

Escrow Instructions Southern California

Appendix B: Escrow Instructions: Southern California



City Escrow Company, Inc.
123 Main Street
Southern City, Southern California, USA 90000

ESCROW INSTRUCTIONS

Date: January 17, 2XXXX

Escrow Officer: Donna Grogan
Escrow Number: 1111-DG

CITY ESCROW COMPANY, INCORPORATED, A CORPORATION IS LICENSED AS AN ESCROW AGENT BY THE DEPARTMENT OF COPPORATIONS IN CALIFORNIA, IN THE USA.

Brian James Byer and Barbara Elizabeth Byer, (hereinafter known as Buyer) agree to purchase from Kate Eileen Klient and Kirk Dwayne Klient, (hereinafter known as Seller) the real property set forth herein per the terms, conditions, consideration and instructions hereinafter stated. The Seller and Buyer herein shall deliver these signed escrow instructions to City Escrow Company, Inc. (CECI), a California Corporation, (hereinafter known as Escrow Holder), within **120** calendar days after receipt of same.

Terms of Transaction

Buyer has deposited to escrow by Personal Check the sum of	\$ 3,000.00
Buyer will deposit, prior to close of escrow, the sum of	\$ 27,000.00
Buyer to obtain a New 1st Trust Deed loan in the amount of	\$ 270,000.00
To Complete the Total Consideration of	\$ 300,000.00

Furthermore, I will execute and deliver any instruments and/or funds which this escrow requires to show title as called for, all of which you are instructed to use on or before **March 17, 2XXX**, provided you hold a Policy of Title insurance with the usual title company's exceptions, with a liability of not less than **\$300,000.00**, covering property in the City of Any town, County of Anywhere, State of the USA, described as follows:

Lot 17 of Tract 556, in Southern City, Golden State County, State of California, USA as per map recorded in Book 789, Page(s) 12 and 13, of Miscellaneous Maps in the Office of the County Recorder of said County.

COMMONLY KNOWN AS: **6789 Any Avenue Unit #17,**
Southern City, Southern California, USA 90000

SHOWING TITLE VESTED IN: **Brian James Byer and Barbara Elizabeth Byer, Husband and Wife as Joint Tenants.**

SUBJECT TO:

- (1) General and special County and City (if any) Taxes for the current fiscal year, not due or delinquent, including any special levies, payments for which are included therein and collected therewith.
- (2) 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 USA.
- (3) Covenants, Conditions and Restrictions, reservations easements for public utilities, districts, water companies, alleys and streets, rights and rights of way of record, if any; also exceptions of oil, gas minerals and hydrocarbons, and/or lease, if any, without the right of surface entry.
- (4) A New Conventional First Trust Deed to record, executed by Vestee herein, securing a Note for \$270,000.00 in favor of National Mutual Savings, or order, bearing interest at a rate determined by the Lender, payable as required by the Lender. Buyer's execution of the loan documents shall be deemed approval of all terms and conditions contained therein. Escrow Holder is instructed to comply with all of the lender's requirements in connection with said new loan.

INSTRUCTIONS TO ESCROW:

BUYER & PROPERTY TO QUALIFY FOR NEW LOAN Buyer and property to qualify for and obtain the new loan(s) as set out above, and the depositing herein of the Lender's loan documents shall constitute satisfaction of this condition. The Buyer's signatures on the Lender's loan documents shall constitute their acceptance and approval of the terms and conditions contained therein.

PRELIMINARY TITLE REPORT: Escrow Holder is instructed to order a copy of the Preliminary Title Report and, if any, covenants, conditions, and restrictions. Upon receipt, forward same to Buyer who will then have 14 days from receipt of same in which to approve or disapprove in writing. Absence of written notification by Buyer(s) of disapproval within specified time shall be deemed Buyer's approval of all documents and deposit of final closing funds by Buyer shall satisfy this condition in full.

FIRE INSURANCE: Buyer herein agrees to furnish new fire insurance prior to the close of escrow with sufficient coverage on the dwelling for replacement of subject property. Buyer to deposit sufficient funds as called for by Escrow Holder to pay first year premium at close of escrow. Lender's release of loan funds shall be deemed their approval of said insurance coverage.

