO BLVD, B1 #204
DEERFIELD BEACH, FL 33441
TELEPHONE: 800-950-3314
FAX: 954-246-5472

Attn: **DANIEL OSSABA**

March 28, 2003 10:41

CLOSING INSTRUCTIONS

Attn: ARNETTA ASRATTY@AOL.COM
AMANDA DIXON
2949-109B NEW BERN AVENUE
RALEIGH
NC, 27610
Fax: 919-256-6644 Phone: 919-255-6633

Closing Date: 03/28/03
Disbursement: 03/28/03
Loan #: 20303046
Type: Purchase
Account Executive: LUCAS, JASON
Location: WH-FL-IN

(B) Name: AZUCENA JOHNSON SS #: 061-60-1426
(CB) Name: SS #:
(B2) Name: SS #:
(CB2) Name: SS #:
Phone: (Home) 919-369-5878 (Office) (B)919-845-9023
Marital Status: MARRIED

Property Address: **6305 PUMPKIN SEED COURT WENDELL, NC 27591**
Loan Amount: **$ 150400.00**
Property Type: SFR - Detached Housing
Purchase Price: $ 188000.00 OWNER OCCUPIED
Lien Position: FIRST
LTV: 100.00%
Rate: **7.125% INDEX: 1.340% MARGIN: 6.375% LIFE CAP: 7.00 %**
Term: 360/360
FIRST NLC Points:
Payment: $ 1013.28
Prepayment Penalty: 1% FOR 30 MONTHS

Loan Product: 501322
Amortization Type: ADJUSTABLE
Rate Adjustment: 36 MONTHS

LB.C.: **1.00% for $ 1504.00**

Brokerage Fee to: ANNA MORTGAGE
Attn: BERNARD
1425 ROCK QUARRY ROAD SUITE 10
RALEIGH, NC 27610-

Phone: 919 829-0380
Fax: 919 829-0480

To Be Collected:	HUD#	GROSS LOAN AMOUNT: $ 150400.00	
Indirect Broker Compensation (I.B.C.)	814	$ 1504.00	**NOT IN TOTAL**
Broker Fee (P.O.C.):	818	$ 0.00	
Loan Origination Fee - First NLC	801	$ 0.00	%
Loan Application Fee FIRST NLC	810	$ 749.00	
Commitment Fee - NJ only	812	$ 0.00	
Tax Service Fee - First NLC	808	$ 0.00	
Discount Points - FIRST NLC:	802	$ 0.00	
Pre-Paid Interest:	901	$ 119.07	4 days @ $ 29.77
Brokerage Fee:	816	$ 3050.00	
Wire Fee/FIRST NLC:	823	$ 8.50	
Document Delivery Fee/FIRST NLC:	820	$ 24.50	
Re-Inspection Fee	819	$ 0.00	
Lifetime Flood Cert./FIRST NLC	821	$ 2.00	
Underwriting Fee(Retail Only)		$ 0.00	
Credit Report (Retail Only)		$ 0.00	
Courier Fee/Title Co	822	$ 0.00	
Doc Prep/Review Fee/FIRST NLC	824	$ 0.00	
AMANDA DIXON	1101	$ 550.00	
Total:		$ 4503.07	

YOU ARE NOT AUTHORIZED TO CHANGE ANY PREPAID FINANCE CHARGE INCLUDING THE BROKER FEE WITHOUT WRITTEN APPROVAL FROM FIRST NLC.
YOU ARE NOT AUTHORIZED TO CLOSE THIS LOAN UNTIL YOU RECEIVE A PROPERLY EXECUTED MORTGAGE LOAN ORIGINATION AGREEMENT.
IF THE PROCEEDS OF THIS LOAN ARE NOT DISBURSED ON THE SCHEDULED DATE, YOU MUST NOTIFY FIRST NLC IMMEDIATELY. YOUR FAILURE TO DO SO WILL RESULT IN DAMAGE TO FIRST NLC.

DEFENDANT'S EXHIBIT
C

PLEASE NOTE: WE DO NOT ESCROW

If you have any questions regarding these instructions, Please CONTACT DANIEL OSSABA, Loan Closer at 800-950-3314:

Underwriter

Closer

****

*** ORIGINAL NOTE WITH PREPAYMENT RIDER, CERTIFIED COPY OF SECURITY INSTRUMENT ***
*** AND THE BALANCE OF THE CLOSING PACKAGE MUST BE FORWARDED TO OUR OFFICE ***
*** VIA OVERNIGHT MAILWITHIN 24 HOURS OF CLOSING. ***

*** FIRST NLC MUST RECEIVE THE COMPLETE ORIGINAL PACKAGE ***
*** WITHIN 24 HOURS OF CLOSING. ***

*** YOU MAY NOT CHARGE THE BORROWERS FOR THE COSTS OF RETURNING ***
*** EITHER THE NOTE AND MORTGAGE OR THE COMPLETE ORIGINAL PACKAGE ***
*** TO FIRST NLC FINANCIAL SERVICES, LLC ***

****

BROKER CONFIRMATION
In order to ensure a smooth closing, please verify that all information on these two pages are true and correct.
If there are CHANGES that must be made, please PHONE LISA HARRIS at 800-950-3314.
If everything is correct, please SIGN and FAX to LISA HARRIS at 954-246-5472.

NOTE:

CONFIRMATION MUST BE RECEIVED NO LATER THAN 10:00 AM IN ORDER TO CLOSE THE LOAN THE NEXT DAY

THE LOAN DOCUMENTS WILL NOT BE DRAWN UNTIL CONFIRMATION IS RECEIVED

PLEASE CALL TO CONFIRM FAX HAS BEEN RECEIVED

BERNARD

NC closing 3/3 20303048 JOHNSON

FIRST NLC FINANCIAL SERVICES, LLC
700 W HILLSBORO BLVD, B1 #204
DEERFIELD BEACH, FL 33441
TELEPHONE: 800-950-3314
FAX: 954-246-5472

Revised

Attn: DANIEL OSSABA

March 28, 2003 04:34

CLOSING INSTRUCTIONS

Attn: ARNETTA
AMANDA DIXON
2949-109B NEW BERN AVENUE
RALEIGH
NC, 27610
Fax: 919-256-6644 Phone: 919-255-6633

Closing Date: 03/28/03
Disbursement: 03/28/03
Loan #: 20303211
Type: Purchase
Account Executive: LUCAS, JASON
Location: WH-FL-IN

