

a Non Independent Broker Escrow

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LICENSED BY THE CALIFORNIA DEPARTMENT OF REAL ESTATE, LIC. #01278436

Date: **1/5/2020****Escrow No.: TEST-SALE**

Escrow Officer: Admin

THIS DOCUMENT WILL AFFECT YOUR LEGAL RIGHTS – READ IT CAREFULLY!

FHA - SUPPLEMENTAL ESCROW INSTRUCTIONS & GENERAL PROVISIONS

Buyer has handed Escrow Holder an initial deposit in the amount of	10,000.00
Prior to the close of escrow, Buyer will deposit an additional amount of	10,000.00
Buyer to obtain a new First Trust Deed loan in the amount of	410,000.00
Buyer to obtain a new Second Trust Deed loan in the amount of	0.00

TOTAL CONSIDERATION	\$ 430,000.00
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Buyers will further hand escrow holder you the balance of the down payment in the sum of **\$10,000.00** and any necessary costs and charges in the form of wired funds prior to the close of escrow.

Prior to the expiration of the time specified in this paragraph, Buyer(s) and/or Seller(s) will hand Escrow Holder, or cause to be handed to Escrow Holder, all funds and/or documents, required from Buyer(s) and/or Seller(s) to enable Escrow Holder to comply with these instructions, all of which Escrow Holder are authorized to use and/or deliver on 6/4/2020, provided that our title insurer, Test Title Company, has advised you that they are in a position to issue an Owner's Policy of Title Insurance in the issuing title company's usual form (as specified in paragraph 13.E of the **California Residential Purchase Agreement and Joint Escrow Instructions**), with a liability of not less than the total consideration of **\$430,000.00**, and insuring title to Real Property described as:

All that certain real property situated in the County of Orange, State of California, described as follows:

LOT , OF TRACT NO. , AS SHOWN ON A MAP THEREOF RECORDED IN BOOK , PAGE(S) OF
Miscellanjdfljkjgjlkdjgkjdldkifglkjdldkifglkj Aslkjldsfaklj

SELLER/TRANSFEROR STATE THAT PROPERTY ADDRESS IS:
123 Sale Street, Salesville, CA 90014

Showing title vested in: Bob Buyer And Betty Buyer, Husband And Wife and Barbara Buyer, a single woman and Bart Buyer, an unmarried man all , as community property

SUBJECT TO:

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 Chapter 3.5 (commencing with Section 75) of the California Revenue and Taxation Code, all bonds and assessments levied or assessed subsequent to the date of close of escrow. (a Supplemental Tax Bill will be issued and BUYER accepts full responsibility for all additional taxes due by reason of reassessment) ANY TAX BILLS ISSUED AFTER THE CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER OUTSIDE OF THIS ESCROW.
3. Covenants, conditions, restrictions, reservations, rights, rights of way, easements and the exception or reservation of water, oil, gas, minerals, carbons, hydrocarbons or kindred substances on or under said land, now of record, if any, or in the Deed to file.
4. A First Deed of Trust, to record, in the amount of **\$410,000.00**, as per Residential Purchase Agreement.

ADDITIONAL INSTRUCTIONS

In Conjunction With The Real Estate Transaction Involving The Above Referenced Address, You Will Require The Assistance Of The Real Estate Service Providers Such As Escrow Holders, Mortgage

ATTACHED HERETO AND MADE A PART HEREOF

Seller(s) Initials _____

Buyer(s) Initials

Brokers, Disclosure Services, Etc. To Provide You With a Complete, Affiliated Business Services Disclosures, All Parties Hereto Have Been Advised And Are Aware That One Or More Of The Individuals/companies May Be An Office, Director, Shareholder, Or Have Some Other Financial Interest Business Relationship/agreement With: Realty World Diamond (real Estate Broker) and/or New Beginnings Mortgage And As a Result, May Have a Financial Interest In This Transaction And Therefore May Receive a Financial Benefit As a Direct Result Of This Transaction. There Is Absolutely No Requirement That You Use Any Of These Companies. It Is Understood That, Unless You Voluntarily Choose To Conduct Business With The Above Mentioned Affiliated, You Are Under No Obligation To Use The Above Referenced Service Providers In This Transaction.