PRELIMINARY CHANGE OF OWNERSHIP REPORT Prior to the close of escrow, Grantee shall cause to be handed to Escrow Holder a fully completed and executed "Preliminary Change of Ownership Report" pursuant to the requirements and in accordance with Section 480.3 of the Revenue and Taxation Code, the USA. If Grantee so chooses, Grantee may elect not to complete and execute said form prior to the close of escrow. In such an event, Grantee is aware that a \$20.00 charge will be assessed

by the County Recorder's Office and Escrow Holder will charge the account of the Grantee accordingly an event, Grantee is aware that a \$20.00 charge will be assessed by the County Recorder's Office and Escrow Holder will charge the account of the Grantee accordingly. Escrow Holder's sole duty shall be the delivery of said form to the County Recorder at the time of recordation of transfer documents.

STRUCTURAL PEST CONTROL REPORT:

- (1) Within calendar days, after acceptance of the offer, Seller shall furnish Buyer at the expense of the Seller, a current written report of inspection by **Diablo Termite and Pest Control**, a registered Structural Pest Control Company, of the main building, detached garage(s) or carport(s), if any, and the following other structures on the Property:
- (2) In requested by Buyer or Seller, the report shall separately identify each recommendation for corrective work as follows: "Section 1": Infestation or infection which is evident. "Section 2": Conditions that are present which are deemed likely to lead to infestation or infection.
- (3) If no infestation or infection by wood destroying pests or organisms is found, the report shall include a written Certification as provided in Business and Professions Cole 8519(a) that on the inspection date "no evidence of active infestation or infection was found."
- (4) Work recommended to correct conditions described in "Section 1" shall be at the expense of the Seller.
- (5) Work recommended to correct conditions described in "Section 2", if not requested by Buyer.
- (6) If inspection of inaccessible areas is recommended in the report, Buyer has the option to accept and approve the report, or within calendar days after receipt of the report to request in writing further inspection be made. **BUYER'S FAILURE TO NOTIFY SELLER IN WRITING OF SUCH REQUEST SHALL CONCLUSIVELY BE CONSIDERED APPROVAL OF THE REPORT.** If further inspection recommends "Section 1" and/or "Section 2" corrective work, such work shall be at the expense of the respective party designated in subparagraph (4) and/or (5). If no infestation or infection is found, the cost of inspection, entry, and closing of the inaccessible areas shall be at the expense of Buyer.
- (7) Inspections, corrective work, and certification under this paragraph shall not include roof covering(s).
- (8) Work shall be performed with good workmanship and materials of comparable quality and shall include repair of leaking shower stalls and pans, and replacement of tiles and other materials removed for repair. It is understood that exact restoration of appearance or cosmetic items following all such work is not included.
- (9) Work to be performed at Seller's expense may be performed by Seller or through others, provided that (a) all required permits and final inspections are obtained, and (b) upon completion of repairs a written Certification is issued by a registered Structural Pest Control Company showing that the inspected property "is now free of evidence of active infestation or infection."

(10) Funds for work agreed to be performed after close of escrow shall be held in escrow and disbursed upon receipt of a written Certification as provided in Business and Professions Code 8519(b) that the inspected property “is now free of evidence of active infestation or infection.”

SUPPLEMENTAL TAX INFORMATION: The tax assessor has the right to reassess the subject property after close of escrow and issue a supplemental tax bill to the Buyer, who shall be solely responsible for same. In the event the Seller receives a supplemental tax bill for prior tax year(s) before close of escrow, charge Seller’s account. Supplemental tax bills for any tax period prior to close of escrow is the sole responsibility of the Seller. If any such supplemental tax bill has been issued for this current tax year, it is the Seller’s responsibility to forward said bill to the new Buyer, and the Buyer’s responsibility for payment of same. In such event, said supplemental bill will be added to the current tax bill and prorated accordingly at close of escrow. **TAX BILLS ISSUED AFTER THE CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BY AND/OR BETWEEN BUYER AND SELLER.**

