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CENTENNIAL ESCROW INC. IS LICENSED BY THE DEPARTMENT OF CORPORATIONS, STATE OF CALIFORNIA, ESCROW LICENSE NO. 963 2340

SUPPLEMENTAL ESCROW INSTRUCTIONS

Escrow Officer: Karen Batchelder
Escrow No.: 5455-KB

Date: February 11, 2013

Initial Deposit	\$6,000.00
Deposit Prior to close of Escrow	\$111,000.00
Total Cash Thru:	\$117,000.00
New Encumbrance - 1st TD	\$468,000.00
Total Consideration:	\$585,000.00

I/We will deliver to you any instruments which this escrow requires, fully executed, all of which you are instructed to use provided that on or before **March 11, 2013**, you hold a Policy of Title Insurance by Fidelity National Title, provided that said policy has a liability of at least the amount of the above total consideration, covering the following described property in the City of _____ County of San Diego, State of California, described as follows:

SELLER STATES THAT THE PROPERTY ADDRESS IS:

TITLE POLICY TO SHOW TITLE VESTED IN: (vesting to be determined prior to the close of escrow). Escrow holder is instructed to insert Buyer's vesting and/or name variation in the grant deed, above the Seller's signature, as per Buyer's written unilateral instructions.

INSTRUCTIONS/COUNTERS/SUPPLEMENTS/ADDENDA: Escrow Holder's responsibility is limited to the items listed in Paragraph 24 of the California Residential Purchase Agreement and Joint Escrow Instructions **dated February 6, 2013 Addenda and any other Mutual Instructions, AND ALSO Counter Offer No. One, with an acceptance date of February 9, 2013.** These Supplemental Escrow Instructions shall not amend or supersede the original California Residential Purchase Agreement and Joint Escrow Instructions which the parties herein executed outside escrow.

FREE FROM ENCUMBRANCES EXCEPT:

1. General and Special County, and city (if any) taxes, including any special district levies, payments which are included therein and collected therewith, for current fiscal year, not delinquent, including taxes for ensuing year, if any, a lien not yet due or payable.

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- 2. Covenants, conditions, restrictions, reservations, rights, rights of way, easements and exceptions of minerals, oil, gas, water, carbons and hydrocarbons on or under said land, now of record, and in deed to file, if any, affecting the use and occupancy of said property.
- 3. Assessments and bonds of record, if any, not delinquent.
- 4. A New First Note and Deed of Trust with the principal balance of **\$468,000.00** to file in favor of lender of buyer's choice.

INSTRUCTIONS:

NEW LOAN: Buyer will obtain a new loan in the amount of \$468,000.00 secured by a first deed of trust in favor of Lender of Buyer's choice. Buyer agrees to comply with lenders loan requirements and to pay lender's loan fees. Buyer's signature on said documents shall be indication of their approval of all terms and conditions contained therein and Escrow Holder's authorization for the use of same.

Pursuant to lender's requirements in conforming with the 2010 HUD law, escrow holder is hereby authorized and instructed to charge buyer with the ALTA Homeowners Policy insurance premium and documentary transfer tax, and to debit seller and credit buyer for the cost of same. In the event lender requires buyer and seller to sign the HUD-1 closing statement disclosing buyer and seller closing costs to each other, escrow holder is hereby authorized and instructed to forward same for signature without further authorization.

TERMITE CLAUSE – SELLER PAY SECTION I ITEMS ONLY: Seller will furnish to Buyer at Seller's expense, a current Structural Pest Control Inspection Report from a licensed structural pest control operator of Seller's choice, covering all visible and accessible area of the subject property. Seller will further at Seller expense and cause to be completed, all work recommended by said operator to correct infestations, infections or evidence thereof, to obtain a Standard Notice of Work Completed and Not Completed for Section I items only. Cost of said report and work completion to clear any recommendations is to be paid from Seller funds at the close of escrow. Any work to correct conditions deemed likely to lead to infestation or infection by wood destroying pests or organisms but where no evidence of existing infestation or infection, if found, with respect to such conditions (Section II items) shall be done only if requested by Buyer and then at the expense of Buyer.

HOME PROTECTION PLAN: Seller agrees to provide Buyer with a one year Home Protection Plan issued by **First American Home Buyer's Protection**. Escrow Holder's only responsibility is to pay for said Home Protection Plan from proceeds due Seller at the close of escrow, at a cost not to exceed **\$450.00** and coverage must include **air conditioner, code and permit upgrade, furnace, roof, water heater, refrigerator**. In the event the cost for said Plan exceeds said amount, any difference is to be paid by the Buyer at the close of escrow.

HOMEOWNER'S ASSOCIATION: Buyer is aware that there are/is **ONE** Homeowner's Associations (HOA) in connection with subject property:
The current regular HOA dues/assessments are to be prorated as of the close of escrow pursuant to current Homeowner's Association Statement of Account to be ordered by Escrow Holder.
The HOA transfer fee, if any, shall be paid by **SELLER** through escrow.
Seller, at Seller's expense, to provide Buyer with a statement from the HOA, showing current regular dues and assessments, any known pending lawsuit and/or special assessments, and copies of all documents as required by law.