REAL ESTATE PURCHASE CONTRACT:

Escrow Holder has received and acknowledged the California Association of Realtors "California Residential Purchase Agreement and Joint Escrow Instructions" dated 1/3/2020 and shall act in accordance with **Paragraph #20 "JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER"**.

Paragraph #6. Other Terms., as shown in said Purchase Contract, shall not be of any concern nor liability to escrow holder.

In addition to the original Purchase Contract, escrow holder has received Seller Counter Offer #^ and Buyer Counter Offer # ^. Escrow Holder shall only be concerned with the following items, **which are items not covered by Paragraph 20:**

Regarding 14.H. EFFECT OF CANCELLATION ON DEPOSITS. Regardless of the language in this section, Buyer and Seller herein acknowledge that Escrow Holder will require mutual signed instructions for any release of funds and for escrow or contract cancellation.

Please Initial Seller(s) Initials_____ Buyer(s) Initials_____

The following items are shown in these instructions for clarification purposes, due to the fact that the original contract deposited into escrow contained blanks within the instructions to escrow holder:

FHA ESCAPE/AMENDATORY CLAUSE: Expressly agreed that, notwithstanding any provision of the Sales Contract, the purchaser shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the purchaser has been given in accordance with HUD/FHA or V.A. requirements a written statement issued by the Federal Housing Commissioner, Veterans Administration or a Direct Endorsement Lender, setting forth the appraised value of the property of not less than \$430,000.00. The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation. The appraised value is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value nor the condition of the property. The purchaser should satisfy himself/herself that the price and condition of the property are acceptable.

New Loan Financing: Buyer's execution of new lender's loan documents shall acknowledge their approval of all terms and conditions as may be contained therein. Additionally, escrow holder is instructed to comply with lender's instructions as they relate to the use of lenders loan documentation and funds.

Costs and Charges: Buyer(s) hereby agree(s) to pay the following fees and charges through escrow: Buyer's Escrow Fee, Loan-Tie in fee, if applicable, Recording Fees, Notary Fees, Lender's Policy of Title Insurance, Lender's Fees as required, Federal Express/Delivery Fees if any, and all additional fees/charges as set forth in the Estimated Escrow Statement to be executed. Seller(s) hereby agree(s) to pay the following fees and charges through escrow: Recording Fees, Notary Fees, Owner's Policy of Title Insurance, Seller's Escrow Fee, Document Preparation, County Transfer Tax, Federal Express, Delivery Fees, if any, Beneficiary Statement(s) and/or Demand(s) together with any amounts necessary to place title in condition called for, Commissions and any/all additional fees/charges as set forth in the Estimated Escrow Statement to be executed. Hillside Escrow may be required to advance funds into this escrow, in order to expedite the processing of this transaction. All funds advanced shall be reimbursed to Hillside Escrow at the closing of this escrow or upon the cancellation of this escrow, from the appropriate party(ies).

Fire Insurance: Buyer herein will deposit with Escrow Holder, prior to the close of escrow, a new hazard insurance policy, acceptable to New Lender. Escrow Holder is instructed to charge Buyer and pay premium as billed at close of escrow, unless, prior to close of escrow, a paid receipt for same is provided to Escrow Holder.

Seller(s) Initials _____

Buyer(s) Initials _____

Property Disclosure Report: Seller shall provide for benefit of the Buyer a "Natural Hazard Disclosure Report: Escrow holder is authorized and instructed to pay the bill for from Sellers proceeds at the close of escrow. Please note Hillside Escrow, does not order these reports, please forward the Natural Hazard report and invoice to your escrow officer as soon as possible. **ESCROW HOLDER HAS NO RESPONSIBILITY TO PROVIDE, SAID REPORT AND IS HEREBY RELIEVED OF ANY AND ALL LIABILITY IN REFERENCE TO REPORT'S FINDINGS AND RECOMMENDATIONS.**

Preliminary Title Report Approval: This escrow is subject to the Buyer's approval of the preliminary report issued by the title company in this transaction. Buyer will be provided with a separate prelim approval letter by the escrow holder and prelim shall be deemed approved and this condition shall be satisfied.