IRS 1099 REPORTING DISCLOSURE: Parties are made aware that we are required by law to report the total “gross” proceeds (total consideration/sales price) on all real estate sales to the IRS at closing. In addition, parties are further made aware that Escrow Holder will also be required by H.R. 639 “Home Sale Tax Fairness Act of 1992” to report to IRS the amount of real estate property taxes apportioned between the parties at close of escrow. Seller is to complete, sign and return amount of real estate property taxes apportioned between the parties at close of escrow. Seller is to complete, sign and return the attached certification form to Escrow Holder, (all sellers must sign), and this escrow may not close if this form is not received prior to closing. This is an IRS requirement, and any questions should be directed to the Treasury Department and not Escrow Holder. **NOTE:** Corporations are automatically exempt from IRS 1099 reporting.

INSTRUCTIONS NOT TO SUPERSEDE: These escrow instructions are executed for the sole purpose of enabling the Escrow Holder to complete this transaction, and are not intended to amend, modify, supersede or in any way change that certain agreement entered into by the parties hereto and dated prior to these escrow instructions. City Escrow Co., Inc. (CECI), its officers/and/or employees shall not be concerned with said agreement or any matters as contained therein and is responsible only for such matters as are specifically set out above in the instructions.

ADDITIONAL ESCROW INSTRUCTIONS AND PROVISIONS

1. The parties to this escrow are made aware that Escrow Holder has no obligation to verify signatures of any of the parties involved.
2. You shall not be responsible for the following: (1) the sufficiency or correctness as to form, manner of execution or validity of any documents deposited in this escrow: (2) the identity, authority, or right of any person executing the same, either as to documents of record or those handled in the escrow: or (3) the failure of any party to comply with any of the provisions of any agreement, contract or

- other instrument filed or deposited in this escrow or referred to in these escrow instructions. Your duties shall be limited to the safekeeping of money and documents received by you as Escrow Holder and for the disposition in compliance with the written instructions accepted by you in this escrow. You shall not be required to take any action regarding the collection, maturity, or apparent outlaw of any obligations deposited with you unless otherwise instruction in writing.
3. Where the assignment of any insurance policy from Seller to Buyer is concerned, Seller guarantees to you any insurance policy handed you in this escrow is policy in force, the policy has not been hypothecated and that all necessary premiums have been paid. You are authorized to execute on behalf of the parties assignments of interest in any insurance policy (other than title insurance policies) called for in this escrow, you are authorized to transmit for assignment any insurance policy to the insurance agent requesting that the insurer consent to such assignment, to request that a loss payee clause or such other endorsements as may be required be issued and to forward such policy to the lenders and entitled parties. You shall not be responsible for verifying the acceptance of the request for assignment and policy of insurance by the insurance company. The parties mutually agree that you will make no attempt to verify the receipt of the request for assignments by the issuing insurance company. All parties are placed on notice that if the insurance company should fail to receive the assignment, the issuing company may deny coverage for any loss suffered by Buyer. **IT IS THE OBLIGATION OF THE INSURED OR THE INSURED'S REPRESENTATIVE TO VERIFY THE ISSUING COMPANY'S ACCEPTANCE OF THE ASSIGNMENT OF THE POLICY.**
 4. You are not to be held responsible in any way whatsoever for any personal property tax which may be assessed against any former or present owner of the subject property described in these escrow instructions, nor for the corporation or license tax of any corporation as a former or present owner.
 5. If it is necessary, proper or convenient for the consummation of this escrow, you are authorized to deposit or have deposited funds or documents, or both, handed you under these escrow instructions with any duly authorized sub-escrow agent, including, but not limited to any bank, trust company, title insurance company, title company, savings and loan association, or licensed escrow agent, subject to your order at or before close of escrow in connection with closing this escrow. Any such deposit shall be deemed a deposit under the meaning of these escrow instructions.
 6. The parties to this escrow have satisfied themselves outside of escrow that the transaction covered by this escrow is not in violation of the Subdivision Map Act or any law regulation land division, zoning ordinances or building restrictions which may affect the land or improvement that are the subject of this escrow. You, as escrow holder, are relieved of all responsibility and liability in connection

with such laws, ordinances, restrictions or regulations and are not to be concerned with any of their enforcement.