SELLER(S) INITIALS: _____

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Seller's or Seller's Agent's failure to provide HOA documents to Escrow Holder with Seller's signed

Residential Purchase Agreement and Joint Escrow Instructions will be deemed Escrow Holder's authorization to order all required documents from the HOA. If the required documents are e-mailed to Escrow Holder, there may be printing fees, as applicable.

SELLER WARRANTS THAT THERE ARE/IS ONLY **ONE** HOMEOWNERS ASSOCIATIONS AND BUYER AND SELLER, BY PLACING THEIR INITIALS HEREIN, AGREE THAT ESCROW HOLDER IS RELIEVED OF ANY RESPONSIBILITY AND/OR LIABILITY FOR SELLER'S NONDISCLOSURE OF ANY OTHER HOMEOWNERS ASSOCIATIONS.

NATURAL HAZARD DISCLOSURE: Buyer and Seller acknowledge the requirement by the State of California of the Natural Hazard Disclosure Report (hereinafter "NHD) and that Escrow Holder is not the responsible party for obtainment of the NHD or delivery of same. Charge Seller's account at close of escrow for the NHD pursuant to invoice(s) presented to Escrow Holder. In the event no billing is presented prior to the close of escrow, Escrow Holder shall not be further concerned with same. In the event the NHD is deposited with Escrow Holder for signatures, the same will be forwarded to Buyer in care of Buyer's Agent and to Seller in care of Seller's Agent, or directly to Buyer and Seller in the event no Agent or Broker is involved.

ESCROW AND TITLE: Escrow Holder shall be Centennial Escrow, Title Company to be Fidelity Title.

FIRE INSURANCE: Buyer to obtain a new Fire Insurance Policy to meet Lender's requirements. At the close of escrow, Escrow Holder is authorized and instructed to charge the Buyer's account with the premium for said insurance, as per billing for same deposited into escrow, unless Escrow Holder is furnished with a paid receipt. In the event that subject property is a condominium or townhouse and the Association dues include a premium on a Master Insurance Policy, Escrow Holder is authorized and instructed to obtain a new Certificate of Insurance in Buyer's name at the close of escrow, naming Buyer's new lender as Mortgagee. Buyer understands that said Master Policy does not cover personal effects or the contents of subject property.

PRO-RATIONS AND PROPERTY TAXES: Unless otherwise agreed in writing, Real Property Taxes including supplemental taxes, based on the latest tax bill furnished by seller or title company, interest on existing loan(s) if assumed by buyer, homeowners association regular assessments, if any, and payments on bonds and assessments if assumed by buyer, shall be PAID current and prorated between Buyer and Seller. In the event that the subject property has been conveyed to a new party within the last 18 months, or improvements have been performed creating a possible reassessment and NO supplemental tax bill has been issued prior to the close of escrow, Buyer and Seller herein agree that any and all bills received after the close of escrow will be handled between Buyer and Seller outside of escrow of which Escrow Holder shall not be concerned and/or liable, and furthermore, escrow holder is relieved of any responsibility in connection with the payment or proration of same.

CLOSING FUNDS: Each party acknowledges that the close of escrow is conditioned on check clearances. Funds to close must be in the form of a Cashier's Check drawn on a bank with clearing house in the State of California OR a wire transfer to Centennial Escrow Inc. Trust Account, and be deposited at least (2) two business days prior to recording of documents. WE DO NOT ACCEPT ACH BANK TRANSFERS.

1099 FORM: If required by law, the seller shall hand to Escrow Holder an IRS gross proceeds report, which you are to forward to the IRS in accordance with the law, and a copy thereof is to be delivered to the seller at the close of escrow. This is NOT in lieu of any tax withholding which may become

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applicable under FIRPTA. ESCROW HOLDER IS AUTHORIZED AND INSTRUCTED TO INSERT BUYER'S PART OF REAL ESTATE TAX PAID, OVER THE SIGNATURE OF THE SELLER, ON SAID 1099, AT THE CLOSE OF ESCROW WITHOUT ANY LIABILITY ON THE PART OF ESCROW HOLDER FOR SO DOING.

FACSIMILE TRANSACTIONS AND ELECTRONIC SIGNATURES: In the event Buyer and Seller choose to utilize "facsimile" transmitted signed instructions and/or electronic signatures as permitted and authorized by California's Uniform Electronic Transactions Act, Buyer and Seller hereby agree to accept same and hereby instruct escrow holder to rely upon such documents as if they bore original signatures. Buyer and Seller hereby acknowledge and agree to provide escrow holder, upon request and within seventy two hours of transmission, such documentation bearing original signatures. Buyer and Seller acknowledge that facsimile and electronic signatures may not be accepted by some lenders and WILL not be accepted on documents requiring recording by the County Recorder and therefore the lack of original signatures on some documents may delay the close of escrow.

IN THE EVENT EITHER PARTY REQUESTS CANCELLATION OF THIS ESCROW AT ANY TIME, ALL PARTIES ARE AWARE THAT THIS ESCROW WILL NOT BE CONSIDERED CANCELLED, AND NO FUNDS WILL BE DISBURSED UNTIL ESCROW HOLDER HAS RECEIVED MUTUALLY SIGNED CANCELLATION INSTRUCTIONS FROM ALL BUYERS AND SELLER.