Preliminary Change of Ownership Report: Buyers will hand you before close of escrow a completed "Preliminary Change of Ownership" Report which you are instructed to file accompanied with the County Recorder; or, in the absence or rejection thereof you will pay from the buyer's funds an additional \$20.00 to the County Recorder if required. Hillside Escrow cannot guarantee the acceptance by the County Assessor's office of the PCOR provided at the close of escrow. The undersigned buyer, or transferee, hereby acknowledges that they may send a duplicate Preliminary Change of Ownership report following the close of this escrow. Buyer's/Transferee's failure to comply with the Assessor's request to complete information and return the form, may cause penalties or fines to be imposed. The undersigned hereby does and shall, indemnify and hold Hillside Escrow harmless from and against all penalties, fines, costs, damages, losses, attorney fees, claims and liability of any nature whatsoever, which may arise in connection therewith.

Cancellation of Escrow: AS A CONDITION OF ESCROW HOLDER ACCEPTING THE ESCROW AGENCY CREATED BY THE AGREEMENT AND THE SUPPLEMENTAL ESCROW INSTRUCTIONS, BUYER AND SELLER ACKNOWLEDGE THEY UNDERSTAND AND CONSENT THAT REGARDLESS OF THE CONSUMMATION OF THIS TRANSACTION, ESCROW HOLDER'S MINIMUM CLERICAL FEE FOR THE PREPARATION OF THESE SUPPLEMENTAL INSTRUCTIONS AND ANY ADDITIONAL DOCUMENTS HERETO SHALL BE NOT LESS THAN \$200.00. ALL PARTIES FURTHER UNDERSTAND THAT ADDITIONAL FEES MAY ALSO BE CHARGED AS A RESULT OF THE CANCELLATION OF ESCROW.

Owners Policy: In order for escrow to comply with new HUD/Respa regulations, escrow holder is instructed to debit account of buyer for the Owners policy of title insurance through this transaction. Escrow Holder is then instructed to credit the buyer and debit seller for the Owners policy of title insurance at the close of escrow.

HOA: Seller shall deposit to Escrow Holder any fees required prior to order of documents for Homeowner's Association.

GENERAL PROVISIONS

IMPORTANT – PLEASE READ CAREFULLY

1. Execution & Delivery of Escrow Instructions

These instructions may be executed in counterparts and said counterparts together will constitute one and the same instrument. In the event that the parties hereto utilize facsimile or electronically transmitted instructions to Escrow Holder, said parties hereby instruct Escrow Holder to rely upon such instructions as if they were originals. Any amendments and supplements to these instructions must be in writing and shall only be effective when executed and delivered to Escrow Holder. Escrow Holder shall not be concerned with nor have any obligations with respect to items designated as memoranda in these instructions or with any other agreement or contract between the parties to this escrow.

2. Deposit of Funds

- (i) All funds received in this escrow will be deposited with other escrow funds in one or more non-interest-bearing escrow accounts of Escrow Holder in a financial institution selected by Escrow Holder. Escrow Holder shall not be responsible and shall have no liability for any delay in closing this escrow if the funds deposited in this escrow are not available for immediate withdrawal as a matter of right following deposit in such financial institution.
- (ii) You have the opportunity to earn interest on the funds you deposit with us through a deposit account arrangement that Escrow Holder has established with one of its financial institutions. The interest rate for these accounts varies between financial institutions, fluctuates periodically based on market conditions and other factors, and may change prior to or during the time your funds are on deposit. You will not have an opportunity to earn interest on any funds deposited by a lender.

