



Escrow Instructions - Residential

To: The Escrow Group, LLC

From: BUYER(S)

SELLER(S)

RE: Subject Property

- 1) **HANDED YOU HEREWITH** (or previously delivered) are the following items
(X) Copy of Real Estate Purchase and Sale Agreement and any Addendums or Amendments thereto between the undersigned Buyer(s) and Seller(s). Said Agreement and any Addendums or Agreements thereto, and the legal description therein (including any future corrections and/or changes thereto) are approved and accepted by the undersigned parties and incorporated herein by reference. You are entitled to rely upon this legal description and have no obligation to make an independent search of the public record or to inquire of any person, including the undersigned or the Broker(s) or Sales Agent(s). To the extent that any terms of said Agreement and any Addendums or Amendments thereto **are inconsistent** herewith, **they are amended to conform to the terms of these Escrow Instructions.**
- 2) **Both Buyer and Seller agree that the sale price is as listed on the Purchase and Sale Agreement.**
- 3) **TITLE INSURANCE.** If the Sales Agent(s) or the Mortgage Lender has already ordered a title report, you are instructed to use it. If not, you are instructed to (1) order a preliminary commitment for a (X) ALTA Standard () ALTA Homeowner's Policy of Title Insurance () ALTA Extended Owner's/Buyer's Policy of Title Insurance in the face amount of the purchase price and (2) if this sale includes financing by a bank, mortgage company or other lending institution, you are also instructed to order a preliminary commitment for an ALTA Mortgagee's Policy of Title Insurance in such an amount as is required by the Lender(s). **IN EITHER EVENT, you are entitled to rely upon this preliminary title report and the legal description therein and have no obligation to make an independent search of public records or inquire of any person, including the undersigned or the Broker(s) or Sales Agent(s).**

- 4) **PREPARE SALE DOCUMENTS.** You are authorized to prepare for signature such notes, deeds of trust and/or other instruments as are necessary to comply with the terms of the Real Estate Purchase and Sale Agreement. We recognize that in drafting said instruments you are **not** acting as the attorney for either party. **You have advised us to have these documents reviewed by our own attorney.** All instruments or documents to which we are a party, if stenographically prepared by you, have been prepared under our sole discretion or that of our attorney or agent, and we particularly declare that copying legal descriptions or agreements is or will be solely at our direction and request. **Execution of any Instrument or Document will be considered full approval thereof.**
- 5) **DOCUMENTS AND FUNDS TO CLOSE.** All **Funds** and **Documents** required by you in order to close this transaction or to assure you of any matters related to closing, **will be furnished** by the Buyer or Seller as appropriate, immediately upon your request.
- 6) **DELIVERY & RECORDING.** You are authorized and directed to deliver and/or record all of such instruments and to apply funds received by you, as is necessary to close this sale. You shall not be held responsible for any liens or claims that may attach to the title after the above delivery and/or recording of instruments and/or disbursements of funds.
- 7) **FOR CONTRACTS AND/OR PROMISSORY/INSTALLMENT NOTES.** You are authorized and instructed to **insert** in the **contract** or **note** prior to recording the following: (1) Date of Closing; (2) Date of first and subsequent payments; and (3) Date from which interest is to begin accruing (date of closing) if these items are incomplete at the time I/We execute said contract or note. You are not acting as a "True Escrow" for contract collection purposes or seller financing.
- 8) **ERROR IN DOCUMENTS.** If any error or omission **is discovered** in any of the **documents used** herein, after execution, **you are authorized** and instructed to fill in, prior to closing, any incomplete document or **correct any errors**, including typographical errors, only in accordance with these instructions, including the legal description as recited in the Preliminary Commitment for Title Insurance, or Supplemental thereto, **without obtaining** my/our **initials** on the change. If any error or omission is discovered in any of the documents **after closing** or if a recording error is discovered, the Buyer and Seller agree to immediately correct and reexecute and/or record the same. You shall have **no liability** or **responsibility** with regard to said errors, omissions and/or corrections to said documents or recording errors either prior to or following closing.
- 9) **AUTHORITY TO GIVE COPIES OR CLOSING DOCUMENTS.** You are authorized to give copies of the Settlement Statement and other documents to any Broker involved in this transaction, existing or potential mortgagees or other encumbrances, attorneys representing either of the parties, appraisers, or government agencies guaranteeing or otherwise involved in the financing of this transaction.