PRORATIONS: Make the following pro-rations and adjustments as of Close of Escrow.

- X Prorate taxes on real property, based on information furnished by seller/title Company
- X Prorate Homeowners Association dues and charge sellers account to bring current and transfer per statement of Association or Agent.

I/We will pay, on demand, regardless of the consummation of this escrow, all charges incurred by you for me/us, including fee for preparing instruments I/we execute, recording charges and your customary buyer's escrow fee.

THE FOREGOING INSTRUCTIONS AND THOSE "GENERAL INSTRUCTIONS" ATTACHED HERETO AND MADE A PART HEREOF ARE APPROVED AND ACCEPTED IN THEIR ENTIRETY AS FULLY SET OUT IN THIS PARAGRAPH. EACH OF THE UNDERSIGNED BUYER(S) HEREBY AUTHORIZES ESCROW AGENT TO FURNISH COPIES OF CLOSING STATEMENTS TO LENDER AND/OR BROKER INVOLVED.

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GENERAL PROVISIONS

The principals to this escrow (the "Escrow") hereby hand **Centennial Escrow Inc.** ("Company") a fully executed Purchase Agreement regarding the subject property (the "Purchase Agreement"), which Company may attach to these Additional Joint Escrow Instructions ("General Provisions"). Company is instructed to use any portion of the Purchase Agreement Identified as "Escrow Instructions", in their entirety as Buyers' and Sellers' (collectively "Principals") original joint escrow instructions to Company. Except for those paragraphs specifically identified as "Escrow Instructions", no other sections, paragraphs or language in the Purchase Agreement shall concern Company, bind Company, or be deemed to be escrow instructions to Company. These Additional Joint Escrow Instructions ("General Provisions") along with the paragraphs identified as "Escrow Instructions" in the Purchase Agreement, and any subsequent fully executed supplements or amendments thereto shall comprise the total escrow instructions upon which company shall settle and close this escrow. All capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in the Purchase Agreement.

- 1. **STOCKHOLDERS:** Notice is given that stockholders of Company are California Real Estate Licensees.
- 2. **I.R.C. 1099:** Principals herein agree to cooperate fully, and to execute and complete all necessary documents submitted to them by Company to allow Company to comply with the income and property tax reporting required pursuant to Internal Revenue Code Section 1099. Company is to follow the requirements of federal law and regulations as they pertain to escrow holders only, and shall not give consultation or advice as to these laws.
- 3. **CAL-FIRPTA.** Effective January 1, 2003, Company is mandated to provide the transferee (buyer) in this Escrow with a written notice of certain transferee/buyer obligations as set forth in California Assembly Bill 2962 ("Bill"). Company is released from and shall have no liability, obligations or responsibility with respect to the withholding of funds, advising of the Bill's requirements, determining whether Seller(s) is a foreign person under the Bill or obtaining a non-foreign affidavit or exemption from withholding under the Bill, nor otherwise making any inquiry concerning compliance with the Bill by any Principal.

If expressly instructed in writing by any Principal, Company shall withhold a designated percentage from Seller(s) sale proceeds and forward said funds to the appropriate State agency within the time frame set forth by law.

CAL-FIRPTA FORMS AND INSTRUCTIONS AS TO THEIR USE MAY BE OBTAINED FROM PRINCIPALS' ATTORNEYS, TAX CONSULTANTS, LOCAL FRANCHISE TAX BOARD, ONLINE AT WWW.FTB.CA.GOV, BY CALLING (800) 338-0505, OR BY MAIL TO: TAX FORMS REQUEST UNIT, FRANCHISE TAX BOARD, PO BOX 307, RANCHO CORDOVA, CA 95741-0307.

CAL-FIRPTA NOTICE IS AS FOLLOWS:

In accordance with Section 18662 of the Revenue and Taxation Code, a buyer may be required to withhold an amount equal to 3 1/3 percent of the sales price or the amount that is specified in a written certificate executed by the transferor in the case of a disposition of California real property interest by either:

- 1. A seller who is an individual, trust, or estate or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of the seller, OR
- 2. A corporate seller that has no permanent place of business in California immediately after the transfer of title to the California real property. The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

- 1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars(\$100,000), OR
- 2. The seller executes a written certificate, under the penalty of perjury, certifying that the seller is a corporation with a permanent place of business in California, OR
- 3. The seller, who is an individual, trust, estate or a corporation without a permanent place of business in California executes a written certificate, under the penalty of perjury, of any of the following:
 - A. The California real property being conveyed is the seller's or decedent's principal residence, within the meaning of Section 121 of the Internal Revenue Code.
 - B. The last use of the property being conveyed was use by the transferor as the transferor's principal residence within the meaning of Section 121 of the Internal Revenue Code.
 - C. The California real property being conveyed is or will be exchanged for property of like kind, within the meaning of Section 1031 of the Internal Revenue Code, but only to the extent of the amount of gain not required to be recognized for California income tax purposes under Section 1031 of the Internal Revenue Code.
 - D. The California real property has been compulsorily or involuntarily converted, within the meaning of Section 1033 of the Internal Revenue Code, and that the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under Section 1033 of the Internal Revenue Code.
- E. The California real property transaction will result in a loss or a net gain not required to be recognized for California income tax purposes.