Seller(s) Initials _____

Buyer(s) Initials _____

- (iii) If you elect to earn interest through this special account arrangement, Escrow Holder will charge you an additional fee of \$50.00 for the establishment and maintenance of the account. This fee compensates Escrow Holder for the costs associated with opening and managing the interest-bearing account, preparing correspondence documentation, transferring funds, maintaining appropriate records for audit/reconciliation purposes and filing any required tax withholding statements. It is important that you consider this cost in your decision since the cost may exceed the interest you earn. If you are interested in having your funds deposited in an interest-bearing account, please contact your escrow officer.
- (iv) If you do not elect to have your funds deposited in an interest-bearing account, your funds (together with any funds deposited by a lender) will be held in Escrow Holder's general escrow trust account. The general escrow trust account is restricted and protected against claims by third parties or creditors of Escrow Holder. Escrow Holder and/or its parent company may receive certain direct and indirect financial benefits from the financial institution as a result of maintaining the general escrow trust account. These benefits may include, without limitation, credits allowed by such financial institution on loans to Escrow Holder and/or its parent company and earnings on investments made with the proceeds of such loans, as well as accounting, reporting and other services and products of such financial institution. Escrow Holder shall have no obligation to account to the parties to this escrow in any manner for the value of, or to pay to any party, any benefit received by Escrow Holder and/or its parent company. Any such benefits shall be deemed additional compensation of Escrow Holder for its services in connection with this escrow. Some or all of these benefits may be deemed interest due you under California Insurance Code Section 12413.5. As indicated above, you may elect to have your funds placed in a separate, interest-bearing account and receive the benefits therefrom, but you will be required to pay Escrow Holder an additional fee for this service. Alternatively, you may leave your funds in the general escrow trust account and thereby authorize Escrow Holder to keep the benefits it and/or its parent company receives from the financial institution. In either event, you understand and agree that Escrow Holder and/or its parent company may receive and retain for their sole benefit any and all benefits derived from the general escrow trust account prior to the deposit of your funds in an interest-bearing account and following the withdrawal of your funds from such interest-bearing account (normally two business days prior to the close of escrow).
- (v) All parties depositing funds in connection with this escrow are hereby notified that the funds so deposited are insured only to the limit provided by the Federal Deposit Insurance Corporation.
- (vi) Funds deposited by a lender are ordinarily deposited to escrow one or two days prior to closing. You should be aware that your lender may begin charging interest on your loan from the date loan funds are deposited into Escrow Holder's escrow trust account.

3. Good Funds Law – California Insurance Code §12413.1

All parties are aware and understand that California Insurance Code §12413.1 mandates that funds deposited into an escrow must be collected and available for withdrawal PRIOR TO DISBURSEMENT. The determination of the availability of funds is set forth as follows:

- (i) CASH AND ELECTRONIC TRANSFERS ("wired funds") are available for SAME DAY disbursement.
- (ii) CASHIER'S CHECKS AND CERTIFIED CHECKS are available for disbursement THE NEXT BUSINESS DAY;

In order to avoid unnecessary delays of two to seven days, or more, please use wire transfers, cashier's checks or certified checks whenever possible.

- 4. **Prorations: All adjustments and prorations called for in this escrow shall be made on the basis of a thirty (30) day month, unless otherwise instructed in writing.**
- 5. **Oral instructions:** You are authorized to accept oral instructions from the parties' real estate broker(s), real estate agent(s), Lender(s) or Lender's agent(s) concerning the preparation of escrow instructions, amendments or supplements. However, you are not to act upon any instruction so delivered until you have received the same in writing signed by all parties to this escrow.
- 6. **Loan Terms: Hillside Escrow** is 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.

