

REQUEST FOR BOARD ACTION

HENDERSON COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: 4 April 2011

SUBJECT: Tax appeal -- Gloria Shen on behalf of Yao T. Shen

PRESENTER: Charles Russell Burrell

ATTACHMENT(S): Letter from Ms. Shen with attachments

SUMMARY OF REQUEST:

On behalf of her mother, Yao T. Shen, Gloria Shen has brought a request for the adjustment (remission) of the County's claim for taxes from the 2009 tax year. The relevant law is as follows:

N.C. Gen. Stat. §105-312(k) **Power to Compromise.** -- After a tax receipt computed and prepared as required by subsections (g) and (h) of this section has been delivered and charged to the tax collector as prescribed in subsection (j), above, the board of county commissioners, upon the petition of the taxpayer, may compromise, settle, or adjust the county's claim for taxes arising therefrom. The board of commissioners may, by resolution, delegate the authority granted by this subsection to the board of equalization and review, including any board created by resolution pursuant to G.S. 105-322(a) and any special board established by local act.

As can be determined from the documents supplied by Ms. Shen, the facts are as follows:

- Glade Residential LLC ("Glade") constructed a condominium unit as a part of its Fox Den development. **28 December 2007, a Building Permit was applied for by Glade Land Fund, LLC, with Glade Residential LLC listed as the Contractor.**
- When the unit was completed, **a Certificate of Occupancy was issued by Henderson County on 4 August 2008.**
- **A 2009 Listing Form was sent to Glade as the owner of record on 1 January 2009. It was not returned and therefore the newly-constructed condominium unit was considered as "unlisted" by the owner of record for 2009.**
- Glade did not list the property for *ad valorem* real property tax purposes, as is required by Chapter 105 of the General Statutes. **NOTE: the permanent listing system required by statute and adhered to by the Henderson County Tax Department ONLY applies to the conveyance of land. It does not apply to new construction. Specifically, G.S. 105-303(b)(2) and (3) requires the reporting by the owner of record of any new construction or acquisition of improvements.**

- **On 15 April 2009, a Notice of Discovery stating the appraised value subject to discovery and the pending 10% penalty, was sent to Glade Residential LLC, with the stipulation that the property owner could challenge the discovery within 30-days of the date of the Notice, and that failure to challenge would result in a final determination affirming the action of discovery.**
- **By letter dated 19 May 2009, Glade was notified of the final determination including the 10% penalty for failure to list.**
- Ms. Shen purchased real estate in the Fox Den development from Glade, with a closing date of 23 June 2009.
- At closing, the closing attorney did not charge the seller or pay any late-listing penalty.
- *Presumably* neither the title insurance nor the deed made any exception for late-listing penalties.
- Subsequently, a late listing penalty of \$80.98 was assessed by your Tax Assessor.
- With interest, the current amount owed is \$106.10.

Clearly Ms. Shen was not the culpable party for the failure to list for taxes. Glade should have listed the property. The failure should have been caught by the closing attorney, and was *likely* insured over by the title insurer.

Ms. Shen has requested that the penalty and interest be forgiven.

County staff will be present and prepared if requested to give further information on this matter.

BOARD ACTION REQUESTED:

Forgiveness of the non-listing penalty and accrued interest thereon.

If the Board is so inclined, the following motion is suggested:

I move that the Board not pursue Yao Shen for the non-listing penalty and accrued interest thereon, in the amount of \$106.10 as of 30 March 2011. No action taken hereby shall be deemed to affect any right the County may have against the party who failed to initially and properly list the real property, or any third party.

123 Foxden Drive
Unit 201
Fletcher, NC 28732

February 28, 2011

Mr. Charles Russell Burrell, County Attorney
1 Historic Courthouse Square, Suite #5
Hendersonville, NC 28792

Dear Mr. Burrell,

I am writing to respectfully request your assistance in a matter that concerns a late listing fee and penalty that was passed onto me and my mother in the purchase of a condominium unit in June of 2009. The problem rests in the fact that the existence of this fee was never made known to us prior to the sale of the property and did not appear in any of the closing paperwork. The developer and seller, Mr. Gus Campano, incurred this fee in January of 2009 by failing to comply with N.C.G.S. 105-309(c)(4) and then chose to completely ignore the discovery notice sent from the tax assessor's office prior to the condominium purchase. Mr. Campano dismissed all subsequent efforts by my closing attorney and Mr. Stan Duncan to collect this money once the 2009 Property Tax Notice was sent out, and now, it has become the unfair burden of me and my mother with our 2010 tax payment having already gone towards this listing fee penalty and interest that should not have been ours to contend with in the first place.