(B) Name: AZUCENA JOHNSON SS #: 061-60-1426
(CB) Name: SS #:
(B2) Name: SS #:
(CB2) Name: SS #:
Phone: (Home) 919-369-5878 (Office) (B)919-845-9023
Marital Status:MARRIED

Property Address: **6305 PUMPKIN SEED COURT WENDELL, NC 27591**
Loan Amount: **$ 37600.00**
Property Type: SFR - Detached Housing
Purchase Price: $ 188000.00 OWNER OCCUPIED
Lien Position: SECOND
LTV: 100.00%
Rate: **12.375%**
FIRST NLC Points:
Payment: $ 397.65
Prepayment Penalty: NONE

Loan Product: 501331
Amortization Type: FIXED
Rate Adjustment: MONTHS
Term: 360/180
I.B.C.: **0.00**

Brokerage Fee to: ANNA MORTGAGE
Attn: BERNARD
1425 ROCK QUARRY ROAD SUITE 10
RALEIGH, NC 27610-
Phone: 919 829-0380
Fax: 919 829-0480

To Be Collected:	HUD#	GROSS LOAN AMOUNT: $ 37600.00	
Indirect Broker Compensation (I.B.C.)	814	$ 0.00	**NOT IN TOTAL**
Broker Fee (P.O.C.):	818	$ 0.00	
Loan Origination Fee - First NLC	801	$ 0.00	%
Loan Application Fee FIRST NLC	810	$ 0.00	
Commitment Fee - NJ only	812	$ 0.00	
Tax Service Fee - First NLC	808	$ 0.00	
Discount Points - FIRST NLC:	802	$ 0.00	
Pre-Paid Interest:	901	$ 51.70	4 days @ $ 12.93
Brokerage Fee:	816	$ 0.00	
Wire Fee/FIRST NLC:	823	$ 8.50	
Document Delivery Fee/FIRST NLC:	820	$ 0.00	
Re-Inspection Fee	819	$ 0.00	
Lifetime Flood Cert./FIRST NLC	821	$ 0.00	
Underwriting Fee(Retail Only)		$ 0.00	
Credit Report (Retail Only)		$ 0.00	
Courier Fee/Title Co	822	$ 0.00	
Doc Prep/Review Fee/FIRST NLC	824	$ 0.00	
AMANDA DIXON	1101	$ 335.00	ok on HUD
Total:		$ 395.20	

YOU ARE NOT AUTHORIZED TO CHANGE ANY PREPAID FINANCE CHARGE INCLUDING THE BROKER FEEWITHOUT WRITTEN APPROVAL FROM FIRST NLC.
YOU ARE NOT AUTHORIZED TO CLOSE THIS LOAN UNTIL YOU RECEIVE A PROPERLY EXECUTED MORTGAGE LOAN ORIGINATION AGREEMENT.
IF THE PROCEEDS OF THIS LOAN ARE NOT DISBURSED ON THE SCHEDULED DATE, YOU MUST NOTIFY FIRST NLC IMMEDIATELY. YOUR FAILURE TO DO SO WILL RESULT IN DAMAGE TO FIRST NLC.

Other Fees To Be Collected at Closing:
MAY BE ADJUSTED BY CLOSING AGENT: THE FOLLOWING FIGURES ARE ESTIMATES AND SHOULD BE VERIFIED BY THE CLOSING DEPARTMENT AT FIRST NLC

	$ 0.00
	$ 0.00
	$ 0.00
RECORDING FEE	$ 0.00
	$ 0.00
	$ 0.00
	$ 0.00
	$ 0.00
	$ 0.00
	$ 0.00
	$ 0.00
	$ 0.00
	$ 0.00
	$ 0.00
	$ 0.00
	$ 0.00

Documentation Needed at closing:

PRIOR TO DISBURSEMENT OF FUNDS, FIRST NLC requires that title agent is ready to issue its standard title insurance policy on INVESTORS TITLE INSURANCE insuring FIRST NLC FINANCIAL SERVICES, LLC ISAOA in the amount of its lo as a 2nd lien.

FIRST NLC requires the following title insurance endorsements:
(1) environmental endorsements in all circumstances; (2) PUD, Condo or Manufactured Housing endorsements, if applicable; (3) ARM endorsement, if applicable; (4) all applicable state specific riders.

FAX the following documentation to FIRST NLC prior to funding:

PRIOR TO CLOSING AND DISBURSEMENT, FIRST NLC IS TO BE PROVIDED COPIES OF ANY DOCUMENT OR DEED WHICH VESTED TITLE IN A PARTY OTHER THAN OUR BORROWER(S) DURING THE PRECEDING ONE YEAR PERIOD.

PLEASE FAX PRELIMINARY HUD FOR CLOSING APPROVAL
SIGNED AND MARKED UP TITLE COMMITMENT ISSUED TO FIRST NLC FINANCIAL SERVICES LLC ISAOA IN THE AMOUNT OF $37,600 WITH ALL STANDARD B2 EXCEPTIONS DELETED AND B1 REQUIREMENTS MET WITH THE APPROPRIATE GAP LANGUAGE.
LOAN #20303046 MUST CLOSE SIMULTANEOUSLY WITH LOAN #20303211
SPOUSE,TERRELL JOHNSON, TO SIGN ALL LEGAL DOCUMENTS WHERE INDICATED, DO .....
..... NOT SIGN THE NOTE OR APPLICATION

********** FUNDING CONDITIONS (PLEASE FAX AFTER CLOSING) **********

SIGNED HUD
CLOSING AND FUNDING CONFIRMATION, SIGNED
MORTGAGE LOAN ORIGINATION AGREEMENT, SIGNED
NOTE, SIGNED

PAYOFF/PAYDOWN the following accounts/debts:

OBTAIN and RETURN the following documentation with the closing package:

PHOTO ID(S).
NEAREST LIVING RELATIVE FORM(S).
SAME NAME AFFIDAVIT(S).
ORIGINAL SIGNED 1003 & CREDIT AUTHORIZATION.
FIRST NLC MUST RECEIVE MARKED UP TITLE COMMITMENT CERTIFIED TO FIRST NLC FINANCIAL SERVICES IN FIRST & SECOND LIEN POSITION WITHOUT ANY OTHER MORTGAGES,JUDGEMENTS,LIENS,ETC TO APPEAR ON THE FINAL TITLE POLICY.
ORIGINAL SIGNED BROKERS 1003,GOOD FAITH DOCUMENTS,NLC DISCLOSURES,FLOOD NOTIFICATION - ALL PROVIDED IN PACKAGE.
ALL MISC DOCUMENTS, SIGNED

YOU ARE NOT AUTHORIZED TO FUND WITHOUT EXPRESS APPROVAL FROM FIRST NLC

FIRST NLC FINANCIAL SERVICES, LLC
700 W HILLSBORO BLVD, B1 #204
DEERFIELD BEACH, FL 33441
TELEPHONE: 800-950-3314
FAX: 954-246-5472

Attn: DANIEL OSSABA

March 28, 2003 11:06

CLOSING INSTRUCTIONS

Attn: ARNETTA
AMANDA DIXON
2949-109B NEW BERN AVENUE
RALEIGH
NC, 27610
Fax: 919-256-6644 Phone: 919-255-6633

Closing Date: 03/28/03
Disbursement: 03/28/03
Loan #: 20303211
Type: Purchase
Account Executive: LUCAS, JASON
Location: WH-FL-IN

(B) Name: AZUCENA JOHNSON SS #: 061-60-1426
(CB) Name: SS #:
(B2) Name: SS #:
(CB2) Name: SS #:
Phone: (Home) 919-369-5878 (Office) (B)919-845-9023
Marital Status:MARRIED

Property Address: 6305 PUMPKIN SEED COURT WENDELL, NC 27591
Loan Amount: $ 37600.00
Property Type: SFR - Detached Housing
Purchase Price: $ 188000.00 OWNER OCCUPIED
Lien Position: SECOND
LTV: 100.00%
Rate: 12.375%
FIRST NLC Points:
Payment: $ 397.65
Prepayment Penalty: NONE

Loan Product: 501331
Amortization Type: FIXED
Rate Adjustment: MONTHS
Term: 360/180
I.B.C.: 0.00

Brokerage Fee to: ANNA MORTGAGE
Attn: BERNARD
1425 ROCK QUARRY ROAD SUITE 10
RALEIGH, NC 27610-

Phone: 919 829-0380
Fax: 919 829-0480

To Be Collected:	HUD#	GROSS LOAN AMOUNT: $ 37600.00	
Indirect Broker Compensation (I.B.C.)	814	$ 0.00	NOT IN TOTAL
Broker Fee (P.O.C.):	818	$ 0.00	
Loan Origination Fee - First NLC	801	$ 0.00	%
Loan Application Fee FIRST NLC	810	$ 0.00	
Commitment Fee - NJ only	812	$ 0.00	
Tax Service Fee - First NLC	808	$ 0.00	
Discount Points - FIRST NLC:	802	$ 0.00	
Pre-Paid Interest:	901	$ 51.70	4 days @ $ 12.93
Brokerage Fee:	816	$ 0.00	
Wire Fee/FIRST NLC:	823	$ 8.50	
Document Delivery Fee/FIRST NLC:	820	$ 0.00	
Re-Inspection Fee	819	$ 0.00	
Lifetime Flood Cert./FIRST NLC	821	$ 0.00	
Underwriting Fee(Retail Only)		$ 0.00	
Credit Report (Retail Only)		$ 0.00	
Courier Fee/Title Co	822	$ 0.00	
Doc Prep/Review Fee/FIRST NLC	824	$ 0.00	
AMANDA DIXON	1101	$ 250.00	
Total:		$ 310.20	

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MAY BE ADJUSTED BY CLOSING AGENT: THE FOLLOWING FIGURES ARE ESTIMATES AND SHOULD BE VERIFIED BY THE CLOSING DEPARTMENT AT FIRST NLC

	$	0.00
	$	0.00
	$	0.00
RECORDING FEE	$	0.00
	$	0.00
	$	0.00
	$	0.00
	$	0.00
	$	0.00
	$	0.00
	$	0.00
	$	0.00
	$	0.00
	$	0.00
	$	0.00
	$	0.00

Documentation Needed at closing:

PRIOR TO DISBURSEMENT OF FUNDS, FIRST NLC requires that title agent is ready to issue its standard title insurance policy on INVESTORS TITLE INSURANCE insuring FIRST NLC FINANCIAL SERVICES, LLC ISAOA in the amount of its lo as a 2nd lien.

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SIGNED AND MARKED UP ITTLE COMMITMENT ISSUED TO FIRST NLC FINANCIAL SERVICES LLC ISAOA IN THE AMOUNT OF $37,600 WITH ALL STANDARD B2 EXCEPTIONS DELETED AND B1 REQUIREMENTS MET WITH THE APPROPRIATE GAP LANGUAGE.
LOAN #20303046 MUST CLOSE SIMULTANEOUSLY WITH LOAN #20303211
SPOUSE,TERRELL JOHNSON, TO SIGN ALL LEGAL DOCUMENTS WHERE INDICATED. DO .....
..... NOT SIGN THE NOTE OR APPLICATION

********** FUNDING CONDITIONS (PLEASE FAX AFTER CLOSING) **********

SIGNED HUD
CLOSING AND FUNDING CONFIRMATION, SIGNED
MORTGAGE LOAN ORIGINATION AGREEMENT, SIGNED
NOTE, SIGNED

PAYOFF/PAYDOWN the following accounts/debts:

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PHOTO ID(S).
NEAREST LIVING RELATIVE FORM(S).
SAME NAME AFFIDAVIT(S).
ORIGINAL SIGNED 1003 & CREDIT AUTHORIZATION.
FIRST NLC MUST RECEIVE MARKED UP TITLE COMMITMENT CERTIFIED TO FIRST NLC FINANCIAL SERVICES IN FIRST & SECOND LIEN POSITION WITHOUT ANY OTHER MORTGAGES,JUDGEMENTS,LIENS,ETC TO APPEAR ON THE FINAL TITLE POLICY.
ORIGINAL SIGNED BROKERS 1003,GOOD FAITH DOCUMENTS,NLC DISCLOSURES,FLOOD NOTIFICATION - ALL PROVIDED IN PACKAGE.
ALL MISC DOCUMENTS, SIGNED