- 10) **DISBURSEMENT OF FUNDS.** You are instructed and authorized to disburse deposited funds pursuant to the Settlement Statement examined and approved by the parties hereto and by this reference made a part thereof. All items on the Settlement Statement are estimates only and the final figures may be adjusted to accommodate exact amounts as required at the time of disbursement. From the funds provided you, **you are authorized** to pay all amounts you deem appropriate and necessary to close this transaction. The Settlement Statement is subject to audit and we hereby agree should there be any errors or omissions they are to be corrected and if monetary error, differing amount payable, and/or unpaid encumbrance of record necessary to clear or insure the title in accordance with these Escrow Instructions is discovered, such amount or payment due is to be assessed and immediately collected from or refunded to the party liable thereof.
- 11) **PROPERTY TAXES.** Property tax statements are mailed annually in February. Transfer of the property DOES NOT generate another statement. It is the Buyer's responsibility to obtain the necessary information to pay taxes due by April 30th and October 31st of each year.
- 12) **PAYMENTS OF LIENS AND/OR ENCUMBRANCES.** You are authorized and instructed to **act** upon any **statement** furnished by the **holder** or **payee**, or a **collection agent** for the holder or payee, of any **lien** on or **charge** or **assessment** in connection with the property, concerning the **amount** of such charges or assessments or the amount secured by such lien **without liability** or **responsibility** for the **accuracy** of such statement. You are authorized to charge and retain a \$89.55 reconveyance-servicing fee for each lien to be paid.
- 13) **MISCELLANEOUS SERVICES AND FEES.** Buyer and Seller agree to reimburse you and/or Lender for expedient mail services, courier and wire charges. Any excess fees collected will be considered earned and retained by Closing Agent. Recording documents associated with this transaction may include a service charge of \$20.00.
- 14) **VA/FHA TRANSACTIONS.** Under VA regulations, the Buyer cannot pay an escrow fee. Therefore, you are to charge the Seller for the entire escrow fee or any other fees that cannot be charged to the Buyer. You are to charge the Seller for fees the Buyer cannot pay in an **FHA** transaction.
- 15) **PRORATION DATE.** Proration of real estate taxes, insurance and/or other items are to be calculated as of date of closing unless otherwise instructed in writing by Buyer and Seller.
- 16) **OMIT TAXES.** Washington law permits the County Assessor to reassess real estate on which new improvements have been constructed. This reassessment right extends for three years after the completion of the construction. If the property is so reassessed, **additional real estate taxes may be levied** for the period of reassessment. **You have no responsibility for omitted taxes.** These will be prorated between the Buyer and Seller outside of this escrow, should any such taxes be levied.
- 17) **COMMISSION.** If Broker(s) are involved in this sale, then you are not to change the amount or terms of the Broker(s) commission without the written consent of the Broker(s) and the commission is not to be withheld without the prior written consent of the Broker(s).

- 18) **NEW LOANS FOR BUYERS.** If there is a balance owed and there is a bank or mortgage company to whom payments are made, the Buyer **may or may not** receive a coupon book. Whether or not the Buyer receives a book or other notice of payment due, the Buyer agrees to make payments by the due date.
- 19) **IN THE EVENT OF CONFLICTING DEMANDS** or notices from the Buyer, Seller, Broker, Agent or other service provider concerning any matter covered by these instructions or if a problem occurs which prevents you from closing this sale, you may hold all documents and funds until the same is resolved. Alternatively, you may interplead all funds you hold with the Superior Court of the appropriate county. If you elect to interplead, you shall have no liability for proper disbursements from escrow prior to that time, and you may withhold your escrow fee and any costs of interpleader. Upon so interpleading said funds, you shall have no further liability with respect to this escrow. The undersigned further agree, jointly and severally, to pay upon demand, as well as to indemnify and hold you harmless from and against all costs, damages, judgments, attorney's fees, expenses, obligations and liabilities of any nature, suffered or incurred in connection with or arising out of this escrow except any liability founded only upon the failure to exercise ordinary care with respect to and limited to the instructions contained herein.
- 20) **AS USED HEREIN, THE PHRASE "CLOSING" OR "DATE OF CLOSING"** shall mean the date by which documents shall have been recorded and funds are available for disbursement to the Seller.
- 21) **FOR CONVEYANCE OF A PORTION OF EXISTING OWNERSHIP.** The Buyer and Seller are aware that any conveyance of a portion of any existing ownership of property may require **compliance** with the **City or County Short Plat (subdivision) Ordinance** and hereby **relieve** you of any liability and/or responsibility for said compliance.
- 22) **CONDITIONS/CONTINGENCIES WAIVED.** Buyer and Seller **acknowledge**, by execution hereof that any and all **conditions** and/or **contingencies** or **work/repair requirements** as may be referenced in the Real Estate Purchase and Sale Agreement or any Amendments/Addendums thereto, **are satisfied** and/or **completed** or **waived** and are no longer required as conditions to this closing and **certify** that any work/repair requirements **performed** have been **paid for** in full.
- 23) **RECEIPT OF COPIES OF DOCUMENTS.** Buyer and Seller hereby acknowledge **receipt** of a copy of all of the **aforementioned documents** used in this transaction and hereby state that they or their designated agents have **read same** and **fully approve** of the **form** and **content** set forth therein.
- 24) **CITIZENSHIP.** Sellers warrant to you that they are either citizens or resident aliens of the U.S., and that you have no responsibility to withhold and pay to the IRS tax on the sale price or as otherwise required by the Federal Investment in Real Property Tax Act.
- 25) **REAL PROPERTY TRANSFER DISCLOSURE STATEMENT (FORM 17).** Buyer and Seller hereby acknowledge that the Seller has provided to the Buyer the Real Property Transfer Disclosure Statement at least three (3) days prior to the signing of these Escrow Instructions, or that said disclosure has been waived by all parties.