Mr. Stan Duncan has invested valuable time and energy in trying to seek a resolution within the bounds of his position in the tax department but the matter now rests in your hands.

I respectfully ask that you please consider bringing this to the attention of the Board of Commissioners. I have already spoken with Mr. Stan Duncan on this issue and he has been gracious in explaining the proper procedure that is to be followed with these types of matters. He has expressed his willingness to provide the necessary tax paperwork to support this request. I have also corresponded with the county commissioners about the situation in November and December of 2010 and have spoken to Commissioner Messer on two occasions concerning the process.

In my correspondence with the Assistant of Representative David Guice late last year, I was made aware of N.C.G.S. 105-312 (k) and the suggestions made by Ms. Trina Griffin at the North Carolina General Assembly. It is my hope that out of principle, the late listing fee and penalties (interest) that were unfairly passed onto my mother and myself be waived. Since the 2010 tax payment had already gone towards the payment of this fee and associated interest on that penalty, I ask that you bring this to the attention of the Board of Commissioners at an executive meeting to see if they would be willing to apply N.C.G.S. 105-312 (k) and waive the 2009 listing fee penalty and interest and then apply

the portion of the 2010 tax payment that had already been applied to the listing fee penalty and interest towards the 2010 taxes on the home as was originally intended.

For your reference, I have attached the following:

1. the original letter sent to the Board of Commissioners
2. the e-mail exchange between the Assistant to Representative David Guice and Ms. Trina Griffin at the North Carolina General Assembly
3. a copy of the 2009 Property Tax Notice showing the late listing fee (this was the first time that my mother and I were informed of the existence of the seller's original outstanding obligation)
4. a copy of the Settlement Statement for the condominium unit. As you can see, this listing fee did not appear in any portion of the closing papers and it did not come up in my closing attorney's title search.

I am available to answer any and all questions that you may have for me. You may e-mail me at gloshen@yahoo.com or call me at (828) 775-6413.

I thank you very much for your time and consideration.

Sincerely,



Gloria Shen

December 7, 2010

Dear Honorable Members of the Henderson County Board of Commissioners:

Chairman J. Michael Edney
Vice Chairman Tommy Thompson
Commissioner Charlie Messer
Commissioner Bill O'Connor
Commissioner Larry Young

Attached are copies of the original documents sent to the Board of Commissioners on November 15th of this year. This concerns a late listing fee that was passed onto me and my mother by a builder/developer. Should you have any questions for me, I may be reached at (828) 775-6413 or gloshen@yahoo.com

I thank Ms. Teresa Wilson for bringing this matter to your attention. I would also like to thank all of you for your consideration of this issue of importance to me.

Sincerely,

Gloria Shen

123 Foxden Drive
Unit 201
Fletcher, NC 28732

November 15, 2010

Dear Honorable Members of the Henderson County Board of Commissioners:

Chairman William Moyer
Vice Chairman Mark Williams
Commissioner and Representative Chuck McGrady
Commissioner Charlie Messer
Commissioner Larry Young

We (Ms. Yao T. Shen and Ms. Gloria Shen) are writing to you today to ask for relief of a listing fee and penalty that was originally incurred by the seller/developer, Gaston Campano, who violated a statute then passed his wrongdoing and unpaid taxes to us. We had received no indication whatsoever of the existence of this listing fee prior to our closing despite a thorough title search conducted by our closing attorney, Ms. Cheryl Jones, formerly of the Yelverton Firm and now with Bazzle, Carr & Parce.

We hereby provide some background information:

Ms. Yao T. Shen (my mother) owns the condominium unit at 123 Foxden Drive, Unit 201 in Fletcher but only I (Ms. Gloria Shen) live there with my daughter as stipulated on the deed. I pay all of the bills and association dues for this property and will assume payment of the property taxes from now on. My mother kindly advanced money to pay for the property taxes this year because of extreme financial hardship on my part. I am disabled with several degenerative physical conditions, have a young child, am recently divorced and am presently going through custody, child support and ongoing medical issues. My mother (presently the owner of the unit but who lives in San Diego, CA) is retired and on a limited income from Social Security. She liquidated the majority of her retirement savings to purchase this condominium solely for the benefit of me and my daughter. I am ultimately responsible for this property and will be responsible for all future taxes.