7. If any form of Purchase Agreement of amendment or supplement (collectively "Purchase Agreement") is deposited in this escrow, it is understood that such document shall be effective only as between the parties signing the Purchase Agreement. You, as Escrow Holder, are not to be concerned with the terms of any Purchase Agreement and are relieved of all responsibility for the enforcement of its terms. Your only duty is to comply with the instructions set forth in the escrow instructions. You are not responsible for interpreting or acting on any provision of any Purchase Agreement on which these escrow instructions may be based and you shall not rely on any knowledge or understanding you may have of any such Purchase Agreement in ascertaining or performing your duties as Escrow Holder. In connection with any loan transaction, you are authorized to deliver a copy of any Purchase Agreement, supplement or amendment and a copy of all escrow instructions, supplements or amendments to the lender.
8. You shall make no physical inspection of the real property or personal property described in any instruments deposited in, or which is the subject of this escrow. You have made no representations or warranties concerning any such real property or personal property and are not to be concerned with nor liable for the condition of real property.
9. The parties authorize the recordation of any instrument delivered through this escrow if necessary or proper for the issuance of the required policy of title insurance or for the closing of this escrow. Funds, instructions or instruments received in this escrow may be delivered to, or deposited with any title insurance company or title company to comply with the terms and conditions of this escrow.
10. You are to use your usual document forms or the usual forms of any title insurance company or title company and in our instructions insert dates and terms on the instruments if incomplete when executed.
11. If the date by which Buyer's or Seller's performances are due shall be other than your regular business day, such performances shall be due on your next succeeding business day.
12. You shall conduct no lien or title search of personal property regarding the sale or transfer of any personal property through this escrow. Should the parties desire that you conduct a lien or title search of personal property, the parties requesting the same shall deliver separate and specific written escrow instructions to you along with an agreement to pay your additional escrow fees.
13. You shall not be responsible in any way whatsoever nor are you to be concerned with any question of usury in any loan or encumbrance, whether new or of record,

which may arise during the processing of this escrow.

14. The parties agree to deliver to you all documents, instruments, escrow instructions and funds required to process and close this escrow in accordance with its terms.
15. You are instructed to provide title to the subject real property in the condition identified in the escrow instructions by the parties. You are not responsible for the contents or accuracy of any beneficiary demands and/or beneficiary statements delivered to you by the existing lien holders. You are not required to submit any such beneficiary statements and/or demand to the parties for approval before the close of escrow unless expressly instructed to do so in writing. Should the parties desire to pre-approve any such beneficiary statement and/or demand, the parties requesting the same shall deliver separate and specific written escrow instructions to you.
16. You are not to be responsible in any way whatsoever nor to be concerned with the terms of any new loan or the content of any loan documents obtained by any party in connection with this escrow except to order such loan documents into the escrow file, transmit the loan documents to Buyer for execution and transmit the executed loan documents to lender. The parties understand and agree that you are not involved nor concerned with the approval and/or processing of any loan or the contents and effect of loan documents prepared by a lender.
17. The parties expressly indemnify and hold you harmless against third-party claims for any fees, costs or expenses where you have acted in good faith, with reasonable care and prudence and/or in compliance with these escrow instructions. You are not required to submit any such beneficiary statement and/or beneficiary demand to the parties for approval before the close of escrow unless expressly instructed to do so in writing. Should the party(ies) desire to pre-approve any such beneficiary statement and/or beneficiary demand, the party(ies) requesting the same shall deliver separate and specific written escrow instructions to you.
18. The Federal Tax Reform Act of 1986, as amended and the USA Revenue & Taxation Code, require certain transactions to be reported to the Internal Revenue Service and the State Franchise Tax Board. In those transactions Seller will furnish a correct tax identification number to you so you can report this transaction as required by law. Seller understands that Seller may be subject to civil or criminal penalties for failure to do so.
19. The parties agree that you have the responsibilities of an Escrow Holder only and there are no other legal relationships established in the terms and conditions of the escrow instructions. In connection with this escrow: (1) You shall have no duty or responsibility of notifying any of the parties to this escrow of any sale, resale, loan, exchange or other transaction involving any or the subject real property or personal property: (2) You shall have no responsibility or duty to disclose any