Seller(s) Initials _____

Buyer(s) Initials _____

- 7. Facsimile/Electronic Signature Certification:** The Residential Purchase Contract and Joint Escrow Instructions along with any supplements, addendums or counter offers made a part thereof (Agreement), and bearing Electronic Signature(s) is a true, and complete copy of the Agreement entered into for the purchase of real property described herein and escrow holder is hereby authorized and instructed to rely upon said Electronic Signatures based upon the following certification.
- (i) The undersigned consented to the use of electronic records and signature in the creation and execution of the Agreement and subsequent addenda to the agreement. If applicable.
 - (ii) The undersigned did sign the Agreement using an electronic signature.
 - (iii) The undersigned was given the opportunity to keep a copy of the signed Agreement at the time the agreement was signed.
 - (iv) The Electronic Signatures comply with the standards and requirement of the federal Electronic Signatures in Global and National commerce Act (E-Sign) and, if applicable, the Uniform Electronic Transaction Act (UETA) adopted by the state in which the Electronic Signature is initiated and the Agreement is fully enforceable and legally binding in accordance with their terms.
 - (v) The undersigned is signing this certification to indemnify and hold harmless the escrow holder from any past, present, or future loss that may occur from relying upon and accepting the Agreement with the electronic signatures affixed thereto.
- 8.** Escrow Holder is hereby authorized and instructed that, in the event any party utilizes email or "facsimile" transmitted signed documents or instructions to Escrow Holder, Escrow Holder is to rely on the same for all escrow instruction purposes and the closing of escrow as if they are original signatures. "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. THESE ESCROW INSTRUCTIONS CANNOT BE SIGNED ELECTRONICALLY, NOR ANY AMENDMENTS REFERRING TO RELEASING OF FUNDS AND/OR BUYER OR SELLER CREDIT OR DEBIT ACCOUNTS.
- 9. 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. Hillside Escrow, 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 instruction.
- 10. Special Recording; Late Confirmation of Recording**
- Seller's proceeds may not be available, and encumbrances may not be paid off, until the first business day following the day of recording if 1) documents recorded at close of escrow are recorded later in the day than 8:00 a.m. (which is called a "special recording") or if 2) the County Recorder does not provide confirmation of recording within sufficient time to allow same-day disbursement of funds by wire or check.
- 11. IRS 1099 REPORTING:** As a condition of Escrow Holder's agreement to process this transaction, certain information must be provided by the Seller(s)/Transferor(s) to Escrow Holder before the date of closing. Under the Tax Reform Act, Internal Revenue Service Code Section 6045(e), Escrow Holder will report the gross proceeds of an ownership interest in reportable real estate to the Internal Revenue Service ("IRS"). The Seller/Transferor is required by law to furnish a correct Taxpayer Identification Number ("TIN") or Social Security Number to Escrow Holder. The Seller/Transferor is aware that the failure to do so may subject the Seller/Transferor to civil or criminal penalties. Each Seller/Transferor must provide a permanent address to which the Escrow Holder can mail the IRS Form 1099-S following the close of escrow.
- 12. Disbursement of Funds:** Any funds disbursed during or on the close of escrow will be issued jointly to the parties designated as payees unless you are instructed otherwise in writing by all designated payees. The funds representing loan and/or sale proceeds will be disbursed jointly to all persons who were the record owners of the real property that is the subject of the escrow. All disbursements of funds and/or delivery of other documents or instruments concerning this escrow will be mailed to the Entitled parties by regular first class mail, postage prepaid, at their respective addresses shown on file. However, at your discretion, you may send funds and/or other instruments or documents by certified or

Seller(s) Initials _____

Buyer(s) Initials _____

registered mail, federal express, messenger or facsimile machine, in which case the party for whom the delivery was made agrees to pay the costs. The provisions of this paragraph include, but are not limited to, requests for demand statements, requests for beneficiary Statements, requests for homeowners' association statements or any other requests as you may deem necessary for the timely closing of this escrow. You are to instruct the county recorder to mail recorded documents to the entitled parties at their respective addresses. You are to instruct the title company to mail the title policy(s) to the Lender(s) or Buyer(s) as appropriate.

- 13. No Disclosures warranties:** The parties acknowledge that depending on the type (Commercial or Residential) and location (City) of real property involved in this escrow, there may be disclosure(s) as well as civil ordinance requirement(s) that would affect the transfer of the real property. Escrow Holder urges both parties to seek appropriate counsel from an attorney or licensed real estate broker to ascertain what disclosures, certificates and/or civil ordinances, if any, need to be complied with prior to the close of escrow, and outside of the escrow between the parties. The parties' signature upon these instructions shall be deemed evidence to the Escrow Holder that the parties have obtained independent counsel, are aware of any disclosures/civil ordinance requirements and will comply with same outside of this escrow. Unless otherwise instructed in writing Escrow Holder has no responsibility or liability in connection with any such disclosures or requirements;
- 14. Payment of Cost(S) Incurred Prior to close of Escrow:** Buyer and Seller are aware Hillside Escrow may incur certain expenses during the course of processing this escrow, which must be paid prior to the close of escrow. Such costs may include but are not limited to, credit report and appraisal fees, demand request fees, homeowner's association document fees, courier fees, overnight mail service and city building reports, if applicable. Escrow Holder is authorized and instructed to release funds for payment of such costs, prior to the close of escrow, from funds deposited into escrow by Buyer. Both Buyer and Seller acknowledge and accept that said funds are not refundable, whether this escrow closes or cancels. However, at close of escrow, Escrow Holder is authorized and instructed to charge the appropriate party for costs incurred, and is released from any and all liability in connection with complying with this instruction.
- 15. Responsibilities:** 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 of 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 or omission done in good faith nor for any claims, demands, losses or damages made or suffered by any party to this escrow, excepting such as may arise through or be caused by you willful neglect or gross misconduct.
- 16. Disclosure Reports:** Escrow Holder is not to be concerned with disclosures made by the parties to each other. In the event Escrow Holder receives any disclosure reports requiring signatures or approval by a party, Escrow Holder's only responsibility will be to forward the report to the appropriate party.
- 17. Hillside Escrow 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 this 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 instructed in writing. You shall not be liable for any of your acts or omissions done in good faith, nor for any claims, demands, losses or damages made, claimed or suffered by any party to this escrow, excepting such as may arise.