==========

YOU ARE NOT AUTHORIZED TO FUND WITHOUT EXPRESS APPROVAL FROM FIRST NLC

==========

PLEASE NOTE: **WE DO NOT ESCROW**

If you have any questions regarding these instructions, Please CONTACT **DANIEL OSSABA**, Loan Closer at 800-950-3314:

Underwriter

Closer

****

***** ORIGINAL NOTE WITH PREPAYMENT RIDER, CERTIFIED COPY OF SECURITY INSTRUMENT *****
***** AND THE BALANCE OF THE CLOSING PACKAGE MUST BE FORWARDED TO OUR OFFICE *****
***** VIA OVERNIGHT MAILWITHIN 24 HOURS OF CLOSING. *****

***** FIRST NLC MUST RECEIVE THE COMPLETE ORIGINAL PACKAGE *****
***** WITHIN 24 HOURS OF CLOSING. *****

***** YOU MAY NOT CHARGE THE BORROWERS FOR THE COSTS OF RETURNING *****
***** EITHER THE NOTE AND MORTGAGE OR THE COMPLETE ORIGINAL PACKAGE *****
***** TO FIRST NLC FINANCIAL SERVICES, LLC *****

****

BROKER CONFIRMATION
In order to ensure a smooth closing, please verify that all information on these two pages are true and correct.
If there are CHANGES that must be made, please PHONE **LISA HARRIS** at **800-950-3314**.
If everything is correct, please SIGN and FAX to **LISA HARRIS** at **954-246-5472**.

NOTE:

CONFIRMATION MUST BE RECEIVED NO LATER THAN **10:00 AM** IN ORDER TO CLOSE THE LOAN THE NEXT DAY

THE LOAN DOCUMENTS **WILL NOT** BE DRAWN UNTIL CONFIRMATION IS RECEIVED

PLEASE CALL TO CONFIRM FAX HAS BEEN RECEIVED

BERNARD

NC closing 3/3 20303211 JOHNSON

SETTLEMENT STATEMENT

U.S. Department of Housing and Urban Development

OMB No. 2502-0265

B. Type of Loan

1. [ ] FHA 2. [ ] FmHA 3. [ ] Conv.Unins
4. [ ] VA 5. [X] Conv. Ins.

6. File Number: 1663 ARD
7. Loan Number: 5614185
8. Mortgage Ins. Case #:

C: Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the Settlement Agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for information purposes and are not included in the totals.

D. Name and Address of Borrower
ALICE JAMES
2924 OAK BRIDGE DRIVE
RALEIGH, NC 27612

E. Name and Address of Seller
DARYL E. WARD
4616 GOMAR LANE
FUQUAY VARINA, NC 27526

F. Name and Address of Lender
LONG BEACH MORTGAGE COMPANY
7887 E. BELLEVIEW AVE., STE
ENGLEWOOD, CO 80111

G. Property Location
2924 OAK BRIDGE DRIVE
RALEIGH, NC 27612

H. Settlement Agent
AMANDA R. DIXON, ATTORNEY AT LAW

Place of Settlement
2949 NEW BERN AVE., STE 109-
RALEIGH, NC 27610

I. Settlement Date
7/10/03
DISB.DATE:
7/10/03

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower		400. Gross Amount Due To Seller	
101. Contract sales price	345,000.00	401. Contract sales price	345,000.00
102. Personal property		402. Personalproperty	
103. Settlement charges to borrower (line1400)	1,551.26	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due From Borrower	346,551.26	420. Gross Amount Due To Seller	345,000.00
200. Amounts Paid By or in Behalf of Borrower		500. Reduction in Amount Due To Seller	
201. Deposit or earnest money	0.00	501. Excess deposit (see instructions)	0.00
202. Principal amount of new loan(s)	276,000.00	502. Settlement charges to seller (line 1400)	24,221.50
203. Existing loan(s) taken subject to		503. Existing loans taken subject to	
204. SECOND MORTGAGE FROM LONG	67,915.96	504. Payoff of first mortgage loan	219,140.31
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes to		510. City/town taxes to	
211. County taxes 1/1/03 to 7/10/03	132.04	511. County taxes 1/1/03 to 7/10/03	132.04
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	344,048.00	520. Total Reduction Amount Due Seller	243,493.85
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller	
301. Gross Amount due from Borrower (line 120)	346,551.26	601. Gross amount due to Seller (line 420)	345,000.00
302. Less amt paid by/for borrower(line 220)	(344,048.00)	602. Less reduction in amt due seller(ln 520)	(243,493.85)
303. Cash [X] From [ ] To Borrower	2,503.26	603. Cash [X] To [ ] From Seller	101,506.15

REPORTER TAX ID # RALEIGH, NC 27610

The amount on line 401 on this form is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this item is required to be reported and the IRS determines that it has not been reported. This is a substitute form 1099-S.