Our problem rests not only in our situation of financial hardship but from a standpoint of principle. In Henderson County, if an individual has a closing in a four-to-five month period *before* the county tax department is able to generate a tax bill on a property that is to be purchased, outstanding fines from non-completed Real Property Listing forms by developers would not appear in a title search. These fines end up getting passed onto an innocent homebuyer who, if informed about the seller/developer's misrepresentation and failure to disclose these fines, may very well have foregone a particular property purchase. What then happens is that when the tax bill is finally generated, the new homeowner 'discovers' outstanding fees that only the seller/developer could have known about but because the property has exchanged hands, the new homeowner is left with this burden created by the seller or developer.

This is a real problem because according to North Carolina General Statute 105-309 (c)(4), developers are required by law to complete the Real Property Listing Forms. When the builder fails to complete the form, a penalty in the amount of 1% of the future property taxes is assessed. By passing on this undisclosed and outstanding fine to an unsuspecting homebuyer during a closing, a seller or developer has essentially committed two wrongs: violation of N.C.G.S. 105-309 (c)(4) and failure to disclose material evidence during a property closing. However, when the county then holds the new homeowner responsible for these fees, it would appear that the county is condoning the wrongs committed by the developer while punishing the new homebuyer who had no idea of the existence of the fine associated with the property.

How is any of this fair or reasonable?

Ms. Trina Griffin, staff attorney of the North Carolina General Assembly revealed in correspondence to Ms. Kerry Guice, legislative assistant to Representative W. David Guice, that “[N.C.G.S.] 105-312(k) permits the board of county commissioners to waive late listing/discovery penalties for any reason it deems appropriate. There is no time limitation on this authority.” We are asking, for the sake of fairness and reasonableness, that the fee passed onto us before the actual closing on our property yet incurred by the seller/developer before we had even looked at the property be waived by the Board and that the associated penalties (interest and fines) for this fee also be waived. This fee should never have been passed onto us.

The seller/developer, Gaston (Gus) Campano had a duty to complete the Real Property Listing Form. He was allowed plenty of time to complete this form and yet, he chose not to do it at all. Furthermore, he did not disclose the existence of the listing fee at the closing. In the fall of 2009 (when the fee was discovered on the property tax bill), I (Gloria Shen) tried to resolve the issue with Mr. Campano by contacting him three times via telephone and by sending e-mails to him as well. He answered only one of my phone calls and during our one conversation, he stated, “Those green forms? I always ignore them. I’ve never had to fill one out.” He completely denied any responsibility for this late listing fee. He then dismissed all of my follow-up phone calls and e-mails.

Our real estate attorney, Ms. Cheryl Jones, had invested several hours with Mr. Stan Duncan at the Henderson County Tax Department and spent many additional hours with Mr. Jack Tate, attorney for the seller/developer Gus Campano in an attempt to resolve this matter between late fall of 2009 and late spring of this year. Last month (October 2010), I composed a hardship letter addressed to Mr. Lee. King, Chief Collections Officer at the County Tax Department and also contacted the legislative office of Representative W. David Guice for assistance and insight into this matter. My mother and I have now been directed to all of you serving on the Henderson County Board of Commissioners. The original penalty fee of \$80.98 has now accrued to \$103.67 after penalties (interest and fines).

From the standpoint of principle, we have to ask: how is it reasonable or fair that my mother and I should pay for the listing fee that had absolutely nothing to do with us and that had been incurred several months prior to our even looking at this property? There was no way of knowing that there was an outstanding debt associated with this parcel. Furthermore, who is responsible for the fact that the late listing fee did not appear in a title search because the tax bill for the property had not been generated? Lastly, is it really acceptable for a developer/seller to commit a misdemeanor by violating N.C.G.S. 105-309 (c)(4) and then pass his wrongdoing onto a potential buyer, leaving the new homeowner with the onus of his non-compliance with North Carolina law?

Had this particular debt appeared in a title search, it would have been material to convince my mother to forego the purchase of this particular property. If the developer/seller could pass this fee onto us with impunity, he most certainly could not be relied upon for future maintenance requests or any other obligation that may have been promised. Unfortunately, all of this has proven true.