Seller(s) Initials _____

Buyer(s) Initials _____

- 18. FIRPTA-Withholding:** FIRPTA-WITHHOLDING, The sale of a U.S. real property interest by a foreign person is subject to the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) income tax withholding. Persons purchasing U.S. real property interests from foreign persons, certain purchasers' holders, and settlement officers are required to withhold 10 % of the amount realized. Withholding is intended to ensure U.S. taxation of gains realized on disposition of such interests. The Buyer shall remain the withholding holder notwithstanding any act by the Escrow Holder. The Buyer must find out if Seller is a foreign person. If Seller is a foreign person and Buyer fails to withhold, the Buyer may be held liable for the tax. Seller and Buyer agree to execute and deliver to Escrow Holder any instrument, affidavit and statement or to perform any act reasonably necessary to carry out the provisions of FIRPTA and regulations promulgated thereunder. Seller herein certifies under penalty of perjury, that the information provided on said form is true, correct and complete. Buyer and Seller hereby agree to hold Escrow Holder harmless and indemnify Escrow Holder regarding compliance with this instruction.
- 19. Cal FIRPTA State Tax Withholding:** Notifications to Buyer and Seller Regarding California Tax Withholding on the Sale of Real Property Certain Sellers are exempt from withholding. Each Party must seek independent tax advice from a professional. California Revenue and Taxation Code Section 18662 (as amended) requires prepayment of income tax by withholding 3-1/3% of the total sales price on real property for individuals and non-individual sellers of real property, whether resident or non-resident. Alternatively, a Seller may elect to withhold on the gain on the sale and based on the applicable withholding rates effective at the close of escrow. For more information, Buyers and Sellers should refer to Form 593-C and 593-E Booklet, Real Estate Withholding Certificate and Computation of Estimated Gain or Loss from the California Franchise Tax Board. Withholding is also required for real estate foreclosures and short sale transactions unless any exemptions certified on Form 593-C apply, or the sale qualifies under the automatic exclusions. For more information on real estate foreclosures and short sale transactions, refer to Publication 1016, Real Estate Withholding Guidelines by the California Franchise Tax Board. Any further questions regarding Withholding Requirements for Sale of California Real Estate may be answered by seeking independent professional tax advice or at http://www.ftb.ca.gov/individuals/wsc/California_Real_Estate.shtml. The parties acknowledge that Escrow Holder is under no duty to take action regarding withholding without further mutual written instructions of Buyer and Seller in form satisfactory to Escrow Holder, together with the completion of Franchise Tax Board forms. Section 18662 of California Revenue and Taxation Code (as amended) requires a BUYER of real property to withhold if the Seller's exemption is not met. If withholding is not made Buyer may become subject to a penalty in the amount equal to the greater of 10% of the amount required to be withheld or five hundred dollars (\$500.00). For additional information, contact: FRANCHISE TAX BOARD, WITHHOLD AT SOURCE UNIT, P.O. BOX 651, SACRAMENTO, CA 95812-0651, PHONE: (916) 845-4900 OR Toll Free AT (888) 792-4900. Seller and Buyer hereby agree to comply with Section 18662 of California Revenue and Taxation Code (as amended), and Seller shall cause to be deposited into escrow such forms that may be necessary for the parties hereto to be in compliance with said tax code, as expanded. The parties agree to hold Escrow Holder harmless and indemnify Escrow Holder for complying with any CAL-FIRPTA instruction or any third-party claims that may arise.
- 20. Buyer and Seller due dates:** 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.
- 21. Personal Property Title Search:** Hillside Escrow shall conduct no lien or title search of personal property regarding the sale or transfer of any personal property through this escrow. Should the party(ies) desire that you conduct a lien or title search of personal property, the party(ies) requesting the same shall deliver separate and specific written escrow instructions to you along with an agreement to pay your additional escrow fees.
- 22. Not to be concerned with usury of loan:** Hillside Escrow 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.
- 23. Provide Title:** Hillside Escrow 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 statement and/or beneficiary demand to the party(ies) 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.
- 24. Loan terms or Loan Document content:** Hillside Escrow 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