DARYL E. WARD TAX ID # 242-55-2224

DEFENDANT'S EXHIBIT D

	Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
700. Total Sales/Broker's Commission based on price $ 345,000.00 @ 3.99 %		
Division of commission (line 700) as follows:		
701. $ 13,750.00 to HOMETOWN REALTY		
702. $ to		
703. Commission paid at settlement		13,750.00
704.		
800. Items Payable in Connection With Loan		
801. Loan origination Fee 2.14 % ALL FUND MORTGAGE		5,915.00
802. Loan Discount %		
803. Appraisal Fee to CAREFREE HOME INSPECTION SERVICES		375.00
804. Credit report to ALL FUND MORTGAGE		9.00
805. Lender's Inspection Fee		
806. Mortgage Insurance Application Fee to		
807. Assumption Fee		
808. TAX SERVICE FEE TO LONG BEACH MTG.		50.00
809. FLOOD SEARCH TO LONG BEACH MTG.		13.00
810. APPLICATION FEE TO ALL FUND MORTGAGE		250.00
811. APPLICATION FEE TO LONG BEACH MORTGAGE		499.00
812. YLD SPREAD TO ALL FUND FROM LENDER 2760	POC	
813.		
814.		
815.		
900. Items Required By Lender To Be Paid In Advance		
901. Interest from 7/10/03 to 8/1/03 @$ 47.83 /day	1,052.26	
902. Mortgage Insurance Premium for months to		
903. Hazard Insurance Premium for 1 years to WOOMER INSURA	499.00	
904.		
905.		
1000. Reserves Deposited With Lender		
1001. Hazard Insurance 0 months @$ 41.59 per month	0.00	
1002. Mortgage Insurance months @$ per month		
1003. City Property Taxes months @$ per month		
1004. County Property Taxes months @$ per month		
1005. Annual Assessments months @$ per month		
1006. Flood Insurance months @$ per month		
1007. Sanitary Tax months @$ per month		
1008. AGGREGATE ACCOUNTING ADJ months @$ per month	0.00	
1100. Title Charges		
1101. Settlement or closing fee to AMANDA R. DIXON, ATTORNEY AT LAW		450.00
1102. Abstract or title search to AMANDA R. DIXON, ATTORNEY AT LAW		95.00
1103. Title examination to		
1104. Title insurance binder to		
1105. Document preparation to AMANDA R. DIXON, ATTORNEY AT LAW		125.00
1106. Notary fees to		
1107. Attorney's fees to		
(includes above item numbers: 1101-1107)		
1108. Title insurance to INVESTORS TITLE INSURANCE COMPANY		567.50
(includes above item numbers:)		
1109. Lender's coverage $ 327,750.00		
1110. Owner's coverage $ 345,000.00		
1111.		
1112.		
1113.		
1200. Government Recording and Transfer Charges		
1201. Recording fees: Deed $ 103.00 ; Mortgage $ .00 ; Releases $ .00		103.00
1202. City/county tax/stamps: Deed $; Mortgage $		
1203. State tax/stamps: Deed $ 690.00 ; Mortgage $ .00		690.00
1204. MARKETING FEE TO RIVER RIDGE		1,000.00
1205. PPM (HOMEOWNERS DUES)		180.00
1300. Additional Settlement Charges		
1301. Survey to		
1302. Pest inspection to		
1303. COURIER FEE TO AMANDA R. DIXON		100.00
1304. WIRE FEE TO AMANDA R. DIXON		35.00
1305. COPY/EMAIL/FAX TO AMANDA R. DIXON		15.00
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)	1,551.26	24,221.50

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.

ALICE JAMES

DARYL E. WARD

Borrowers

Sellers

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agent AMANDA R. DIXON, ATTORNEY AT LAW

Date 7/10/03

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 or imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

A. SETTLEMENT STATEMENT

U.S. Department of Housing and Urban Development

OMB No. 2502-0265

B. Type of Loan

1. [ ] FHA 2. [ ] FmHA 3. [X] Conv.Unins
4. [ ] VA 5. [ ] Conv. Ins.

6. File Number: 1664 ARD

7. Loan Number: 5614193

8. Mortgage Ins. Case #:

C: Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the Settlement Agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for information purposes and are not included in the totals.

D. Name and Address of Borrower
ALICE JAMES
2924 OAK BRIDGE DRIVE
RALEIGH, NC 27604

E. Name and Address of Seller

F. Name and Address of Lender
LONG BEACH MORTGAGE COMPANY
7887 E. BELLEVIEW AVE., STE
ENGLEWOOD, CO 80111

G. Property Location
2924 OAK BRIDGE DRIVE
RALEIGH, NC 27604

H. Settlement Agent
AMANDA R. DIXON, ATTORNEY AT LAW

Place of Settlement
2949 NEW BERN AVE., STE 109-
RALEIGH, NC 27610

I. Settlement Date
7/10/03
DISB.DATE:
7/10/03

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due From Borrower		400. Gross Amount Due To Seller	
101. Contract sales price	0.00	401. Contract sales price	0.00
102. Personal property		402. Personalproperty	
103. Settlement charges to borrower (line1400)	1,084.04	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due From Borrower	1,084.04	420. Gross Amount Due To Seller	0.00
200. Amounts Paid By or in Behalf of Borrower		500. Reduction in Amount Due To Seller	
201. Deposit or earnest money	0.00	501. Excess deposit (see instructions)	0.00
202. Principal amount of new loan(s)	69,000.00	502. Settlement charges to seller (line 1400)	0.00
203. Existing loan(s) taken subject to		503. Existing loans taken subject to	
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes to		510. City/town taxes to	
211. County taxes to		511. County taxes to	
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	69,000.00	520. Total Reduction Amount Due Seller	0.00
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller	
301. Gross Amount due from Borrower (line 120)	1,084.04	601. Gross amount due to Seller (line 420)	0.00
302. Less amt paid by/for borrower(line 220)	(69,000.00)	602. Less reduction in amt due seller(ln 520)	(0.00)
303. Cash [ ] From [X] To Borrower	67,915.96	603. Cash [ ] To [X] From Seller	0.00

REPORTER TAX ID # RALEIGH, NC 27610

The amount on line 401 on this form is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this item is required to be reported and the IRS determines that it has not been reported. This is a substitute form 1099-S.

TAX ID #

J. Settlement Charges

	Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
700. Total Sales/Broker's Commission based on price $ 0.00 @ .00 %		
Division of commission (line 700) as follows:		
701. $ to		
702. $ to		
703. Commission paid at settlement		
704.		
800. Items Payable in Connection With Loan		
801. Loan origination Fee %		
802. Loan Discount %		
803. Appraisal Fee to		
804. Credit report to		
805. Lender's Inspection Fee		
806. Mortgage Insurance Application Fee to		
807. Assumption Fee		
808. FLOOD CERT TO LONG BEACH MORTGAGE	5.00	
809. APPLICATION FEE TO LONG BEACH MORTGAGE	250.00	
810.		
811.		
812.		
813.		
814.		
815.		
900. Items Required By Lender To Be Paid In Advance		
901. Interest from 7/10/03 to 8/1/03 @$ 20.32 /day	447.04	
902. Mortgage Insurance Premium for months to		
903. Hazard Insurance Premium for years to		
904.		
905.		
1000. Reserves Deposited With Lender		
1001. Hazard Insurance months @$ per month		
1002. Mortgage Insurance months @$ per month		
1003. City Property Taxes months @$ per month		
1004. County Property Taxes months @$ per month		
1005. Annual Assessments months @$ per month		
1006. Flood Insurance months @$ per month		
1007. Sanitary Tax months @$ per month		
1008. AGGREGATE ACCOUNTING ADJ months @$ per month	0.00	
1100. Title Charges		
1101. Settlement or closing fee to AMANDA R. DIXON, ATTORNEY AT LAW	250.00	
1102. Abstract or title search to		
1103. Title examination to		
1104. Title insurance binder to		
1105. Document preparation to		
1106. Notary fees to		
1107. Attorney's fees to		
(includes above item numbers: 1101-1107)		
1108. Title insurance to		
(includes above item numbers:)		
1109. Lender's coverage $		
1110. Owner's coverage $		
1111.		
1112.		
1113.		
1200. Government Recording and Transfer Charges		
1201. Recording fees: Deed $ 32.00 ; Mortgage $ .00 ; Releases $ .00	32.00	
1202. City/county tax/stamps: Deed $; Mortgage $		
1203. State tax/stamps: Deed $; Mortgage $		
1204.		
1205.		
1300. Additional Settlement Charges		
1301. Survey to		
1302. Pest inspection to		
1303. WIRE FEE TO AMANDA R. DIXON	35.00	
1304. COPY/EMAIL/FAX TO AMANDA R. DIXON	15.00	
1305. COURIER FEE TO AMANDA R. DIXON	50.00	
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)	1,084.04	0.00