So, we hereby humbly ask the Board to please waive the late listing fee originally incurred by Gus Campano and also the associated penalties (interest and fines) that could not be paid out of hardship and from the standpoint of principle. We do not wish to excuse Mr. Campano for his wrongful actions against us. We also do not feel it is fair that this debt be something that my mother and I should assume through no wrongful action of our own. There is no way that my mother would have proceeded with the closing had we known this critical piece of information. However, there was no way for us to know about the existence of this late listing fee until after the tax bill had been generated and sent to us, two months after our closing.

If the Board wishes to address this issue in a future commissioners' meeting, I (Gloria Shen) am willing to be in attendance to discuss this matter further. This issue is a problem faced not only by my mother and myself but is also a problem that other homebuyers in Henderson County have wrestled with and will continue to face until measures are enacted to safeguard prospective homebuyers. The main issue is that these developers can deceive and run over people by not completing the listing forms, whereby these unreasonable fees are passed onto innocent homebuyers. My closing attorney, Ms. Cheryl Jones, suggested that the county devise a means to place a special code on properties in Henderson County in which there may be an outstanding debt associated with that property or parcel. This would alert a potential homebuyer as well as the real estate agent and real estate attorney to the situation so that an informed decision could be made about a prospective property purchase. It behooves the county to institute some type of enactment to protect unassuming homebuyers from developers and sellers who *knowingly* fail to complete the Real Property Listing Form as required by N.C.G.S. 105-309 (c)(4) and then *knowingly* pass the burden of their misdemeanor onto a new owner.

For your reference, we have attached in Appendix A the correspondence with the office of the Honorable Representative W. David Guice of District 113 and also the hardship letter composed for Mr. Lee King, Chief Collections Officer at the Henderson County Tax Department. Should the Board request it, I (Gloria Shen) can provide the


correspondence (notes and listing of phone calls) made by my real estate closing attorney, Ms. Cheryl Jones, on this particular matter. Ms. Jones has worked extremely hard on behalf of my mother and myself in trying to resolve this matter. She has not been compensated for any of her work and volunteered to help us out because of our financial hardship and because of her tremendous compassion and generosity.


You may reach me, Gloria Shen, with any questions at (828) 775-6413 or via e-mail at gloshen@yahoo.com

We thank you for your time and consideration of this important issue that has impacted our family for over one year. We ask that you please relieve us of this burden.

It is also our hope that future innocent homebuyers whose property closings fall within a certain time period of the year be protected or given relief for the unfairness and unreasonableness caused by developers who knowingly and willingly violate N.C.G.S. 105-309 (c)(4).

Sincerely,


Yao T. Shen (owner of condominium)


Gloria Shen (resident of condominium
and future taxpayer for this property)

FW: [RTS-2010-01979] Discovery of late listing fee on innocent owner (Rep. W. David Guice)

Thursday, October 28, 2010 8:01 PM
From: "Rep. W. David Guice" <David.Guice@ncleg.net>
To: gloshen@yahoo.com
Cc: sduncan@hendersoncounty.org

Ms. Shen,

Below is a string of e-mails, including the one you sent our office, regarding your situation with the Late List Penalty which was assessed on your mother's property. Please review this information and I would recommend you take a copy of the opinion from our research department to the attorney who handled your mother's closing in 2009. I am also sending a copy of this correspondence to Mr. Duncan at the Henderson County Tax Assessor's office so that he can review the information as well. I hope this information will be helpful for you and you can get the problem resolved by following the procedure outlined below.

Please feel free to contact our office should you need further assistance in understanding the statute as it applies to your situation.

Sincerely,

Kerry L. Guice
Legislative Assistant to
Rep. W. David Guice
NC House District 113
919-715-4466
guicela@ncleg.net

From: Trina Griffin (Research)
Sent: Wed 10/27/2010 11:19 AM
To: Kerry Guice (Rep. Guice)
Cc: Rep. W. David Guice; Cindy Avrette (Research); Heather Fennell (Research); Judy Collier (Research)
Subject: [RTS-2010-01979] Discovery of late listing fee on innocent owner (Rep. W. David Guice)