Seller(s) Initials _____

Buyer(s) Initials _____

concerned with the approval and/or processing of any loan or the contents and effect of loan documents prepared by a Lender.

25. Third-Party Claims: 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.

26. Escrow Holder only: The parties agree that Hillside Escrow 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 of 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 or omission done in good faith nor for any claims, demands, losses or damages made or suffered by any party to this escrow, excepting such as may arise through or be caused by you willful neglect or gross misconduct.

27. (6) Month period: 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 canceled 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. Should demands be made upon you, you may withhold and stop all further proceedings in this escrow without liability for interest on funds held or for damages until mutual cancellation instructions signed by all parties shall have been deposited with you. The parties, jointly and severally, agree that, if this escrow cancels or is otherwise terminated and not closed, the parties shall pay for any costs and expenses which you have incurred or have become obligated for under these escrow instructions, including but not limited to, attorneys' fees and reasonable escrow fees for the services rendered by you, the parties agree that such costs and expenses shall be paid and deposited in escrow before any cancellation or other termination of this escrow is effective. The parties agree that said charges for expenses costs and fees may be unilaterally or bilaterally apportioned between Buyer and Seller in a manner which, in your sole discretion, you consider equitable, in an amount not less than \$250.00 and not greater than the amount of the entire escrow fee, to be determined by you, and that your decision will be binding and conclusive upon the parties. Upon receipt of mutual cancellation instructions or a final order or judgment of a court of competent jurisdiction with accompanying writs of execution, levies or garnishments, you are instructed to disburse the escrow funds and instruments in accordance with such cancellation instructions, order or judgment and accompanying writ and this escrow shall, without further notice, be considered terminated and canceled.

28. Parties shall cooperate: 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 reasonably 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 investigation, audit and legal fees, litigation and interpleader costs, damages, judgments, attorneys' fees,

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expenses, obligations and liabilities of every kind (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. 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 to 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 or interpleader, 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 or on appeal.

- 29. All Notices, Demands and Instructions must be in Writing:** No notice, demand, instruction, amendment, supplement or modification to these escrow instructions shall be of any effect in this escrow until delivered in writing to you and mutually executed by all parties. AS SET FORTH ABOVE, YOU HAVE NO DUTY TO AND SHALL NOT VERIFY THE SIGNATURES OF ANY PARTIES OR NON-PARTIES UNLESS FURTHER WRITTEN ESCROW INSTRUCTIONS TO DO SO ARE RECEIVED AND THE ADDITIONAL ESCROW FEES ARE DEPOSITED. 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 escrow instructions, supplements and amendments thereto and are not to be concerned with nor liable for items designated as memorandum items in the escrow instructions.
- 30. Authorized delivery of Escrow Instructions:** Hillside Escrow is authorized to deliver copies of all escrow instructions, supplements and amendments, estimated and final closing statements preliminary title reports, and notices of cancellation, if any, to the real estate broker(s), real estate sales agent(s), Lender(s), Lenders agent(s) and/or attorneys(s) for the parties, upon the parties' oral or written request. You shall not incur any liability to the parties for delivery of the copies.
- 31. Cooperation by both parties:** 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 reasonably 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. All parties agree to provide you with a completed "Statement of Information" 7 days, after receipt of said form, as required by the Title Company providing the Title Insurance policies for this transaction.
- 32. Conflicting Instructions and Disputes:** If Escrow Holder becomes aware of any conflicting demands or claims concerning this escrow, Escrow Holder shall have the right to discontinue all further acts on Escrow Holder's part until the conflict is resolved to Escrow Holder's satisfaction. Escrow Holder has the right at its option to file an action in interpleader requiring the parties to litigate their claims/rights. If such an action is filed, the parties jointly and severally agree (a) to pay Escrow Holder's cancellation charges, costs (including the funds held fees) and reasonable attorneys' fees, and (b) that Escrow Holder is fully released and discharged from all further obligations under the escrow. If an action is brought involving this escrow and/or Escrow Holder, the party(ies) involved in the action agree to indemnify and hold the Escrow Holder harmless against liabilities, damages and costs incurred by Escrow Holder (including reasonable attorneys' fees and costs) except to the extent that such liabilities, damages and costs were caused by the gross negligence or willful misconduct of Escrow Holder.
- 33. Gender:** 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.
- 34. Not to give financial advice:** The parties acknowledge and understand that Hillside Escrow, 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 within escrow transaction.
- 35. Disposal of documents:** Hillside Escrow 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. If for any reason, any one party to the transaction request copies

