

# Escrow Instructions Northern California

Appendix C: Escrow Instructions: Northern California



Title Escrow Company, Inc.  
123 Main Street  
Coastal Inlet, CA, USA 90000

**SELLER'S ESCROW INSTRUCTIONS**

*Date: January 17, 2XXX*

*Escrow Officer: Becky Ripp*

*Escrow Number: 012-04RM*

I/We hand you herewith:

- Deed from to
- Approved copy of Preliminary Report
- Read and Approved Payoff Statement(s)

which you are authorized to deliver and/or record when;

You are in a position to disburse sale proceeds in accordance with the estimated closing statement contained herein (subject to adjustment).

You hold for my account the following:

- Original, executed promissory note corresponding to the above referenced copy, with interest commencing at 0%, first payment beginning 0 Days after Close of Escrow, with all principal and accrued interest due in its entirety on 01/15/2003
- Evidence of Hazard Insurance

and when you can procure/issue a CLTA Standard Policy – 1990 Form coverage form Policy of Title Insurance from Fidelity National Title Insurance Company with a liability of \$300,000.00 on the property described in your Preliminary Report No., dated 09/18/2002, a copy of which I/We have read and hereby approve.

SHOWING TITLE VESTED IN:

Casey Baker and Lisa Baker, husband and wife

TRANSFEE FROM ENCUMBRANCES EXCEPT:

1. Current general and special taxes for the fiscal year in which this escrow closes, and taxes for the ensuing year, if any, a lien not yet due and payable;
2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California;
3. Bonds and Assessments with no delinquent payments, if any;
4. Covenants, conditions restrictions, reservations, easements and rights of way now of record, if any;
5. A first Deed of Trust, to record, securing a note for \$270,000.00 in favor of Ramsey.
6. A Deed of Trust, to record, securing a note for \$0.00 in favor of
7. A Deed of Trust, to record, securing a note for \$0.00 in favor of

SELLER/TRANSFEROR STATES THAT PROPERTY ADDRESS IS:

, Coastal Inlet, CA

PRORATIONS:

Prorate as of Close of Escrow, on the basis of a 30 day month;

- Lease Rent
- Taxes

ADDITIONAL INSTRUCTIONS:

1. Seller is aware that interest on the existing loan(s) does not stop accruing at close of escrow, but continues until the actual day of receipt of the payoff by Lender.  
Seller is aware that interest will accrue though weekends or holidays.  
Seller is aware he/she/they are responsible for payment of all of such interest and will Indemnify and hold Escrow Holder harmless in connection with the payment of such interest.
2. The undersigned hereby authorized and instruct Escrow Holder to charge each party to the escrow for their respective Federal Express and/or special mail handling/counter fees. Unless specified in writing by the undersigned, Escrow Holder is authorized to select special mail/delivery or courier service to be used.
3. Checks to be issued at Close of Escrow: I/We the undersigned buyer/borrower/seller hereby acknowledge that we are aware that Fidelity National Title of California will issue a check payable to the undersigned in payment of seller's proceeds/borrower's proceeds or buyer's excess deposit refund. I/We further acknowledge and agree that said check will be presented to the bank for deposit as soon as possible after receipt, and collection and payment of the funds will only be done through the regular banking channels.

In addition, in the event there are liens to be paid on the undersigned's behalf, we hereby also acknowledge that I/We will not use the pay-by-phone electronic system to pay/collect the funds as Fidelity National Title of California will not honor such payments. The parties herein agree to be responsible for any stop payment and reissue charges and/or losses that may be incurred in connection with any and all electronic debits to Fidelity National Title of California's Trust Accounts.