Rep. Guice,

Unfortunately, Ms. Shen's letter describes what appears to be the "correct" result under the Machinery Act. A discovery (that is, the "late listing fee") is part of the tax levy that arises in the year the discovery was made. Therefore, the late listing discovery was

correctly made part of the 2009 tax levy on this property. The tax office is obligated under G.S. 105-312 to add a 10% late listing penalty to the account for that year. G.S. 105-365.1 makes the owner as of the delinquency date the responsible party for unpaid taxes. Because Ms. Shen's mother was the owner of the home as of Jan 6, 2010, the date on which 2009 taxes became delinquent, she is the responsible taxpayer for the 2009 discovery bill and penalty despite the fact that the listing "violation" was caused by the prior owner, Campano. The tax office has no collection remedies against Campano for the discovery bill. This result may not seem fair, but it is the law under the Machinery Act.

That said, 105-312(k) permits the board of county commissioners to waive late listing/discovery penalties for any reason it deems appropriate. There is no time limitation on this authority. I think the appropriate approach is for the taxpayer to ask Mr. Duncan to submit a request on her behalf to waive the 2009 discovery penalty and associated interest on that penalty, then apply the 2010 payment that was originally applied to that penalty & interest toward the 2010 taxes on the home.

The board has the authority to waive the discovery penalty and associated interest but not the principal taxes on the discovered property. I cannot determine from the email if the additional amounts owed by this woman relate only to the penalty or to the penalty and the principal taxes on the discovered property. If the latter, then the woman may still owe some amounts from 2009 even if the discovery penalty and interest is waived.

I hope this is helpful.

Trina

~~~~~  
Trina Griffin, Staff Attorney  
Research Division  
North Carolina General Assembly  
Telephone: (919) 733-2578  
Email: [trinag@ncleg.net](mailto:trinag@ncleg.net)  
~~~~~

*****Original Request*****

From: Kerry Guice (Rep. Guice)

Date: 10/18/2010 05:44:15 PM

Subject: FW: A loophole in Henderson County tax notice that hurts potential and existing homebuyers

Kory,

I have spoken with Mr. Duncan in the Henderson County Tax Assessor's office and he has indicated that he is not sure that there is any recourse for Ms. Shen in the matter outlined in the e-mail below. Could you please have someone look into this and let me know if there is anything our constituent can do to collect the funds from the seller for a late listing fee (discovery) which was not assessed at closing?

Thanks,

Kerry L. Guice

Kerry L. Guice, Legislative Assistant

Office of Rep. W. David Guice

NC House of Representatives, District 113

16 W. Jones Street, Room 1015

Raleigh, NC 27601

919-715-4466

guicela@ncleg.net

HENDERSON COUNTY TAX COLLECTOR
 200 NORTH GROVE STREET, SUITE 66
 HENDERSONVILLE, NC 28792-5027



8/22/09 2090 ck #1002 有13楼 Henderson
 # 809.88 County

2009 PROPERTY TAX NOTICE

TAX YEAR: This tax notice is calculated on the assessed value as of January 1st, 2009, and covers the operating expenses for the fiscal year beginning July 1st, 2009 through June 30th, 2010.

RIGHT TO APPEAL: If this bill is your first notice of value regarding personal property, you may appeal the value, situs, or taxability within 30 days of the date of this bill. Issues regarding real property must have been appealed to the Board of Equalization and Review prior to its advertised adjournment date of May 12, 2009.

FAILURE TO PAY: Delinquent taxes are subject to garnishment of wages, levy on personal property, attachment of account, and foreclosure proceedings after January 5th, 2010.

INTEREST: Accrues at the rate of 2% for January and 3/4% each month thereafter. Interest is applied for all unpaid balances remaining after close of business on January 5th, 2010.

DUE DATE: Property taxes are due and payable September 1, 2009 and delinquent if not paid by January 5, 2009.

T204 P1 *****AUTO**MIXED AADC 275
 ##-0001-##-55265-75463-75463-63549
 SHEN, YAO T
 12015 ALTA CARMEL CT
 #291
 SAN DIEGO CA 92128-3836