benefit, including, but not limited to financial gain, realized by any person, firm, or corporation involving any of the subject real property or personal property; and (3) You shall have no responsibility or duty to disclose any profit realized by any person, firm or corporation including, but not limited to, any real estate broker, real estate sales agent and/or a party to any other escrow, in connection therewith, although such other transaction may be handled by you in this escrow or in another escrow transaction. If, however, you are instructed in writing by any party, Lender or other entitled person to disclose any sale, resale, loan, exchange or other transaction involving any of the subject real property or personal property or any profit realized by any person, firm or corporation to any party to this escrow, you shall do so without incurring any liability to any party. You shall not be liable for any of your acts of omissions done in good faith nor for any claims, demands, loses or damages made or suffered by any party to this escrow, excepting such as may arise through or be caused by your willful neglect or gross misconduct.

20. Buyer acknowledges that pursuant to the USA Revenue & Taxation Code a Change of Ownership form is required by the county recorder to be completed and affixed to any documents submitted for recording which evidence a conveyance of title. The Change of Ownership form shall be furnished to Buyer by you for Buyer's completion and execution. Buyer is aware that if Buyer does not complete the form in full, sign and return it to you before closing, a penalty will be assessed by the county recorder. If the Change of Ownership form is not filed after the close of escrow within the time limits set forth by the county recorder, severe additional penalties will be assessed against the Buyer.

For information and assistance in completing the Change of Ownership form, Buyer may contact the County Recorder and Assessors offices in the county in which the subject property is located.

21. The parties shall cooperate with you in carrying out the escrow instructions they deposit with you and completing this escrow. The parties shall deposit into escrow, upon request, any additional funds, instruments, documents, instructions, authorizations, or other items that are necessary to enable you to comply with demands made on you by third parties, to secure policies of title insurance, or to otherwise carry out the terms of their instructions and close this escrow. If conflicting demands or notices are made or served upon you or any controversy arises between the parties or with any third person arising out of or relating to this escrow, you shall have the absolute right to withhold and stop all further proceedings in, and in performance of, this escrow until you receive written notification satisfactory to you of the settlement of the controversy by written agreement of the parties, or by the final order or judgment of a court of competent jurisdiction.

All of the parties to this escrow, jointly and severally, promise to pay promptly on demand, as well as to indemnify you and to hold you harmless from and against

all administrative governmental investigations, audit and legal fees, litigation and interpleader costs, damages, judgments, attorneys' fees, arbitration costs and fees, expenses, obligations and liabilities to every lien (collectively "costs") which in good faith you may incur or suffer in connection with or arising out of this escrow, whether said costs arise during the performance of or subsequent to this escrow, directly or indirectly, and whether at trial, or on appeal, in administrative action, or in arbitration. You are given a lien upon all the rights, titles and interests of the parties and all escrow papers and other property and monies deposited into this escrow to protect your rights and in indemnify and reimburse you. If the parties do not pay any fees, costs or expenses due you under the escrow instructions or do not pay for costs and attorneys' fees incurred in any litigation, administrative action and/or arbitration, on demand, they each agree to pay a reasonable fee for any attorney services which may be required to collect such fees or expenses, whether attorneys' fees are incurred before trial, at trial, on appeal or in arbitration.

22. ALL NOTICES, DEMANDS AND INSTRUTCTIONS MUST BE IN WRITING. No notice, demand, instruction, amendment, supplement or modification of these escrow instructions shall be of any effect in this escrow until delivered in writing to you mutually executed by all parties.

Any purported oral instruction, amendment, supplement, modification, notice or demand deposited with you by the parties or either of them shall be ineffective and invalid. You are to be concerned only with the directives expressly set forth in the "memorandum items" in the escrow instructions. These escrow instructions may be executed in counterparts, each of which shall be deemed an original regardless of the date of its execution and delivery. All such counterparts together shall constitute the same document.