**ESTIMATED CLOSING STATEMENT**

**CLOSING DATE:** March 5, 2003

	\$ DEBITS	\$ CREDITS
<b>FINANCIAL:</b>		
Total Consideration		300,000.00
Security deposits	550.00	
<b>PRORATIONS/ADEJUSTMENTS:</b>		
Unpaid County Taxes at \$137.74		
Semi-Annual from 07/01/03 to 08/15/03	33.67	
Lease Rent at \$550.00 Month from 08/11/03 to 08/23/03	220.00	
<b>TITLE CHARGES</b>		
CLTA Standard Policy – 1990 Form		
For \$135,000.00	152.25	
Documentary Transfer Tax	330.00	
<b>ESCROW CHARGES</b>		
Escrow Fee	83.75	
<b>COMMISSIONS:</b>		
Listing Brokers Commission to		
Bay Area Brokers 3.00%	4,050.00	
Selling Brokers Commission to		
Buyers Realty 3.00%	4,050.00	
<hr/>		
	4,499.55	
<b>ESTIMATED NET PROCEEDS</b>		
<b>DUE SELLER</b>	\$ 286,030.78	
<b>ESTIMATED TOTALS</b>	<b>\$ 300,000.00</b>	<b>\$300,000.00</b>

The Undersigned hereby instruct and authorize Escrow Holder to disburse proceeds as follows:

TRANSFER  All Net Proceeds, or  \$ \_\_\_\_\_ to

**ATTN:** \_\_\_\_\_

**ESCROW NO:** \_\_\_\_\_

HOLD check for PICK UP

CALL when check is ready for PICK UP, PHONE NUMBER \_\_\_\_\_

Wire funds to (Bank Name) \_\_\_\_\_

Address: \_\_\_\_\_

Routing No. \_\_\_\_\_

Account No. \_\_\_\_\_

MAIL  FEDERAL EXPRESS check to \_\_\_\_\_

, a California corporation

## GENERAL PROVISIONS

### 1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub escrow account prior to disbursement of any funds. Only cash or wire transferred funds can be given immediate availability upon deposit. Cashier's check, teller's checks and Certified checks may be available one business day after deposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all funding should be wire transfer. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks

All funds received in this escrow shall be deposited with other escrow funds in a general escrow account or accounts of Fidelity National Title of California, with any state or national bank or savings and loan association (the "depository Institution") and may be transferred to any other such general escrow account or accounts. The parties to this escrow acknowledge that the maintenance of such escrow accounts with some depository institutions may result in Escrow Holder's being provided with an array of bank services, accommodations or other benefits by the depository institutions. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from institutions. All such services accommodations and other benefits shall accrue to Escrow Holder and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of such services, accommodations or other benefits.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in and interest-bearing account. All disbursements shall be made by check of Fidelity National Title of California. The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instruction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. **WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTIONS, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.**

To the extent provided by law, if for any reason funds are retained or remain in escrow following the close of escrow, you are to deduct therefrom a reasonable monthly charge as custodian thereof of not less than \$10.00 per month.

### 2. PRORATIONS AND ADJUSTMENTS

All prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. You are to use information contained on last available tax statement, rental statement as provided by the Seller, beneficiary's statement and fire insurance policy delivered into escrow for the prorations provided for herein.

### 3. SUPPLEMENTAL TAXES

The within described property may be subject to supplemental real property taxes due to the change of ownership taking place through this escrow. Any supplemental real property taxes arising as a result of the transfer of the property to Buyer shall be the sole responsibility of Buyer and any supplemental real property taxes arising prior to the closing date shall be the sole responsibility of the Seller. **TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.**

### 4. UTILITIES/POSSESSION

Transfer of utilities and possession of the premises are to be settled by the parties directly and outside escrow.

### 5. PREPARATION AND RECORDATION OF INSTRUCTIONS

Escrow Holder is authorized to prepare, obtain, record and deliver the necessary instructions to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date the instructions are recorded.

### 6. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instruction, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

### 7. RIGHT OF CANCELLATION

Any Principal instructing you to cancel this escrow shall file notice of cancellation in your office in writing. You shall, within two (2) working days thereafter, deliver, one copy of such notice to each of the other principals at the addresses stated in this escrow. **UNLESS WRITTEN OBJECTION TO CANCELLATION IS FILED IN YOUR OFFICE BY A PRINCIPAL WITHIN TEN (10) DAYS AFTER DATE OF SUCH MAILING, YOU ARE AUTHORIZED TO COMPLY WITH SUCH NOTICE AND DEMAND PAYMENT OF YOUR CANCELLATION CHARGES.** If written objection is filed, you are authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions, or by final order of a court of competent jurisdiction.