26) **LEAD-BASED PAINT DISCLOSURE.** Buyer and Seller acknowledge receipt and acceptance of the Lead-based Paint and Lead-based Paint Hazards Disclosure, if applicable, prior to execution of the Purchase and Sale Agreement.

27) **CONDOMINIUM.** If a condominium unit is involved in this transaction, Closing Agent is advised that the Buyer has been in receipt of a Public Offering Statement or Resale Certificate (whichever is applicable) from the Homeowners Association for at least seven (7) days (five [5] days if a Resale Certificate is applicable). Closing Agent is not responsible for providing any information associated with the applicable disclosure and Buyer and Seller agree to hold Closing Agent harmless from any responsibility in connection with same.

28) **DISCLOSURE REGARDING OWNERSHIP.** Certain parties having an ownership interest in Windermere Real Estate and certain parties having an ownership interest in The Escrow Group LLC together own and operate Settlement Services limited liability companies that may profit from the escrowing of this transaction.

ESCROW AGENT HAS NO LIABILITY OR RESPONSIBILITY REGARDING ANY OF THE FOLLOWING MATTERS:

- A. **UTILITY CHARGES.** Water, electric, sewer, gas, garbage, Metro, and other **utility charges will be handled as set forth in the Purchase and Sale Agreement and the Utility Holdback Agreement attached.** Also, Buyer and Seller will handle the transfer of these accounts to Buyer's name, following closing. You shall not be held responsible and/or liable for determining whether any utility charges are due or may become due, nor for any payment of the same. **SELLER IS RESPONSIBLE FOR FINAL PAYMENT OF ALL UTILITY CHARGES.**
- B. **SEWAGE TREATMENT CAPACITY CHARGE.** You will not be responsible to determine whether or not the property is subject to a sewage capacity surcharge. Unless otherwise instructed in writing by Buyer and Seller, Buyer will assume the remainder of the balance of the capacity charge as of the closing date. All prorations will be handled by the County outside of escrow.
- C. **FUEL OIL.** You have no responsibility for fuel or furnace oil, if any. This will be adjusted by the parties outside of this escrow, unless you are provided with a statement from the oil company instructing otherwise, **prior** to signing.
- D. **CONDITION OF THE PROPERTY/POSSESSION.** You have **no responsibility for the condition of the property** or to inspect the same. Keys to and possession of the property will be **transferred outside escrow.**
- E. **LEASED EQUIPMENT.** Seller warrants to Buyer that there are no water heaters, furnaces, gas conversion burners or other fixtures on the property that are **leased or being purchased on contract**, except _____. If any items are noted, then it () is **OR () is not** agreed that the Seller shall acquire title to same prior to closing. If the Seller is to acquire title, you are instructed that () **you are to do so from funds due or to be given to you by Seller**, OR () **Seller shall acquire title and present proof thereof to you prior to closing.**
- F. **FORGERIES.** You are **NOT** responsible to verify the signatures of the Buyer(s), Seller(s) or any other person in connection with this Escrow and **you are not liable for forgeries or false impersonations.**