The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

The California statutes referenced above include provisions which authorize the Franchise Tax Board to grant reduced withholding and waivers from withholding on a case-by-case basis for corporations or other entities.

- 4. **CHANGE OF OWNERSHIP:** Buyer will complete a "Preliminary Change of Ownership Report" which shall be presented to the County Recorder at the same time of recordation as the Deed for the subject property. Should Buyer decline to complete said "Preliminary Change of Ownership Report", or if rejected by the County Recorder, Buyer (or Seller if required by lender) will be assessed with an additional \$20.00 surcharge by the County Recorder, which shall be charged to the Buyer's account (or to Seller's account if required by lender.) In this event, a Standard Change of Ownership statement (Revenue and Taxation Code, Section 480) will be mailed to the Buyer by the Office of the County Assessor. Failure on the part of the Buyer to complete and return said Standard Change of Ownership mailed under authority of Section 480 within 90 days, will result in a penalty of 10% of the taxes due, after processing the reassessment caused by a change in ownership or \$100.00, whichever is greater, but not to exceed the sum of \$20,000.00.

- 5. **WRITTEN INSTRUCTIONS:** Company is authorized to draft and issue escrow instructions, amendments, supplements or cancellation instructions, per the oral, written, or computer transmitted request and information of the Principals or their designated agents, attorneys or lenders; however, Company shall not act upon, or consider such draft instructions to have any validity until it is fully executed and delivered to Company by all

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Principals concerned. No notice or demand to Company shall have any validity or affect in this Escrow until delivered in writing to Company and mutually executed by all parties and Principals affected thereby.

6. FUNDS:

(A) All escrow and sub-escrow funds received by the Company will be deposited with other funds in one or more non-interest bearing escrow account of the Company in a financial institution selected by Company. Company may receive certain direct or indirect benefits from the financial institutions selected by Company. Company and/or its parent company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with the financial institution, and Company and/or is parent company. Those benefits may include, without limitation, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of Company for its services in connection with the Escrow or sub-escrow. Funds deposited to Company are insured only to the limit provided by the FDIC.

(B) All disbursement from this account shall be made by Company's trust account check.

(C) Company shall not be responsible for any delay in closing this Escrow if funds received by Company are not "good funds" deemed available for immediate withdrawal. Funds deposited by wire transfer or electronic payments are generally available for immediate withdrawal when received by Company's bank. Cashier, certified or teller's checks may be available for disbursement on the business day following the business day of deposit; however, other forms of deposit may cause extended delays in closing the Escrow.

(D) Wiring of Funds:

(1) Should any Principal herein elect to wire funds into the Escrow, it is acknowledged and agreed that such wired fund shall not be considered "good funds" received until such time that Company receives notification from Company's receiving bank that the wired fund are received and available for immediate withdrawal.

(2) At close of the Escrow, should any Principal herein instruct Company to wire funds from the Escrow to an entity of Principal's choice, it is acknowledged and agreed that Company will not assure nor be responsible in any way for the length of time the wiring process requires from the point in time of sending the wire to receipt notification of Principal's receiving entity.

(3) At close of the Escrow, funds may not be disbursed after confirmation of recording of up to 24-48 hours due to wire transfer cut-off times. Company must be in receipt of funds prior to disbursement.

(E) All funds disbursed from the Escrow will be issued jointly if there is more than one designated payee, unless Company receives written instructions to do otherwise from all designated payees prior to deed recordation.

(F) All funds and documents sent from the Escrow will be mailed regular first-class mail: however, Company has the option, at Company's sole discretion to send same certified, registered, overnight or by messenger, and charge the account of the benefiting Principal the actual cost of same.

(G) In the event Company disburses more money to, or for the benefit of, any Principal herein than they are entitled to receive, said Principal does agree to reimburse and/or repay to Company the amount of said overpayment within five (5) days after demand is made by Company. After five (5) days interest shall be paid to Company at the rate of ten percent (10%) per annum. In the event legal proceedings are necessary to collect said money, said Principal agrees to pay all charges, court costs and attorney's fees incurred thereby. If Escrow has not closed at the time of the subject disbursement, Company shall have the right to offset the amount wrongfully disbursed from the amounts due to the subject Principal at the close of Escrow.

(H) Company is authorized to accept and deposit in Escrow, funds and/or documents delivered to Company by a principal, broker, agent or other third party, on behalf of any principal herein. Company shall not be held liable for the sufficiency or correctness as to form, authenticity, manner execution or validity of any document deposited in this Escrow, and Company's duties shall be limited to the safekeeping and disposition of same pursuant to Company's escrow instructions.

(I) Any instructions to Company instructing Company to release any funds held in the Escrow, prior to close of Escrow MUST be executed before a Notary Public.

(J) In the event that Company is handed any invoice from any Principal or Principal's Agent with regard to any repair bills for correctional work to the subject property or invoices for disclosure reports, Company is authorized and instructed, at the close of Escrow, to pay those bills from that Principal's proceeds or funds deposited with Company without any further written authorization from that Principal.