### 8. PERSONAL PROPERTY

No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

By signing these General Provisions, the parties to the escrow hereby acknowledge that they are indemnifying the Escrow Holder against any and all matters relating to any "Bulk Sales" requirements, and instruct Escrow Gent to proceed with the closing of escrow without any consideration of matter of any nature whatsoever regarding "Bulk Sales" being handled through escrow.

#### 9. RIGHT OF RESIGNATION

Escrow Holder has the right to resign upon ten (10) days written notice delivered to the principals herein. If such right is exercised, all funds and documents shall be returned to the party who deposited them and Escrow Holder shall have no liability hereunder.

#### 10. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable clause and/or such other endorsements as may be required, and forward such policy(s) to the principals entitled thereto. It is not your responsibility to verify the information handed you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handled directly by the principals, and outside of escrow.

#### 11. ACTION IN INTERPLEADER

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefore to be rendered by the court. Upon the filing such action, you shall thereupon be fully released and discharged from all obligations imposed by the terms of this escrow or otherwise.

#### 12. TERMINATION OF AGENCY OBLIGATION

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instruction or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether it be at the request of any of the principals or otherwise, the fees and charges due Fidelity National title of California, including expenditures incurred and/or authorized shall be borne equally by the parties hereto (unless otherwise agreed to specifically).

#### 13. CONFLICTING INSTRUCTIONS

Upon receipt of any conflicting instructions, you are to take no action in connection with this escrow until non-conflicting instructions are received from all of the principals to this escrow (subject to sections 7, 9, 11 and 12 above).

#### 14. REIMBURSEMENT ATTORNEY FEES/ESCROW HOLDER

In the event that a suit is brought by any party or parties to these escrow instructions to which the Escrow Holder is named as a party which results in a judgment in favor of the Escrow Holder and against a principal or principals herein, the principals or principals' agent agree to pay said Escrow Holder all costs, expenses and reasonable attorney's fees which it may expend or incur in said suit, the amount thereof to be fixed and judgment therefore to be rendered by the court in said suit.

#### 15. DELIVERY/RECEIPT

Delivery to principals as used in these instructions unless otherwise stated herein is to be by regular mail, and receipt is determined to be 72 hours after such mailing. All documents, balances and statements due to the undersigned are to be mailed to the address shown herein.

#### 16. STATE/FEDERAL CODE NOTIFICATIONS

According to Federal Law, the Seller, when applicable, will be required to complete a sales activity report that will be utilized to generate a 1099 statement to the Internal Revenue Service.

Pursuant to State Law, prior to the close of escrow, Buyer will provide Escrow Holder with a Preliminary Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon recording of the Grant Deed, Buyers acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of Buyer for same at close of escrow.

Buyer and Seller herein represent and warrant that they will seek and obtain independent legal advice and counsel relative to their obligations under the "Foreign Investors in Real Property Act", and any other applicable federal and/or state laws regarding same, and will take all steps necessary in order to comply with such requirements and hereby hold you harmless relative to their compliance therewith.

#### 17. ENCUMBRANCES

Escrow Holder is to act upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

#### 18. ENVIRONMENTAL ISSUES

Fidelity National Title of California has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to forms of toxification, if applicable, will be done directly and by principals outside of escrow. Fidelity National Title of California is released of any responsibility and/or liability in connection therewith.

#### 19. USURY

Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any responsibility or liability therefore.

#### 20. DISCLOSURE

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

#### 21. CLARIFICATION OF DUTIES

Fidelity National Title of California serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identify authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

Agency and duties of Escrow Holder commence only upon receipt of copies of these Escrow Instructions executed by all parties.

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SECESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NMEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

MY SIGNATURAE HERETO CONSTITUTES INSTRUCTION TO ESCROW HOLDER OF ALL TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

FIDELITY NATIONAL TITLE COMPANY OF CALIFORNIA CONDUCTS ESCROW BUSINESS UNDER A CERTIFICATE OF AUTHORITY NO. 2521-3 ISSUED BYH THE CALIFORNIA DEPARTMENT OF INSURANCE.