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.

ALICE JAMES

Borrowers

Sellers

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agent AMANDA R. DIXON, ATTORNEY AT LAW

Date 7/10/03

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 or imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

CONTRACT: PAYMENT AGREEMENT

THIS CONTRACT AGREEMENT made this 10th day of **JULY 2003**
DARYL WARD (Hereinafter known as the **PAYOR(s)**, and
DENISE HARRISON (Hereinafter known as the).) **Payee(s).**

PAYOR (S) agree to pay the **payee(s)** the following immediately after the closing of the below mentioned property:

A total of the difference between **$345,000.00** and **$275,000.00** which equals **$70,000.00** (Minus all fees associated with actual closing, totaling up to 3% of the total purchase price **$345,000.00**) the property in this transaction known as **2924 OAK BRIDGE RALEIGH NC, 27610**

THE TOTAL AMOUNT IS: $70,000.00

This amount is subject to decrease based on the actual closing cost at the **PAYEE (S)** discretion.

WITNESS the following signatures and seals made this **10th day** of, **JULY 2003**

Daryl E Ward

D&G BUILDERS (DARYL WARD) AS THE PAYOR

Denise Harrison

DENISE HARRISON AS THE PAYEE

DEFENDANT'S EXHIBIT

TO: • AMANDA ROBERTSON DIXON
• 2949 109B NEWBERN
• RALEIGH,NC 27610

ATTN: ANNETTA
PHONE: 919-255-6633

Date: Esc. #:
Borrower: ALICE JAMES
Loan Type: ADJUSTABLE RATE
Loan #: 5614185
Originator: MOSES MPANDE
FHA/VA Case No:
Account Manager: PATRICIA MALONE
Phone #: (303) 713-1500

LENDER'S INSTRUCTIONS TO CLOSING AGENT

ADDITIONAL TITLE & SETTLEMENT AGENT INSTRUCTIONS ARE SET FORTH ON PAGES TWO AND THREE.

If you wish to make any change(s) (including the changing of document dates) to any closing document(s) and/or the final HUD-1, or any information set forth herein, you must

1. Call the branch office to obtain written approval prior to making any changes.
2. **Obtain the borrower's initials on ALL changes.**

A. The following documents are required to complete the captioned loan. **Return all required documents, executed as described within 24 hours.**

[X] **Regulation Z Disclosure:** Return executed original and 2 certified copies.
[X] **Note:** Return executed original and 2 certified copies.
[X] **Deed of Trust/Mortgage:** Record original. Return 2 certified copies of signed original including complete notary acknowledgement. Return a COUNTY certified copy of all documents recording in Torrens, Abstract, Registered Land or Land Court in any state.

Return all signed loan documents with a final closing statement to:

LONG BEACH MORTGAGE COMPANY
7887 E. BELLEVIEW AVE., STE. 725
ENGLEWOOD, CO 80111

[X] **Application:** All borrowers to sign, date and complete monitoring section of 1003 (Confidential).

[X] **Loan Review Agreement**

[X] **Tax Information Sheet**

[X] **Owner Occupancy Agreement**

[X] **Compliance Agreement**

[X] **Recission Notice/Right to Cancel**

Note: Do not return any copies of the borrower's identification documents or photographs

B. LBMC requires that funds are disbursed and the security instrument is recorded within two days of funding.
- Loan funds may not be disbursed until the end of the recission period, if applicable.
- If you are unable to disburse funds within two days, you must return our funds.
- You must use the enclosed "Verification of Recording" form to document the recording information and return the form to us within two days. If you are unable to provided confirmation of recording, you must provide a letter verifying that LBMC has first lien position on the subject property as a result of this transaction. The first lien letter must be returned to LBMC along with the signed loan documents and the Verification of Recording.

C. In addition to the above requirements, do not close this loan without:
[X] Fire insurance policy [ ] and flood insurance policy, with loss payable BFU-438 in our favor. Policy must show the loan number.
(SEE PAGE THREE HEREOF FOR SPECIFIC INSURANCE REQUIREMENTS.)
Fire policy amount to be at least $ 276,000.00
Loss payee to read:
Washington Mutual Bank, F.A.,
Its Successors and/or Assigns
P.O. Box 25308
Santa Ana, CA 92799-5308

I hereby acknowledge with the below signature on each page that I have read all pages and fully understand and will comply with these instructions.

Settlement Agent

4140367 (0212)

VMP MORTGAGE FORMS - (800)521-7291

41403671 (12/19/02) LG

DEFENDANT'S EXHIBIT F

D. For the purposes of your completion of a HUD-1 closing statement, fee information is provided below. NOTE: ALL FEES PAID TO THE BROKER SHOULD BE SHOWN ON LINES 808 - 811, AS STATED IN THE HUD-1 INSTRUCTIONS.