The parties acknowledge and understand that you, as Escrow Holder, are not authorized to practice the law nor do you give financial advice. The parties are advised to seek legal and financial counsel and advice concerning the effect of these escrow instructions. The parties acknowledge that no representations are made by you about the legal sufficiency, legal consequences, financial effects or tax consequences of the escrow transaction.

23. Notwithstanding any other provisions in these escrow instructions and in addition to other fees and costs to which you may be entitled, the parties, jointly and severally, agree that if this escrow is not consummated within ninety (90) days of the date set for closing, you are instructed to, and without further instructions, withhold your escrow hold open fee of \$50.00 per month from the funds on deposit with you regardless of who deposited such funds. The parties, jointly and severally, further agree that if you are, for any reason, required to hold funds after close of escrow, you are instructed to, and without further instructions, withhold an escrow fee of \$50.00 per month from the funds on deposit with you regardless of who deposited such funds. The parties irrevocable instruct you to

automatically cancel this file without further instructions when all funds on deposit have been disbursed.

24. Your Escrow Holder agency shall terminate six (6) months following the date last set for close of escrow and shall be subject to earlier termination by receipt by you of mutually executed cancellation instructions. If this escrow was not closed or cancelled within the described six (6) month period, you shall have no further obligations as Escrow Holder except to disburse funds and documents pursuant to written escrow instructions and to interplead or otherwise dispose of funds and documents in accordance with a validly issued and validly served order from a court of competent jurisdiction. If the conditions of this escrow have not been complied with at the expiration date in these escrow instructions, you are instructed to complete the conditions at the earliest possible date, unless "Buyer or Seller have made written demand upon you for the return of the funds and/or instruments deposited by Buyer or Seller and/or for cancellation of this escrow.
25. If any check submitted to you is dishonored upon presentment for payment, you are authorized to notify all parties to the escrow, their respective real estate brokers and real estate agents and any other person or entity you deem in your sole discretion necessary to notify.
26. The parties agree to release you from any and all liability of any kind or nature and to indemnify you from any loss, damages, claims, judgments or costs of any kind or nature resulting from or related to the release or discharge of hazardous or toxic wastes on the subject property whether it occurred in the past or present or may occur in the future which release or discharge is in violation of law, in excess of any state and federal standards, permit requirements and/or disclosure requirements existing at this time or which may exist at a future time. The parties represent that they made their own assessment of the condition of the subject property and have not relied on any of your representations in making the assessment. The parties are advised to seek independent legal and technical environmental expert advice in assessing the risks associated with potential hazardous or toxic wastes.
27. In these escrow instructions, wherever the context so requires, the masculine gender includes the feminine and/or neuter and the singular number includes the plural.
28. You are authorized to destroy or otherwise dispose of any and all documents, papers, escrow instructions, correspondence and records or other material constituting or pertaining to this escrow at any time after five (5) years from the date of: (1) the close of escrow; (2) the date of cancellation; or (3) the date of the last activity without liability and without further notice to the parties.

MEMORANDA: THE FOLLOWING ARE SHOWN AS A MATTER OF AGREEMENT BETWEEN PARTIES ONLY, ALL PARTIES ARE AWARE AND

ACKNOWLEDGE THAT ESCROW HOLDER SHALL HAVE NO RESPONSIBILITY WITH REGARD TO THESE ITEMS, ESCROW HOLDER WILL TAKE NO ACTION WITH RESPECT TO THESE ITEMS EITHER BEFORE OR AFTER THE CLOSE OF ESCROW:

CHANGES DURING ESCROW: Prior to the close of escrow, Seller agrees not to (1) rent or lease any vacant unit, or other part of the premises, (2) alter, modify or extend any existing lease agreements or (3) enter into, modify or extend any service contract(s), without first having obtained Buyer's written approval.

AGENCY CONFIRMATION: The following agency relationship(s) are hereby confirmed for this transaction:

Listing Agent: **Listing Realty, Inc.** is the agent of the Seller.
Selling Agent: **Broker Realty, Inc.** is the agent of the Buyer.

SMOKE DETECTOR(S): State Law requires that residences be equipped with an operable smoke detector(s). Local ordinances may have additional requirements. Unless exempt, Seller shall deliver to Buyer a written statement of compliance in accordance with applicable state and local law prior to close of escrow.