- G. **UTILITY CONNECTION CHARGES/UNASSESSED LOCAL IMPROVEMENT.** You have no responsibility for any water, sewer, or other utility hookup or connection charges or assessments, unless they appear in the preliminary commitment for title insurance. **Buyer is aware** of the provision in the preliminary commitment for title insurance that the Buyer should inquire of governmental bodies of unrecorded utility connection charges or assessments. **Seller warrants to Buyer** that there are no (i) utility connection charges or assessments; or (ii) recently completed, or pending, local improvements for streets, underground wiring, sewer, etc., which will be assessed to the property, except as shown on the preliminary commitment for title insurance.
- H. **INSURANCE.** Buyer will acquire prior to closing, an extended coverage fire and other casualty policy if any part of the purchase price is to be paid after closing to the Seller or Lender, or on encumbrances on which the Seller/Lender is personally liable to pay in whole or in part. Buyer will deliver a copy or certificate of said insurance to the Closing Agent for transmittal to the Seller/Lender at closing. Also, if there is an unpaid balance of the purchase price after closing, the Seller/Lender shall be named as a "Loss-Payee" or co-insured on said policy until such time as the balance is paid in full. Seller shall **maintain** any present insurance on the property **until** the sale is **closed** and will thereafter be responsible for its cancellation and any premium refund.
- I. **RENTS AND DEPOSITS.** If the property (or any part thereof) is to be rented or leased as of the date of closing, the rent(s) will be prorated and advance rent(s) and security deposit(s) will be transferred according to instructions noted in the Real Estate Purchase and Sale Agreement. The Seller agrees to furnish to the Buyer all originals of all leases, rental agreements and amendments or changes thereof.
- J. **PERSONAL PROPERTY.** Buyer and Seller **will transfer, outside of this escrow, any personal property** included in the sale. You have no responsibility for the transfer of personal property.

FURTHER INSTRUCTIONS:

In accordance with RCW 18.44.400, an escrow agent, unless exempted by RCW 18.44.020(2) [that is, attorneys in the practice of law], shall not make disbursements on any escrow account without first receiving deposits directly relating to the account in amounts at least equal to the disbursements. An escrow agent shall not make disbursements until the next business day after the business day on which the funds are deposited unless the deposit is made in cash, by interbank electronic transfer, or in a form that permits conversion of the deposit to cash on the same day the deposit is made. The deposits shall be in one of the following forms:

- (1) Cash;
- (2) Interbank electronic transfers such that the funds are unconditionally received by the escrow agent or the agent's depository;
- (3) Checks, negotiable orders of withdrawal, money orders, cashier's checks, and certified checks that are payable in Washington state and drawn on financial institutions located in Washington state; or
- (4) Checks, negotiable orders of withdrawal, money orders, and any other item that has been finally paid as described in RCW 62A.4-213 before any disbursement; or
- (5) Any depository check, including cashier's check, certified check, or teller's check, which is governed by the provisions of the Federal Expedited Funds Availability Act, 12 U.S.C., Sec. 4001 seq.

The word "item" means any instrument for the payment of money even though it is not negotiable, but does not include money. Violation of this section shall subject an escrow agent to penalties as prescribed in Title 9A RCW and remedies as provided in chapter 19.86 RCW and shall constitute grounds for suspension or revocation of the registration or license of any certified escrow agent.

Note: Seller has the option to receive proceeds as a wire transfer (\$30.00 fee) or pick up proceeds on day of closing (after verification of recording - call after 4:30 p.m. to confirm), or as they instruct in writing.

THESE INSTRUCTIONS SHALL BE CONSIDERED IRREVOCABLE FOR 30 DAYS FROM THE DATE EXECUTED AND IF NECESSARY SHALL SERVE TO AUTOMATICALLY EXTEND THE CLOSING DATE REQUIRED BY THE EARNEST MONEY AGREEMENT FOR THAT SAME PERIOD.

WE HAVE BEEN AFFORDED ADEQUATE TIME AND OPPORTUNITY TO READ AND UNDERSTAND THESE ESCROW INSTRUCTIONS AND THE OTHER DOCUMENTS REFERRED TO HEREIN AND ATTACHED HERETO AND AGREE THIS COMPRISES THE FULL UNDERSTANDING AND INTENT OF THE UNDERSIGNED PARTIES.

Buyer/Seller

Buyer/Seller