1. Fees to be incurred:	Total Fees	Lender Fees	Broker Fees
Discount Fee	$	$	$
Broker Origination Fee	$ 5,520.00	$	$
Credit Report Fee	$	$	$
Appraisal Fee	$	$	$
Tax Service Fee	$ 50.00	$	$
Doc Prep/Redraw Fee	$	$	$
Inspection Fee	$	$	$
Processing Fee	$	$	$
Flood Search Fee	$ 13.00	$	$
Courier/Messenger Fee	$	$	$
Broker Application Fee	$ 250.00	$	$
Warehouse/Commitment Fee	$	$	$
LBMC Underwriting Fee	$	$	$
Broker Underwriting Fee	$	$	$
Notary Fee	$	$	$
Demand Fee	$	$	$
Mortgage Broker Fee	$	$	$
State Specific Fee	$	$	$
Application Fee	$ 499.00	$	$
	$	$	$
Total Fees	$ 6,332.00	$	$
Premium Yield Adjustment to broker (paid by Lender) ALL FUND MORTGAGE	$ 2,760.00	$	$

2. Amount of the loan: $ 276,000.00 Term: 360 Interest Rate: 6.325
3. Prepaid deposits: $
4. Credit Report Fee paid to:
5. Appraisal Fee paid to: 00 <NOT ON LIST>
6. Purchase price: $ 345,000.00
7. Cash down payment: $
8. Seller-paid fees must be disclosed per the attached "Debts and Disbursements" form. Any changes must be accompanied by written approval by LBMC prior to making any changes.

The quotation of interest/charges and fees expires on this date.
Documents expire, do not allow funding after this date.

9. Taxes (est)	0	Mos. @	21.03	Total:	0.00
10. Fire Ins.	0	Mos. @	100.63	Total:	0.00
11. Flood Ins.	0	Mos. @	0.00	Total:	0.00
12. PMI/MIP Ins.		Mos. @		Total:	

13. Aggregate Escrow Adjustment $
14. Interest @ 47.83 per day from disbursement to the first of the month preceeding first payment date set forth in the Note.
15. Any and all payments or payoffs must be paid as instructed per the attached "Debts and Disbursements" form.
16. The total consideration in this transaction except for our loan and approved secondary financing in the amount of $ 69,000.00 must pass in the form of cash through your escrow. Do not record our Deed of Trust/Mortgage if you have knowledge of a concurrent or subsequent escrow to be opened or closed upon completion of this escrow which will transfer subject property.

Required Endorsements to the Long Form ALTA Policy:

ALTA Form 1 or equivalent
ALTA Form 9 or equivalent
CLTA Form 116 or equivalent. The dwelling described in the 116 (116.2) endorsement must be assessed as real property and included in the policy definition of "land".
Environmental Protection lien endorsement Form 8.1 is required on all loans.
State specific endorsements, if required.
Mechanic's Lien Endorsement or equivalent is required.
If this loan is a condominium unit or PUD, issue Condominium/PUD Coverage Endorsement.
If this loan is a Manufactured Housing/Mobile Unit, issue endorsement assuring that property is permanently affixed and taxed as real property.
If this loan is an adjustable rate loan, issue endorsement including coverage for adjustable rate loans.
If this loan is an adjustable rate loan with potential for negative amortization, issue endorsement covering adjustable rate with increasing balance and write the policy for the maximum possible principal balance as set forth on the security instrument or rider.
If this loan is a balloon loan, issue endorsement coverage insuring the Balloon Deed of Trust/Mortgage is valid and enforceable.
If access to the property is by non-public appurtenant easement, such easement must be described in the Deed of Trust/Mortgage and insured in Schedule A of the ALTA policy.
If the policy will contain any title exception(s) described below, attach the associated endorsement(s) (or equivalent coverage).

a) If there is forfeiture, reverter, or right of re-entry, or no mortgage protection clause, issue endorsement providing coverage for Lender.
b) If the policy will show any easement, right of way, encroachment, etc., covering: a) the entire parcel, or b) less than the entire parcel and the exact location and dimension of which is not specifically delineated on the plat map or survey, issue endorsement providing coverage for Lender.
c) If there is a water reservation or exception, issue endorsement providing coverage for Lender.

If the estate in real property is a leasehold estate rather than a fee simple estate, issue a CLTA Form 107.5 or equivalent title policy endorsement.

I hereby acknowledge with the below signature on each page that I have read all pages and fully understand and will comply with these instructions.

Settlement Agent

4140367 (0212)

41403672 (12/19/02) LG

Return the original recorded deed/mortgage and the final title policy to:

LONG BEACH MORTGAGE COMPANY
P.O. BOX 201085
STOCKTON, CA 95202

E. Lender's Title Policy Requirements:
TO:
- AMANDA ROBERSON DIXON
- 2949 109B NEWBERN
- RALEIGH,NC 27610
-
-

Alta Long Form Policy amount to be at least: $ 276,000.00
Order #:
Dated: 06/13/03
Property Address: 2924 OAK BRIDGE DRIVE
County: WAKE

The title insurance policy requirements regarding the above order number are set forth below and hereof and as follows:
The Deed of Trust/Mortgage to be a **FIRST** lien, subject to the following exceptions:
All Taxes due and/or payable must be paid in full at closing.
Do not record the Deed of Trust/Mortgage unless the original and copy of the ALTA policy as set forth on page two and three hereof can be delivered to our office no later than three working days after recordation.