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of said file in storage from Escrow Holder, there will be a minimum charge of \$50.00 required to be deposited prior to the release of requested documentation.

36. Need for Independent Legal, Financial and Tax Advice: The parties acknowledge and understand that you, as Escrow Holder, are not authorized to practice law nor does an escrow holder give financial or tax advice. The parties are advised to seek legal, financial and tax advice concerning the effect of these escrow instructions, and the terms and conditions of the purchase and sale transaction. The parties acknowledge that no representations are made by Escrow Holder about the legal sufficiency, legal consequences, financial effects or tax consequences of the within transaction.

37. Loan Payoffs

When a mortgage, deed of trust or tax lien is to be paid off through escrow, Escrow Holder is authorized to pay the payoff demand received from the creditor. Seller/borrower understands that a loan payoff may include a prepayment penalty and other charges.

38. PRIVACY STATEMENT

Effective Date: July 1, 2013

Hillside Escrow respects the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains Hillside Escrow's privacy practices, including how we used the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed, Hillside Escrow may share information as described herein.

PERSONAL INFORMATION COLLECTED

We may collect personal information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transaction with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

DISCLOSURE OF PERSONAL INFORMATION

We may provide your personal information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Disclosure to Affiliated Companies:

We are permitted by law to share your name, address and facts about your transaction with other companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties:

We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as

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outlined herein or as otherwise permitted by law.

CONFIDENTIALITY AND SECURITY OR PERSONAL INFORMATION

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

ACCESS TO PERSONAL INFORMATION / REQUESTS FOR CORRECTION, AMENDMENT, OR DELETION OF PERSONAL INFORMATION

As required by applicable law, Escrow Holder will afford you the right to access your personal information, under certain circumstances to find out to who your personal information has been disclosed, and request correction or deletion of your personal information. However, Hillside Escrow's current policy is to maintain customers' Personal Information for no less than your state's required retention requirements for the purpose of handling future coverage claims. For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Hillside Escrow
9045 Haven Ave. Ste #108
Rancho Cucamonga, CA 91730

CHANGES TO THIS PRIVACY STATEMENT

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed. We, jointly and severally, acknowledge receipt of a complete copy of the within escrow instructions and by our signatures set forth below, acknowledge that we have read and understand and agree to the same in their entirety.

BY SIGNING BELOW, EACH PARTY SIGNING THE FOREGOING TERMS CONDITIONS, PROVISIONS AND INSTRUCTIONS TOGETHER WITH THE GENERAL PROVISIONS SET OUT HEREIN THESE INSTRUCTIONS HAS READ AND APPROVES, ACCEPTS AND AGREES TO BE BOUND. THE UNDERSIGNED BUYER (S) AND SELLER (S) ACKNOWLEDGES RECEIPT OF A COPY OF THESE INSTRUCTIONS.

Seller(s)

Buyer(s)

The Seller Trust Dated 04-26-2002

Sam Seller, Trustee

Bob Buyer

Seller 2

Betty Buyer

Seller3

Barbara Buyer

Seller4

Bart Buyer