7. PRORATIONS:

(A) For prorating purposes, Buyer is deemed to own the property the full day on the date of closing, regardless of the time of day the grant deed or conveyance document is actually recorded. Pro-rations shall be made on a 360-day year (30-day month).

(B) Company shall prorate property taxes for the current fiscal year based on the most recent information furnished to Company by Principal's title insurer. Company shall not be required to estimate tax pro-rations prior to its receipt of such tax information.

(C) Principals hereby acknowledge that the county tax assessor may reassess the taxable value of the subject property after close of Escrow and issue a supplemental tax bill to the new owner. Company shall not be concerned with that supplemental tax bill.

(D) In the event Seller retains possession of the property after the close of Escrow in connection with a Seller leaseback, Company is instructed to prorate as instructed to prorate as instructed by Principals.

(E) Escrow Holder to prorate rent(s) based on rental statement provided by Seller. Escrow Holder is to consider on basis of said statement, that seller will collect all rents which fall due prior to the close of escrow, unless both parties instruct Escrow Holder in writing to the contrary. No adjustment shall be made against Buyer on uncollected rent(s).

8. TITLE:

(A) Company is authorized to immediately open an order for a title search. If the Principals do not expressly specify a title insurance company at the time the Escrow is opened, Company shall initiate and open a title order at any reliable title company in the county in which the property is located.

(B) Company is authorized to use the elected title company as a "sub-escrow" agent for the handling of funds and documents in this Escrow. Company is to comply with all "sub-escrow" agent's instructions and requirements and Company is authorized to deliver funds or documents to said "sub-escrow agent" at any time during the course of the Escrow, or after the close of Escrow that Company deems appropriate. The Principals agree to pay the fee for such "sub-escrow" service.

(C) On credit lines a freeze letter may be required by the lender and title Company in order to freeze the account. If a signed freeze and close letter is not deposited in the Escrow in a timely manner, title may at the time of recording and close of the Escrow, hold additional funds or proceeds until verification that the line of credit is closed, which may delay delivery of final funds.

(D) Pursuant to paragraph 12 of the California Residential Purchase Agreement and Joint Escrow Instructions, entitled "Title and Vesting", if applicable, Principals acknowledge that the CLTA/ALTA Homeowners Policy of Title Insurance, or may other title insurance request by Principals, to

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be issued by the insuring title company, shall be delivered directly from the designated title company to the appropriate party after the close of the escrow. Principals agree that matters regarding that title insurance are between the insuring title company and the designated Principal and not Company.

9. **ESCROW DISCLOSURES:** Escrow Holder shall not be obligated to make any physical examination of any real or personal property described in any document deposited into this escrow, and the parties acknowledge that Escrow Holder makes not representation whatsoever regarding said property. Any acknowledgement that Escrow Holder may have of matters affecting the property does not create any liability or duty in addition to the responsibility of Escrow holder specifically set forth in these instructions provided any such matter do not prevent compliance with these instructions. Escrow Holder shall be under no obligation for failure to inform the parties to this escrow regarding any sale, Loan exchange, or other transactions or facts within the knowledge of Escrow Holder concerning the subject's property provided same does not prevent Escrow Holder's compliance with these instructions.

10. **DISCLOSURES:** You are not to be concerned with the giving of any disclosures except as expressly required by Federal or State law to be given by an escrow agent. Neither are you to be concerned with the effect of zoning ordinances, land division regulations, or building restrictions which may pertain to or affect the land or improvement that are the subject of this escrow.

11. **PRIVACY POLICY:** In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability: This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

Types of Information: Types on nonpublic personal information that we may collect include:

Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;

Information about your transaction with us, or others; and

Information we receive from a consumer reporting agency.

Use of Information: We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis.

Former Customers: Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security: We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to help ensure that your information will be handled responsibly and in accordance with this Privacy Policy. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

12. **FORGERIES:** Company shall not be liable or responsible for any loss that may occur by reason of forgeries or false representations made by or involving third parties of Principals to this Escrow. Company will not verify the authenticity of any signatures in this Escrow, and Company shall not be liable or responsible for making any determination as to the legal competency of any Principals executing escrow documents.

13. **CANCELLATION OF ESCROW.**

(A) Any Principal requesting Company to cancel this escrow shall file notice of demand to cancel (a "Cancellation Demand") with Company in writing. Upon receipt of a Cancellation Demand, Company may suspend performance of its escrow duties and issue written cancellation instructions by mail, to all Principals ("Cancellation Notice"). Upon Company's receipt of original executed cancellation instructions from all Principals, Company shall disburse funds and documents pursuant thereto and this escrow shall be cancelled.

(B) If, after a Cancellation Notice has been sent, cancellation instructions executed by all Principals are not received by Company, Company is authorized to comply with the Cancellation Demand, cancel the Escrow and distribute any money held in Escrow, less any fees and charges as provided herein, pursuant to the Cancellation Demand. Notwithstanding anything to the contrary provided herein, Company shall not distribute any money held in the Escrow if written objection is received from the Principal not making the Cancellation Demand within fifteen (15) calendar days of the mailing of a Cancellation Notice. In the event written objection is received in a timely manner, Company may refuse to take any further action in the escrow and may file an action in interpleader, pursuant to paragraph 24.