1. **ESCROW:** not later than three (3) working days after recording return:
   a. Certified copy of the Deed of Trust/Mortgage with recorder's serial number, recording date, and book and page number affixed.
   b. Title Policy in duplicate, correct in form and content.
2. **DOCUMENTS:** All documents are to be signed exactly as shown. In the event of error, contact us immediately. There are to be no corrections/changes without the express written consent of LONG BEACH MORTGAGE COMPANY. Should such consent be granted, all changes must be initialed by all Borrowers. Supply Borrowers with copies of documents. We will not accept a power of attorney.
3. **FIRE AND HAZARD INSURANCE:** A complete original one year fire policy must contain ECE and Special Form, in the amount equal to the lesser of the loan amount or the insurable value of the improvements on a replacement cost basis; the maximum deductible allowed to be no more than $1,000.00 or 1% of the dwelling coverage, whichever is greater, showing correct address of subject property and insured's name as shown on our Deed of Trust, Loss Payable (Form 438 BFU) as shown on page 1. Insurer must hold at least a Class IV and B+ rating in Best's Insurance Guide. If subject property is a condominium or PUD, a master policy is required reflecting the subject property on the declaration page. For all refinance transactions, a remaining term of six months is required for the acceptance existing hazard insurance policy. If the term is less than six months, a new one year policy must be provided.
4. **FLOOD INSURANCE:** Standard application for one year flood policy issued by member of National Flood Insurers Association for not less than our loan amount or the maximum amount available under National Flood Insurance program, whichever is less, including paid receipt. For all refinance transactions, a remaining term of six months is required for the acceptance of an existing flood insurance policy. If the term is less than six months, a new one year policy must be provided.
5. **RESPA:** You are hereby notified that we rely solely upon you to complete and deliver the "HUD-1 Closing Statement" in accordance with the Real Estate Settlement Procedures Act and that a condition of our consent to you escrowing this transaction is that you accept these instructions, complete and deliver "HUD-1 Closing Statement" in accordance with such requirements in order that we not be subject to any claim for, or any damage, liability, or penalty for failure to do such. Without limiting the foregoing, we rely on you to show all fees paid to the broker on the correct lines (808 through 811) as in accordance with the HUD-1 instructions. If you do not accept this condition, return these instructions immediately together with the funding - do not close this loan.
6. **HUD-1:** Issue HUD-1 Closing Statement including Borrowers and Sellers Signatures.
7. **TITLE INSURANCE POLICY REQUIREMENTS:** An ALTA Long Form Loan Policy of Title Insurance in DUPLICATE showing title vested in the name of the Borrower and insuring the Deed of Trust/Mortgage to be a valid lien subject only to the items set forth within these instructions. The title commitment, if applicable, shall obligate the title insurance underwriter to issue a policy omitting all preprinted exceptions. The Policy must insure our company or our assignee and contain the following requirements, endorsements and attachments:
   MORTGAGEE CLAUSE: Its successors and/or assigns must be reflected with the corporation name and the corporate office mailing address.
   VESTEE NAME SPELLING: Must be identical with Trustor(s)/Mortgagor(s) name spelling on Deed of Trust/Mortgage.
   MARTIAL STATUS: If borrower is married and is taking title in his/her name only, the policy must recite "...sole and separate property."
8. **ALL FUNDS:** All funds associated with this transaction must pass through this loan transaction except any approved secondary financing.
   If water stock is involved, forward stock certificate showing Lender as first pledgee. If certificate is not available from stock company, obtain assignment of interest for Lender.
   Do not disburse the loan funds and authorize recording of any Deed of Trust/Mortgage if
   - You have knowledge of concurrent or subsequent transaction to be opened or closed upon completion of this transaction which will transfer subject property.
   - You are not in receipt of demand/payoff statements or confirmation of payoff amounts for all existing liens of record.

It is expressly agreed that in cases where restrictions provide for the right of re-entry or a reverter provision or any condition on Deeds that the title company cannot insure against, said loan is not to be closed or monies funded without the waiver of the requirement in writing by Long Beach Mortgage Company.

If you are unable to close this transaction in accordance with these instructions, you must promptly return any funds and/or documents you have received.

We reserve the right to cancel or amend the loan or these instructions at any time prior to recordation of our Deed of Trust/Mortgage.

I hereby acknowledge with the below signature on each page that I have read all pages and fully understand and will comply with these instructions.

Settlement Agent

TO: • AMANDA ROBERTSON DIXON
• 2949 109B NEWBERN
• RALEIGH,NC 27610

ATTN: ANNETTE
PHONE: 919-255-6333

Date: 07/08/03 Esc. #:
Borrower: ALICE JAMES
Loan Type: CONVENTIONAL FIXED
Loan #: 5614193
Originator: MOSES MPANDE
FHA/VA Case No:
Account Manager: PATRICIA MALONE
Phone #: (303) 713-1500

LENDER'S INSTRUCTIONS TO CLOSING AGENT FOR CONCURRENT SECOND MORTGAGE

If you wish to make any change(s) (including the changing of document dates) to any closing document(s) and/or the final HUD-1 or HUD-1A, or any information set forth herein, you must

1. Call the branch office to obtain written approval **prior to making any changes.**
2. **Obtain the borrower's initials on ALL changes.**

A. The following documents are required to complete the captioned loan. **Return all required documents, executed as described within 24 hours.**

[X] **Regulation Z Disclosure:** Return executed original and 2 certified copies.
[X] **Note:** Return executed original and 2 certified copies.
[X] **Deed of Trust/Mortgage:** Record original. Return 2 certified copies of signed original including complete notary acknowledgement. Return a COUNTY certified copy of all documents recording in Torrens, Abstract, Registered Land or Land Court in any state.

Return all signed loan documents with a final closing statement to:

LONG BEACH MORTGAGE COMPANY
7887 E. BELLEVIEW AVE., STE. 725
ENGLEWOOD, CO 80111

[X] **Application:** All borrowers to sign, date and complete monitoring section of 1003 (Confidential).

[X] **Loan Review Agreement**

[X] **Tax Information Sheet**

[X] **Owner Occupancy Agreement**

[X] **Compliance Agreement**

[X] **Recission Notice/Right to Cancel**

Note: Do not return any copies of the borrower's identification documents or photographs

B. LBMC requires that funds are disbursed and the security instrument is recorded within two days of funding.
- Loan funds may not be disbursed until the end of the recission period, if applicable.
- If you are unable to disburse funds within two days, you must return our funds.
- You must use the enclosed "Verification of Recording Second Lien" form to document the recording information and return the form to us within two days. If you are unable to provide confirmation of recording, you must provide a letter verifying that LBMC has first and second lien position on the subject property as a result of the concurrent first and second transaction. The first and second lien letter(s) must be returned to LBMC along with the signed loan documents and the Verification of Recording.

C. In addition to the above requirements, do not close this loan without a copy of:
[X] Fire insurance policy [ ] and flood insurance policy, with loss payable BFU-438 in our favor. Policy must show the loan number. 69,000.00
(SEE PAGE THREE HEREOF FOR SPECIFIC INSURANCE REQUIREMENTS.)
Fire policy amount to be at least $
Loss payee to read:
Washington Mutual Bank, F.A.,
Its Successors and/or Assigns
P.O. Box 25308
Santa Ana, CA 92799-5308

I hereby acknowledge with the below signature on each page that I have read all pages and fully understand and will comply with these instructions.

Settlement Agent