CONDITION OF PROPERTY: Seller warrants that on the date possession is made available to Buyer: The built-in appliances and plumbing, heating/air conditioning, electrical, water, sewer/septic, and pool/spa systems, if any, shall be operative. The roof shall be free of known leaks. All broken or cracked glass shall have been replaced. All other items, including landscaping, grounds, and pool/spa, if any shall be maintained in the same condition as on the date of acceptance of the offer.

FIXTURES: All existing fixtures and fittings that are attached to the property or for which special openings have been made are included in the purchase price, (unless excluded elsewhere in these instructions) and are transferred free of liens, including, but not limited to, electrical, light, plumbing and heating fixtures, solar systems, fireplace inserts, built-in appliances, screens, awnings, shutters, window coverings, attached floor coverings, T.V. antennas/satellite dishes and related equipment (if owned by Seller), private integrated telephone systems, air cooler or conditioner, pool and spa equipment, water softeners (if owned by Seller), security systems and/or alarms (if owned by Seller), garage door openers/remote controls, attached fireplace equipment, mailbox, all in-ground landscaping including trees and shrubs.

PERSONAL PROPERTY: The following items of personal property, free of liens and without warranty of condition are included in the purchase price and shall convey to Buyer at closing: **family room surround sound wiring and speakers (but not the equipment), courtyard fountain and pump, and large wind chime.** Parties acknowledge that no monetary value is given to said items in regard to the purchase price. All parties acknowledge that all personal property items are handled outside of

escrow, between the parties, for which escrow is not responsible. No bill of sale is provided by escrow.

WALK-THROUGH INSPECTIONS: Buyer to have a walk-through inspection 5 day(s) prior to close of escrow.

OCCUPANCY: Buyer does intend to occupy Property as Buyer's primary residence.

POSSESSION AND KEYS: Possession and occupancy to be delivered to Buyer on date of recordation at 5:00 pm. When possession is available to Buyer, Seller shall provide keys, and/or means to operate all property locks, mailbox, security systems/alarms, and association facilities, if/as applicable.

FLOOD HAZARD DISCLOSURE: If the Property is situated in a Special Flood Hazard Area designated by the Federal Emergency Management Agency, Seller shall, within calendar days after acceptance of the offer, disclose this fact in writing to Buyer. Flood insurance may be required by lender. Buyer is allowed calendar days from receipt of the disclosure to make further inquiries at appropriate governmental agencies, lenders, insurance agents, or other appropriate entities. Buyer shall provide written notice to Seller of any items disapproved within this latter time period.

PHYSICAL INSPECTION: Within calendar days after Seller's acceptance, Buyer shall have the right, at Buyer's expense, to select a licensed contractor or other qualified professional(s), to inspect and investigate the subject property, including, but not limited to structural, plumbing, sewer/septic systems, well, heating, electrical, built-in appliances, roof, soils, foundation, mechanical systems, pool, pool heater, pool filter, air conditioner, if any, possible environmental hazards such as asbestos, formaldehyde, radon has and other substance/products. Buyer shall keep the subject property free and clear of any liens, indemnify and hold Seller harmless from all liability, claims, demands, damages or costs, and repair all damages to the property arising from the inspections. All claimed defects concerning the condition of the property that adversely affect the continued use of the property for the purposes for which it is presently being used shall be in writing, supported by written reports, if any, and delivered to the Seller within 1 calendar days after Seller acceptance. Buyer shall furnish Seller copies, at no cost, of all reports concerning the property obtained by the Buyer. When such reports disclose conditions or information unsatisfactory to the Buyer, which the Seller is unwilling or unable to correct, Buyer may cancel this agreement. Seller shall make the premises available for all inspections. BUYER'S FAILURE TO NOTIFY WELER IN WRITING SHALL CONCLUSIVELY BE CONSIDERED APPROVAL.