(C) If this Escrow does not close by the Close of Escrow date set forth herein, either Principal may file with Company a written demand ("Demand to Perform") that the other Principal perform. Company shall immediately mail the Demand to Perform to the other Principal, and if the Escrow is not closed within 5 days of the mailing of the Demand to Perform, a Cancellation Demand may be sent to Company, which Demand may be complied with as the discretion of Company. Should the Escrow be cancelled pursuant to this paragraph, Company shall distribute any monies held in the Escrow, less any fees and charges as provided herein, pursuant to the Cancellation Demand.

(D) If there is no written activity by a Principal for any twelve-month period after the Close of Escrow date set forth above, Company may, at its option, terminate its agency relationship with Principals and cancel this Escrow, returning all documents, monies or other items held to the respective parties who deposited those documents, monies or other items in the Escrow, less any fees and charges as provided herein.

In the event of any cancellation of the Escrow pursuant to this paragraph, Company may return all documents or funds delivered to Company by any lender, less any fees due Company.

14. **CANCELLATION COSTS:** In the event of cancellation of this Escrow, Principal hereto expressly agrees to pay Company's reasonable escrow fee as compensation for services performed, together with all costs incurred. Those cancellation costs and fees shall be paid pursuant to Paragraph 14.

15. **RECORDING:** Company is authorized and instructed to record any documents delivered to Company if necessary or proper for the issuance of the policy of title insurance. Recording fees shall be charged to the account of the benefited Principal. As to any documents delivered to Company, and/or drawn by another, Company shall not be responsible for, liable for, or concerned with the sufficiency, authenticity or correctness of same.

16. **CLOSING:** If this Escrow is not in a position to close upon the closing date set forth herein, and demand is NOT made by any principal to cancel, Company is to continue processing to close this Escrow when all the conditions of this Escrow have been complied with. But. If on the closing date, or any date thereafter, written demand is made by any principal to cancel this Escrow, Company is to act in accordance.

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BUYER(S) INITIALS: _____

17. **RESIGNATION:** Company may, at Company's sole option, and without liability to Principals or third parties, give written notice to Principals and resign from this Escrow. Company shall be entitled to all costs and charges incurred by Company prior to resignation. The balance of any funds, property and/or documents shall be returned to the parties who deposited same or forwarded to an escrow as mutually designated in writing by Principals.

18. **MATTERS OF MEMO:** Company is expressly instructed not to act upon or be concerned with or liable for (i) those items designated in instructions as "matters of memo" or "memoranda" between the Principals, nor (ii) any other agreement between the Principals not expressly addressed to Company in the form of an escrow instruction for Company's performance.

19. **FEES:**

(A) **CUSTODIAL ACCOUNTING FEE:** Company may withdraw and pay to itself a \$50.00 monthly custodial accounting fee from any Principal's funds held in this Escrow (1) that are not claimed, disbursed or cashed within sixty (60) days after closing or cancellation, or (2) any time Principals hold this Escrow in suspense for a period of more than sixty (60) days due to a dispute between the Principals or due to Principals' failure to execute a mutual escrow instruction concerning funds disbursement.

(B) **EXTRAORDINARY SERVICES/FEES:** Company may charge the Principal benefited, an additional fee(s) over and above Company's customary escrow fee, for escrow services rendered that Company considers extraordinary or unusual or not within the range of Company's customary escrow processing. Said fee(s) shall be disclosed to the Principal(s) to be charged prior to the close of the Escrow.

(C) **FEES:** Escrow, title and recording costs are to be charged to the Principals' respective accounts, as Company deems are customary in this County, unless Company is instructed to do otherwise in writing.

Buyer and Seller are aware that Company may incur certain expenses during the course of processing this Escrow which must be paid prior to the close of Escrow or at the close of Escrow. Such costs may include, but are not limited to: demand request fees, homeowners' association document fees, notary fees, wire fees, outside sign-up service fees, overnight mail service, mandatory property disclosure report fees, government agency reports, email documents and copying of loan documents, if applicable. Company is authorized and instructed to release funds for payment of such costs, if necessary prior to the close of Escrow, from funds deposited into Escrow per the agreement of Principals. Principals acknowledge and accept that said costs are non refundable, whether this Escrow closes or cancels. At the close of Escrow, Company is authorized to charge the appropriate Principal for costs incurred and is released from any and all liability in connection with complying with this instruction.

(D) Principals hereby acknowledge and agree that in some situations, one or more parties may be entitled and will have a discount on the escrow fee. Escrow Holder is authorized and instructed to reduce escrow fee without further disclosure.

20. **SIGNATURES:**

(A) Principal's signature on any document or instruction drawn or delivered into the Escrow shall indicate and evidence such of and unconditional approval of same, and shall further indicate that they have received a true copy of same.

(B) **COUNTERPARTS:** All Escrow instructions drawn by Company may be executed in counterparts, each of which shall be deemed an original regardless of date of execution or delivery, and all together shall constitute one and the same document.