, a California corporation

RECEIVED BY: Fidelity National Title of California

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

## BUYERS'S ESCROW INSTRUCTIONS

*Date: January 17, 2XXX*

*Escrow Officer: Rita Moreno*

*Escrow Number: 012-04RM*

I/We hand you herewith:

- Executed loan documents (new loan)
- Balance of funds to close escrow in the form of wire transfer, certified check, cashier's check or teller's check payable to Fidelity National Title of California pursuant to the "Deposit of Funds", Paragraph 1 contained in the General Provisions attached hereto and made a part hereof
- Original, Executed Preliminary Change of Ownership report to be delivered to the County Recorder at the time of recordation of the Grant Deed
- Approved copy of Preliminary Report

You are authorized to deliver and/or record the above and close in accordance with the estimated closing statement contained herein(subject to adjustment) when you have received for my account the following

- Grant Deed from to

and when you can procure/issue a CLTA Standard Policy – 1990 Form coverage form Policy of Title Insurance from Fidelity National Title Company with a liability of \$300,000.00 on the property described in your Preliminary Report No., dated 09/18/2002, a copy of which I/We have read and hereby approve.

SHOWING TITLE VESTED IN:

Casey Baker and Lisa Baker, husband and wife

FREE FROM ENCUMBRANCES EXCEPT:

1. Current general and special taxes for the fiscal year in which this escrow closes, and taxes for the ensuing year, if any, a lien not yet due and payable;
2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California;
3. Bonds and Assessments with no delinquent payments, if any;
4. Covenants, conditions restrictions, reservations, easements and rights of way now of record, if any;
5. Exception numbered 1-4 as shown in your preliminary report above referenced;
6. A first Deed of Trust, to record, securing a note for \$270,000.00 in favor of Ramsey.
7. A Deed of Trust, to record, securing a note for \$0.00 in favor of
8. A Deed of Trust, to record, securing a note for \$0.00 in favor of

SELLER/TRANSFEROR STATES THAT PROPERTY ADDRESS IS:

, Coastal Inlet, CA

PRORATIONS:

Prorate as of Close of Escrow, on the basis of a 30 day month:

- Lease Rent
- Taxes

**ADDITIONAL INSTRUCTIONS:**

1. The items indicated by "P.O.C." or "PAID" or "\*" are included at the direction of the Lender for disclosure purposes only. The Escrow Holder/Settlement Agent has no knowledge of these expenditures, except as provided by the Lender. They have not and cannot be verified as to the amount, the payee, not actual payment and no liability is assumed by the closing agent as to the validity and/or sufficient there.
2. Buyer/Borrower is aware the new loan may be funded at least one day prior to the date of recordation of documents and close of escrow and that interest will commence on said loan as of the date of funding. Should escrow close after a weekend or holiday, Buyer/Borrower is aware that interest will be charged during such weekend or holiday and Buyer/Borrower agrees to bear the cost of said interest and will hold Escrow Holder harmless in connection therewith.
3. **INSURANCE:** Borrower/Buyer hereby agrees to provide escrow with an evidence of insurance, in compliance with the Lender's Instructions.  
Insurance Company: \_\_\_\_\_  
Agent Contact: Name: \_\_\_\_\_ Phone(\_\_\_\_)\_\_\_\_\_
4. Buyer agrees to provide new hazard insurance policy acceptable to lender and to authorize payment of premium through escrow unless a paid receipt is provided to escrow.
5. The undersigned Buyer hands you herewith Preliminary Change of Ownership Report as provided for in Section 480.34 of the Revenue and Taxation Code, State of California which you are to cause to be filed concurrently with the Deed in our favor. If form is rejected by the County, a surcharge may be imposed by said County and is to be paid by buyer herein.