BILL NUMBER	TAX YEAR	YEAR END	BILL DATE	DUE DATE	PAST DUE	TOTAL AMOUNT DUE
0002654603	2009	2009	08/07/2009	09/01/2009	01/06/2010	\$890.86
Parcel Number:	1007813					
PIN Number:	9652829723029					
Physical Address:	123 FOXDEN DR 201,					
Real Property Description:	FOX GLEN CONDOMINIUM BU4 UNE-201 BMSLD-6					
Assessed Acreage:	.00					
Real Value:	\$145,400					
Personal Property Description:						
Personal Value:	\$0					
Deferred Value:	\$0					
Excluded Value:	\$0					
TOTAL TAX VALUE:	\$145,400					
TAXING DISTRICT			TAX RATE PER \$100 VALUE	TAX AMOUNT		
GENERAL COUNTY			.4620	\$671.75		
FLETCHER FIRE			.0950	\$138.13		
LATE LIST FEE				\$80.98		
TOTAL TAX AMOUNT DUE				\$890.86		

NOTE: If your property taxes are escrowed as part of your mortgage, your tax bill information has been sent to your mortgage company for payment and this copy is for your records. Check with your mortgage company for confirmation of payment.

- SEVERAL WAYS TO PAY YOUR TAX BILL:**
- In person at the tax office at 200 N Grove Street
 - By mail using the return envelope provided
 - Payment drop box located in the south parking lot of the New County Courthouse at 200 N Grove St
 - Credit/Debit card using your phone or internet
 - Electronic check using the internet
 - Bank draft from your checking or savings account

TO PAY BY CREDIT CARD:
 Call 1-866-580-9997 toll free, or pay online at www.ccpaymentsservice.com/HendersonTax. Our credit card service provider, NOT Henderson County, will charge a convenience fee for this service.

For questions concerning the payment of this bill call (828) 697-5595. For questions concerning the assessed value call (828) 697-4870.

✂ PLEASE FOLD, DETACH HERE AND ENCLOSE BOTTOM PORTION WITH YOUR PAYMENT IN THE ENVELOPE PROVIDED

A. Settlement Statement

U.S. Department of Housing
and Urban Development



OMB Approval No. 2502-0265

B. Type of Loan

1 <input type="checkbox"/> FHA	2 <input type="checkbox"/> FmHA	3 <input checked="" type="checkbox"/> Conv. Unins.	6. File Number 13237-SHEN	7. Loan Number	8. Mortgage Insurance Case Number
4 <input type="checkbox"/> VA	5 <input type="checkbox"/> Conv. Ins.				

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 informational purposes and are not included in the totals.

D. NAME OF BORROWER: Yao T. Shen

ADDRESS OF BORROWER: 12015 Alta Carmel Ct., # 291, San Diego, CA 92128

E. NAME OF SELLER: Glade Residential, LLC

ADDRESS OF SELLER: 475 S. Church St., Ste. 100, Hendersonville, NC 28792

F. NAME OF LENDER:

ADDRESS OF LENDER:

G. PROPERTY LOCATION: 123 Foxden Dr., Unit 201
Fletcher, NC 28732

H. SETTLEMENT AGENT: THE YELVERTON FIRM, PLLC
210 NORTH MAIN STREET, HENDERSONVILLE, NC 28792 (828) 697-2020

PLACE OF SETTLEMENT: 210 NORTH MAIN STREET, HENDERSONVILLE, NC 28792

I. SETTLEMENT DATE: 6/23/2009

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	139,900.00	401. Contract sales price	139,900.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)	838.00	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.	to	409.	to
110.	to	410.	to
111.	to	411.	to
112.	to	412.	to
120. GROSS AMOUNT DUE FROM BORROWER	140,738.00	420. GROSS AMOUNT DUE TO SELLER	139,900.00
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER		500. REDUCTIONS IN AMOUNT DUE TO SELLER	
201. Deposit or earnest money	1,000.00	501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	8,914.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206. Principal amount of seller financing		506. Principal amount of seller financing	
207.		507.	
208.		508. The Peoples National Bank Rel. Fee (Bldg. 4, Unit E	124,439.60
209.		509.	
209a		509a	
209b		509b	
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	1/1/2009 to 6/23/2009 383.86	511. County taxes	1/1/2009 to 6/23/2009 383.86
212. Assessments	to	512. Assessments	to
213.	to	513.	to
214.	to	514.	to
215.	to	515.	to
216.	to	516.	to
217.	to	517.	to
218.	to	518.	to
219.	to	519.	to
220. TOTAL AMOUNTS PAID BY OR IN BEHALF OF BORROWER	1,383.86	520. TOTAL REDUCTIONS IN AMOUNT DUE SELLER	133,737.46
300. CASH AT SETTLEMENT FROM/TO BORROWER		600. CASH AT SETTLEMENT TO/FROM SELLER	
301. Gross amount due from borrower (line 120)	140,738.00	601. Gross amount due to seller (line 420)	139,900.00
302. Less amounts paid by/for borrower (line 220)	1,383.86	602. Less reductions in amount due seller (line 520)	133,737.46
303. CASH <input checked="" type="checkbox"/> From <input type="checkbox"/> To BORROWER	139,354.14	603. CASH <input checked="" type="checkbox"/> To <input type="checkbox"/> From SELLER	6,162.54