21. **LEGAL PROCESS:** Escrow holder shall have the right and authority to withhold any action and require the written consent of all necessary parties, if, in the judgment of Escrow Holder, such action calls for or appears to require the use of discretionary judgment by Escrow Holder or is not within the ordinary scope of Escrow Holder's activity. If written conflicting demands by the parties hereto are made or notice is served upon Escrow Holder or legal action is taken in connection with the escrow, Escrow Holder shall not be required to take any action or determine the right of the parties, but shall withhold and stop all further proceedings without liability therefore, and may file suit in interpleader or for declaratory relief. If an interpleader action is initiated, Escrow Holder shall collect reasonable cancellation fees prior to depositing the escrowed funds with the court, as set forth in California Civil Code Section 1057.3. All the parties to this escrow hereby jointly and severally promise and agree to pay promptly on demand, as well as to indemnify Escrow Holder, it's employees and agents and to hold Escrow Holder, it's employees and agents harmless from and against all litigation and interpleader costs, damages, judgments, attorney's fees, expenses, obligations, liabilities or expenses which may arise during the performance of this escrow, or subsequent thereto, directly or indirectly.

(A) **SEVERABILITY:** In the event any instruction in this Escrow is held invalid by judicial proceedings, the remaining shall continue to be operative and enforceable.

(B) **LEGAL/WITNESS FEES**

(1.) Should any legal action arise between a Principal to this Escrow and Company, in any matter in connection with this Escrow, and Company prevails, Company shall be entitled to reimbursement of attorney's fees and costs.

(2.) The Principals herein jointly and severally agree to indemnify Company for any legal fees and costs Company may incur, which arise from any nonjudicial dispute or legal action between the Principals hereto or by any third party to the Principals' transaction.

(3.) Any fees for legal consultation incurred by Company in order to process this Escrow shall be reimbursed to Company upon the close of Escrow by charging the account of the Principal or Principals benefiting.

(C) **USURY/ENCUMBRANCES:** Company is not to be concerned with any question of usury in any loan or encumbrance involved in the processing of this Escrow and Company is hereby released from any responsibility or liability therefore.

22. **BENEFICIARY DEMANDS:** Company is expressly relieved of any liability or responsibility for the correctness of beneficiary's demands or beneficiary's statements delivered into this Escrow by encumbrance holders, and Principals agree to solely responsible and hold Company harmless for any discrepancies or losses accruing from same.

23. **SHORT PAY:** If a Principal in this Escrow should negotiate a "short pay" demand with a lender holding an encumbrance against the subject property, Company shall not in any way be liable for or concerned with any legal or tax consequences that the Principal may incur as a result of that short pay. Company is to pay the lender's beneficiary's demand as presented to Company.

24. **CLOSING STATEMENT:** If within five (5) days after the delivery of a closing statement by Company to any principal hereto, that Principal fails to notify Company of any objections to the statement, the statement shall be deemed to be correct and agreed to by the Principal receiving it.

25. **LEGAL RELATIONSHIP:** It is agreed by the Principals that insofar as Company's rights and liabilities as escrow holder are concerned, this transaction is an escrow and not any other legal relationship.

26. **LOAN:** Principals herein acknowledge that Company is not involved in loan processing or any terms and conditions contained therein and will not advise nor give any opinion as to loans, loan programs, loan related fees, etc., and therefore, Company shall not be concerned with the terms or conditions of any loan or the content of loan documents as may be secured by a Principal to complete this transaction, other than to receive those documents into Escrow, hand to the Principal for execution, and package and return executed documents per the lender's instructions. Company is instructed to act according to the lender's written instructions to Company; UNLESS Company determines that such instructions are contrary or detrimental to Company's accepted escrow practices, policies and procedures.

SELLER(S) INITIALS: _____

BUYER(S) INITIALS: _____

27. **DOCUMENTS AND INSTRUMENTS:** Escrow Holder shall not be held liable or responsible (A) for the sufficiency or correctness as to form or validity of any document or instrument deposited into this escrow; or (B) with regard to the manner of execution of same or the identity of any person executing same; or (C) for determining the authority or rights of any person executing same. THE SIGNATURE OF EACH PARTY EXECUTING ANY DOCUMENTS OR INSTRUMENTS DEPOSITED INTO ESCROW SHALL BE DEEMED EVIDENCE OF THAT PARTY'S REVIEW, UNDERSTANDING, ACCEPTANCE AND APPROVAL OF ALL CONDITIONS AND PROVISIONS CONTAINED THEREIN.

28. **STANDARDIZED FORMS:** Company is authorized to use any standardized, preprinted form in order to comply with these instructions, is authorized to use Company's own form or any form produced by any reliable forms company or any title company. Excepting Company shall not be liable for the correctness or sufficiency of such standardized preprinted forms.

29. **DOCUMENT RETENTION:** The parties to these instructions authorize you to destroy these instructions and records in this escrow at any time after five (5) years from close of escrow or cancellation of escrow, without liability or further notice.

30. **CONFLICTING INSTRUCTIONS:** If Company receives unilateral or conflicting instructions from Principals, oral or written, Company is no longer obligated to continue performance or Company's duties. Company may withhold documents and funds held in Escrow, until concurring mutual instructions are received from Principals, or Company receives a final order from a court of competent jurisdiction.