**ESTIMATED CLOSING STATEMENT**

**CLOSING DATE:** March 5, 2003

	DEBITS	\$ CREDITS
<b>FINANCIAL:</b>		
Total Consideration	300,000.00	
New 1st Trust Deed		270,000.00
<b>PRORATIONS/ADEJUSTMENTS:</b>		
Unpaid County Taxes at \$137.74		
Semi-Annual from 07/01/03 to 08/15/03		33.67
Lease Rent at \$550.00 Month from 08/11/03 to 08/23/03		220.00
<b>TITLE CHARGES</b>		
CLTA Standard Policy – 1990 (Lenders) Form For \$4,540,000.00	75.00	
Recording Deed	10.00	
Recording Trust Deed(s)	55.00	
Reconveyance(s)	10.00	
<b>ESCROW CHARGES</b>		
Escrow Fee	275.00	
<b>MISCELLANEOUS CHARGES:</b>		
Natural Hazard Report	39.00	
<hr/>		
ESTIMATED BALANCE DUE ESCROW		\$30,625.33
<hr/>		
<b>ESTIMATED TOTALS</b>	<b>\$ 300,000.00</b>	<b>\$300,000.00</b>
<hr/>		

## GENERAL PROVISIONS

### 1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub escrow account prior to disbursement of any funds. Only cash or wire transferred funds can be given immediately availability upon deposit. Cashier's checks, teller's checks and Certified checks may be available one business day after eposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all funds should be wire transfer. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks.

All funds received in this escrow shall be deposited with other escrow funds in a general escrow account or accounts of Pacific Ocean Title Company, with any state or national bank, or savings and loan association (the "depository institution") and may be transferred to any other such general escrow account or accounts. The parties to this escrow acknowledge that the maintenance of such escrow accounts with some depository institutions may result in Escrow Holder's being provided with an array of bank services, accommodations or other benefits by the depository institution. Escrow Holder or its affiliates also may elect to enter into other business transaction with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations and other benefits shall accrue to Escrow Holder and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of such services, accommodations or other benefits.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in any interest-bearing account. All disbursements shall be made by check of Pacific Ocean Title Company. The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instuction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instruction with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. **WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTION, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.**

To the extent provided by law, if for any reason funds are retained or remain in escrow following the close of escrow, you are to deduct therefrom a reasonable monthly charge as custodian thereof of not less than \$10.00 per month.

### 2. PRORATIONS AND ADJUSTMENTS

All prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. You are to use information contained on last available tax statement, rental statement as provided by the Seller, beneficiary's statement

and fire insurance policy delivered into escrow for the prorations provided for herein.

### 3. SUPPLEMENTAL TAXES

The within described property may be subject to supplemental real property taxes due to the change of ownership taking place through this escrow. Any supplemental real property taxes arising as a result of the transfer of the property to Buyer shall be the sole responsibility of Buyer and any supplemental real property taxes arising prior to the closing date shall be the sole responsibility of the Seller. **TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.**

### 4. UTILITIES/POSSESSION

Transfer of utilities and possession of the premises are to be settled by the parties directly and outside escrow.

### 5. PREPARATION AND RECORDATION OF INSTRUMENTS

Escrow holder is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date instruments are recorded.

### 6. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instructions, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

### 7. RIGHT OF CANCELLATION

Any principal instructing you to cancel this escrow shall file notice of cancellation in your office in writing. You shall, within two (2) working days thereafter, deliver, one copy of such notice to each of the other principals at the addresses stated in this escrow. **UNLESS WRITTEN OBJECTION TO CANCELLATION IS FILED IN YOUR OFFICE BY A PRINCIPAL WITHIN TEN (10) DAYS AFTER DATE OF SUCH MAILING, YOU ARE AUTHORIZED TO COMPLY WITH SUCH NOTICE AND DEMAND PAYMENT OF YOUR CANCELLATION CHARGES.** If written objection is filed, you are authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions, or by a final order of a court of competent jurisdiction.

### 8. PERSONAL PROPERTY

No examination or insurance as to the amount of payment of personal property taxes is required unless specifically requested.

By signing these General Provisions, the parties to the escrow hereby acknowledge that they are indemnifying the Escrow Holder against any and all matters relating to any "Bulk Sales" requirements, and instruct Escrow Agent to proceed with the closing of escrow without any consideration of matter of any nature whatsoever regarding "Bulk Sales" being handled through escrow.