Settlement Charges				Paid From Borrower's Funds At Settlement	Paid From Seller's Funds At Settlement
J. TOTAL SALES/BROKER'S COM. based on price 139,900.00 @ 6.00 % = 8,394.00					
Division of Commission (line 700) as follows:					
701.	4,197.00	to Prudential Lifestyle Realty (Asheville)			
702.	4,197.00	to Prudential Lifestyle Realty (Hendersonv)			
703.	Commission paid at Settlement				8,394.00
704.		to			
800. Items Payable In Connection With Loan					
801.	Loan Origination Fee	% to			
802.	Loan Discount	% to			
803.	Appraisal Fee	to			
804.	Credit Report	to			
805.	Lender's Inspection Fee	to			
806.	Mortgage Insurance Application Fee	to			
807.		to			
808.		to			
809.		to			
810.		to			
811.		to			
812.		to			
813.		to			
814.		to			
815.		to			
900. Items Required By Lender To Be Paid In Advance					
901.	Interest from 6/23/2009 to 7/1/2009 @	/day			
902.	Mortgage Insurance Premium for	months to			
903.	Hazard Insurance Premium for	1 years to	Gambill Ins. (Master Policy) (pd. by HOA)		
904.		years to			
905.		years to			
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.		months@	per month		
1007.		months@	per month		
1008.		months@	per month		
1009. Aggregate Accounting Adjustment					
1100. Title Charges					
1101.	Settlement or closing fee	to			
1102.	Title Search	to	JurisCare, Inc.	78.50	
1103.	Title examination	to			
1104.	Title insurance binder	to			
1105.	Document preparation	to			
1106.	Notary fees	to			
1107.	Attorney's fees	to	The Yelverton Firm, PLLC	321.50	
(includes above items numbers:					
1108.	Title insurance	to	Fidelity National Title Insurance	130.00	
(includes above items numbers:					
1109.	Lender's Coverage:		INS AMT:		
1110.	Owner's Coverage:		INS AMT: 139,900.00		
1110a					
1111.	Preparation of Seller's Docs.	to	John E. Tate, Jr., Attorney		200.00
1112.		to			
1113.		to			
1200. Government Recording and Transfer Charges					
1201.	Recording Fees: Deed \$17.00; L-Mortgage(s)		S-Mortgage(s) ; Releases	17.00	
1202.	City/county tax/stamps: Deed ; L-Mortgage(s)		S-Mortgage(s)		
1203.	State tax/stamps: Deed \$280.00; L-Mortgage(s)		S-Mortgage(s)		280.00
1204.	Record Release Deed		Register of Deeds		20.00
1205.					
1300. Additional Settlement Charges					
1301.	Initial Capital Contribution	to	Fox Glen Master Association, Inc.	60.00	
1302.	Initial Capital Contribution	to	Fox Glen Condominium Association, Inc.	120.00	
1303.	June Prorat. & July Dues (Master)	to	Fox Glen Master Association, Inc.	37.00	
1304.	June Prorat. & July Dues (Condo.)	to	Fox Glen Condominium Association, Inc.	74.00	
1305.		to			
1306.	Courier Fees (Peoples National)	to	The Yelverton Firm PLLC		20.00
1307.	2008 Real Property Taxes	to	Henderson County Tax Collect <\$261.79>		*P.O.C.*
1308.		to			
1309.		to			
1400.	Total Settlement Charges (enter on lines 103, Section J and 502, SectionK)			838.00	8,914.00

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.

Glade Residential, LLC
 Borrower: Yao T. Shen
 By: John E. Tate, Jr. Attorney for Seller
 Seller: _____

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement.
 Settlement Agent: Cheryl M. Jones
 Date: 6/23/2009

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see Title 18 U.S. Code Section 1001 and Section 1010. 13237-SHEP