31. **OTHER TRANSACTIONS:** Company has no duty to notify any Principal hereto as to any sale, resale, loan, exchange, or other transaction involving any property that is the subject of this Escrow, or of any profit realized by any person or entity in connection therewith, regardless of the fact that such transaction may be handled by Company, or another, in this Escrow or in any other escrow. Furthermore, the Principals herein agree that Company's duty to them is limited to Company's performance of the instructions to Company and that Company has no responsibility to notify any Principal to this Escrow of any other transaction of which Company might have knowledge and which concerns the subject property herein, or any profit realized by any Principal or third person in connection therewith.

32. **LANGUAGE:** This Escrow will be processed in the English language. Should any Principal elect to use a language translator to assist them in understanding the escrow process, or any documentation that is a part of this Escrow, that language translator will be selected and provided by the Principal in need of such assistance. Company will not provide language translation services and will not be liable or responsible for the correctness of any language translator's interpretation of the escrow process or any documentation that is a part of this Escrow.

33. **EXPERT ADVICE/ESCROW DUTIES:**

THE PRINCIPALS HERETO ACKNOWLEDGE AND UNDERSTAND THAT:

(A) SHOULD A PRINCIPAL HERETO HAVE ANY QUESTIONS CONCERNING THE SIGNING OF DOCUMENTS, THE PREPARATION AND LEGALITY OF THESE INSTRUCTIONS OR THE TAX CONSEQUENCES OF THIS TRANSACTION, EACH IS ADVISED TO CONSULT THEIR OWN ATTORNEY OR FINANCIAL ADVISOR. COMPANY'S PERSONNEL SHALL NOT GIVE ADVICE OF ANY NATURE.

(B) THE PARTIES HERETO ACKNOWLEDGE THAT COMPANY IS A NEUTRAL THIRD PARTY AGENT, AND COMPANY'S RESPONSIBILITIES AND DUTIES TO PRINCIPALS ARE LIMITED TO FULLY EXECUTED MUTUAL ESCROW INSTRUCTIONS, AND ANY FULLY EXECUTED MUTUAL SUPPLEMENTS OR AMENDMENTS THERETO.

34. **BULK SALE/MOBILE HOME:** If this Escrow concerns a "bulk sale" or a "mobile home", Company is authorized and instructed to strictly conform to all state and federal laws as they pertain to escrow holders, regardless of any conflicting instructions given to Company by the Principals herein.

35. **REFINANCE:** If this is a refinance escrow with an institutional lender, the borrower herein acknowledges that only the borrower shall sign these instructions and that the lender will submit escrow instructions on its own form, which Company is instructed to comply with fully.

36. **NO ACTIVITY:** When a new account is opened, we shall provide a notice to the person opening the account. "The notice will inform them that their property may be transferred to the State if no activity occurs on the account within the time specified by state law, three years."

ESCROW COMPANIES ARE NOT AUTHORIZED TO GIVE LEGAL ADVICE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY BEFORE SIGNING.

EACH PARTY SIGNING THESE INSTRUCTIONS HAS READ THE ADDITIONAL ESCROW CONDITIONS AND INSTRUCTIONS CONTAINED HEREIN AND APPROVES, ACCEPTS AND AGREES TO BE BOUND THEREBY. ALL PARTIES SIGNING THIS AGREEMENT HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THESE INSTRUCTIONS.

I/We agree to pay FUNDS REQUIRED TO CLOSE ESCROW UPON DEMAND.

SELLER(S) ONLY: The foregoing terms, provisions, conditions, and instructions, and those "General Provisions" contained herein are hereby approved and accepted in their entirety and concurred in by me. I will hand you necessary documents called for on my part to cause title to be shown as above which you are authorized to deliver when you hold for my account the sum of \$585000 within the time as above provided, pay your escrow charges, my recording fees, charges for evidence of title as called for, whether or not this escrow is consummated, except those buyer agrees to pay. You are hereby authorized to pay bonds, assessments, taxes, and any liens of record to show title as called for, affix documentary tax on deed as required.

SELLER(S) INITIALS: _____

BUYER(S) INITIALS: _____

I/We have received a copy of these instructions.

BUYER'S SIGNATURE:

I/We will hand you all instruments and money necessary of me/us to enable you to comply therewith, including a deed to the property described, executed in favor of the vestees, which you are authorized to use and deliver when you hold in this escrow for my/our account the above sum, and any pro-rata adjustments and instruments deliverable to me under these instructions. From funds due me/us, pay at the close of escrow any encumbrances of record, plus accrued interest, charges and bonus if any, bonds, and/or assessments necessary to comply with same, and/or pay any delinquent monthly installment(s) on existing encumbrance(s) as disclosed by beneficiary statement(s), without my/our subsequent approval.

Instruct the Title Company to begin search of title at once. Deduct and pay from proceeds due me/us, any expenses incurred in my/our behalf including charges for assurance of title, for sending in offset, or beneficiaries' statement(s) and/or demand(s), Documentary Transfer Tax on Deed, filling in, acknowledging, and recording any document(s) necessary on my/our part, including recording of purchase price encumbrance(s) and seller's escrow fee as charged.

I/We have received a copy of these instructions.

SELLER'S SIGNATURE:

SELLER(S) INITIALS: _____

BUYER(S) INITIALS: _____