### 9. RIGHT OF RESIGNATION

Escrow Holder has the right to resign upon ten (10) days written notice delivered to the principals herein. If such right is exercised, all funds and documents shall be returned to the party who deposited them and Escrow Holder shall have no liability hereunder.

### 10. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward

assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable clause and/or such other endorsements as may be required, and forward such policy (s) to the principals entitled thereto. It is not your responsibility to verify the information handed you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handed directly by the principals, and outside of escrow.

#### **11. ACTION IN INTERPLEADER**

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefore to be rendered by the court. Upon the filing of such action, you shall thereupon be fully released and discharged from any and all obligations imposed by the terms of this escrow or otherwise.

#### **12. TERMINATION OF AGENCY OBLIGATION**

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether it be at the request of any of the principals or otherwise, the fees and charges due Title Escrow Company, Inc., including expenditures incurred and/or authorized shall be borne equally by the parties hereto (unless otherwise agreed to specifically).

#### **13. CONFLICTING INSTRUCTIONS**

Upon receipt of any conflicting instructions, you are to take no action in connection with this escrow until non-conflicting instructions are received from all of the principals to this escrow (subject to sections 7, 9, 11 and 12 above).

#### **14. REIMBURSEMENT ATTORNEY FEES/ESCROW HOLDER**

In the event that a suit is brought by any party or parties to these escrow instruction to which the Escrow Holder is named as a party which results in a judgment in favor of the Escrow Holder and against a principal or principals herein, the principals or principals' agent(s) agree to pay said Escrow Holder all costs, expenses and reasonable attorney's fees which it may expend or incur in said suit, the amount thereof to be fixed and judgment therefore to be rendered by the court in said suit.

#### **15. DELIVERY/RECEIPT**

Delivery to principals as used in these instructions unless otherwise stated herein is to be by regular mail, and receipt is determined to be 72 hours after such mailing. All documents, balances and statement due to the undersigned are to be mailed to the address shown herein.

#### **16. STATE/FEDERAL CODE NOTIFICATIONS**

According to federal law, the Seller, when applicable, will be regarded to complete a sales activity report that will be utilized to generate a 1099 statement to the Internal Revenue Service.

Pursuant to state law, prior to the close of escrow, Buyer will provide Escrow Holder with a Preliminary

Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon recording of the Grant Deed, Buyers acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of the Buyer for the same at the close of escrow. Buyer and Seller herein represent and warrant that they will seek and obtain independent legal advice and counsel relative to their obligations under the "Foreign Investors in Real Property Act," and any other applicable federal and/or state laws regarding same, and will take all steps necessary in order to comply with such requirements and hereby hold you harmless relative to their compliance therewith.

#### **17. ENCUMBRANCES**

Escrow Holder is to act upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

#### **18. ENVIRONMENTAL ISSUES**

Title Escrow Company, Inc. has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to forms of toxification, if applicable, will be done directly and by principals outside of escrow. Title Escrow Company, Inc. is released of any responsibility and/or liability in connection therewith.

#### **19. USURY**

Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any responsibility or liability therefore.

#### **20. DISCLOSURE**

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

#### **21. CLARIFICATION OF DUTIES**

Title Escrow Company, Inc. of California serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

The agency and duties of Escrow Holder commence only upon receipt of copies of these Escrow Instructions executed by all parties.

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

MY SIGNATURE HERETO CONSTITUTES INSTRUCTION TO THE ESCROW HOLDER OF ALL THE TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

TITLE ESCROW COMPANY, INC. OF CALIFORNIA CONDUCTS ESCROW BUSINESS UNDER A CERTIFICATE OF AUTHORITY FROM THE CALIFORNIA DEPARTMENT OF INSURANCE AND UNDER THE RULES AND REGULATIONS LEGISLATED BY THE INSURANCE COMMISSIONER.

RECEIVED BY: TITLE ESCROW COMPANY, INC. (TECI)

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

BY: \_\_\_\_\_ DATE: \_\_\_\_\_