GEOLOGIC/SEISMIC HAZARD DISCLOSURE: If the Property is situated in a Special Studies Zone (SSZ) or Seismic Hazard Zone (SHZ) designated under Public Resources Code 262102625 or 2690-2699.6, or in a locally designated geologic hazard zone(s) or area(s) where disclosure is required by local ordinance, Seller shall, within calendar days after acceptance of the offer, disclose in writing to Buyer this fact(s) and any other information required by law. Construction or development of any structure

may be restricted. Disclosure of SSZs and SHZs is required only where the maps, or information contained in the maps, are “reasonably available.” Buyer is allowed calendar days after receipt of the disclosure(s) to make further inquiries at appropriate government agencies, lenders, insurance agents, or other appropriate entities concerning use of the Property under local building, zoning, fire, health, and safety codes as may be applicable under the Special Studies Zone Act, Seismic Hazards Mapping Act, and local geologic ordinance(s). Buyer shall provide written notice to Seller of any items disapproved within this latter time period.

STRUCTURAL MODIFICATIONS: Within calendar days after Seller’s acceptance, Seller shall disclose to Buyer, in writing, any known structural additions or alterations, or the installation, alteration, repair or replacement of significant components of the structure upon the property made with or without necessary permit(s). Buyer is allowed calendar days after receipt of such disclosure to notify Seller, in writing, of disapproval. When the disclosed conditions or information are unsatisfactory to buyer which Seller is unwilling or unable to correct, buyer may cancel this agreement. **BUYER’S FAILURE TO NOTIFY SELLER SHALL CONCLUSIVELY BE CONSIDERED APPROVAL.**

RETROFIT: Compliance with any minimum mandatory government retrofit standards, including proof of compliance, shall be paid for by Seller.

ENERGY CONSERVATION RETROFIT: If local ordinance requires that the property be brought in compliance with minimum energy Conservation Standards as a condition of transfer, Buyer shall comply with and pay for these requirements.

LIQUIDATED DAMAGES CLAUSE: Buyer and Seller have initialed the “Liquidated Damages” clause contained in the Real Estate Purchase Contract for the subject property.

ARBITRATION CLAUSE: Buyer and Seller have initialed the “Arbitration” clause contained in the Real Estate Purchase Contract for the subject property.

SELLER REPRESENTATION: Seller warrants that Seller has no knowledge of any notice of violations of City, County, State, Federal, Building, Zoning, Fire, Health Codes or ordinances, or other governmental regulation filed or issued against the property. This warranty shall be effective until date of close of escrow.

END OF THE MEMORANDUM ITEMS

THE FOLLOWING PRORATIONS AND/OR ADJUSTMENTS ARE TO BE MADE AS OF: CLOSE OF ESCROW

1. Real Property Taxes based on latest available tax bills.

WE, JOINTLY AND SEVERALLY, ACKNOWLEDGE RECEIPT OF A COMPLETE COPY OF THE WRITTEN ESCROW INSTRUCTIONS AND BY OUR SIGNATURES SET FORTH BELOW, ACKNOWLEDGE THAT WE HAVE READ, UNDERSTAND AND AGREE TO BE BOUND BY THE TERMS AND CONDITIONS CONTAINED THEREIN, IN THEIR ENTIRETY.

Buyer's Signature:

Brian James Byer

Barbara Elizabeth Byer

Address: 6912 Ocean View, Apt #10, Southern City, Southern California, USA 90000

The foregoing terms, provisions, conditions and instructions are hereby approved and accepted in their entirety and concurred with by me. I will hand you necessary documents called for on my part to cause title to be shown as set out herein, which you are authorized to deliver when you hold or have caused to be applied to funds set forth herein within the time as herein provided. You are authorized to pay on my behalf, any recording fees, charges for evidence of title as called for whether or not this escrow is consummated, except those the buyer agreed to pay. You are hereby authorized to pay bonds, assessments, taxes, and any liens of record, including prepayment penalties, in any, to show title as called for.

You are further instructed to pay documentary transfer tax on deed as required.

You are further authorized and instructed to pay commission as set forth on separate instructions made a part hereof.

Seller's Signatures:

Kirk Dwayne Klient

Kate Eileen Klient

Address: P. O. Box 999, Coastal Inlet, CA 99999

--END OF INSTRUCTIONS--