



Welcome to The Escrow Group!

The Escrow Group is pleased to have your home purchase placed with us for closing. From now until the closing date, we will be in contact with you to coordinate the information and documentation necessary to finalize the transaction. We have enclosed a copy of our *Transaction Timeline*. **Please read through it to better understand everyone's role in this process and the timing of events.**

We have included other forms for you to fill out and return as soon as possible. Often, we are working from faxed or re-copied documents that are not completely legible, so if you find typographical errors in our correspondence, we apologize. Please indicate any needed corrections on the forms.

The title company will be sending you a copy of the Preliminary Commitment for Title Insurance, for your review. If you do not receive it in the next 10 days, or if you have any questions regarding the condition of title, please feel free to contact us for assistance.

In order for us to process your file correctly, we need you to provide the information requested on the enclosed **Request for Buyer Information** form. Please complete, sign and return it at your earliest convenience. We are happy to receive them by way of fax or e-mail, or you can use the self-addressed envelope provided. Also, please read, initial and sign our Escrow Instructions, and LPO Notification, and return them to us along with the information sheet. Your prompt attention is required and sincerely appreciated.

At **The Escrow Group** we feel that an important part of our function in your transaction is to answer your questions, and we welcome your call or e-mail. Please do not hesitate to contact any member of your closing team.

Sincerely,

The Escrow Group

Sender's contact information is included in the body of the e-mail message.



Please keep in mind...

To help you be better prepared for the closing of your transaction, we are providing you with the following list of some of those “last minute” items.

- **Stay in contact with your lender to make sure they provide loan documents to our office in accordance with our Transaction Timeline.**
- Sign and return the Request for Information Sheet as soon as possible.
- You will need to deposit your down payment and closing costs in the form of a **Cashier’s Check or Bank Wire to The Escrow Group the day prior to your actual closing date.** Most buyers bring a cashier’s check to their signing appointment if the appointment is before 3:00 p.m. the day prior to the actual closing date. **The cashier’s check will need to be made out to: The Escrow Group.** Or, you may make arrangements with your bank to wire transfer funds. If you will be using funds from the sale of stock or from an account that is not immediately accessible, please check with your broker or bank to see how long it may take to have funds issued to you.
- An **insurance binder** showing your lender as an additional insured will be required before closing. You will need to order a binder from your homeowner’s insurance agent in advance of your signing appointment. If you are purchasing a condominium, the master insurance certificate will be ordered for you. If you are purchasing land with no building, insurance is not required.
- Signing may be 2-3 days PRIOR to closing to give your lender time to review the documents before funding and closing the loan.
- Depending upon receipt of lender documents (if a lender is involved), you may be asked to make your signing appointment on **short notice.**
- All buyers must sign closing documents or grant Power of Attorney to someone to sign on their behalf. Often, the Power of Attorney document must be a specific type approved by your lender and the title company. Please contact our office in advance of closing if you will be needing a Power of Attorney document prepared, or submit the document in advance if you already have had one prepared for you so we may have it approved. Also, your mortgage lender will need to approve any Power of Attorney used.
- If it is necessary to sign outside of our office, please give us advance notice to make arrangements.
- Due to the Patriot Act, **each buyer must be prepared to provide two forms of identification and one must be a government-issued document bearing a photograph.**

Please remember, you can always contact us with questions or special requests. We are here to accommodate your needs and make the escrow experience as pleasant as possible.

Sincerely,

Your Closing Team at The Escrow Group



Transaction Timeline

Important Information

Along with your real estate agent, there are several service providers – the title insurer, the escrow company, the lender, and others – working together to complete your real estate transaction.

We at The Escrow Group play a pivotal role in orchestrating the information provided by each party. From requesting and compiling necessary data, to preparing closing papers, we stay in close contact with all the parties to coordinate a smooth transaction. As your closing date nears, we monitor the file for completeness and await the lender documents.

Our receipt of lender documentation begins the last phase of your transaction. With lender papers in hand, we prepare a complete package of closing documents for your review and signature. Once signed, the documents are returned to the lender for review and final approval. Unless you require additional time for document review, the final process takes about four days from the time we receive the lender documents until the closing date.

In general, here is how it works:

Week 1 to Week 3			
Receive Purchase and Sale Agreement from real estate company. Request copy of preliminary title insurance policy and prepare for closing. (Order payoff information and clear outstanding issues (liens, vesting, etc.) Request information from buyers, sellers and agents, as needed (Insurance info, Commission Disbursement Forms, etc.). Confirm all the necessary information to close the transaction resides in the file.			
3-4 Days Before Closing	2-3 Days Before Closing	1-2 Days Before Closing	Closing Day
Loan documents received and prepared for closing	Signing appointment	Lender review period	Funds disbursed and client notified of closing

We endeavor to offer you prior notification of at least 24 hours for closing document review and a choice of signing locations and times. However, in the event of unforeseen delays, we may need to waive the 24-hour notice and request that you sign at a specific time in order to close on schedule.

Your Closing Team at The Escrow Group

cc: Buyer
Seller
Real Estate Agents
Mortgage Lender
Broker



Request for Information from Buyer

Subject property address

Please provide daytime contact information

Primary contact for transaction

Phone number & E-mail address

Forwarding (new) Address after closing

Name, address and telephone number of your new lender

4) Because we must comply with Washington State’s community property laws, we need to know your marital status. Please indicate which option below best describes your status at the time of closing. Indicate the correct answer for ALL buyers. If none of the options accurately describes your situation, please contact our office immediately for further instruction.

- Buyer/s is/are unmarried and will be unmarried when acquiring title.
- Buyers are acquiring title as husband and wife.
- Buyer is married but acquiring title as his/her separate estate—**you will need to contact us for further instruction; additional documentation is required for this option.**
- Buyer is currently married but is getting a divorce. The divorce will be final prior to closing.
Spouse’s name is: _____

Please state exactly how you want to take title.
This is how you will be required to sign all closing documents. (Notify your lender and real estate agent immediately of this name if it differs from what appears on the purchase agreement)

(i.e., “John A. Smith and Mary B. Smith, husband and wife” or “Bob Jones, a single man”)

The name and phone number of the homeowner’s insurance agent who will insure this property (Disregard if the property is a condominium or town home.)

Name Phone Number

If Purchase and Sale Agreement requests Closing Agent **not** handle the payment of the final utility bills through escrow, then the parties hereby agree to hold Closing Agent harmless from loss or responsibility in connection with same.

If Purchase and Sale Agreement requests Closing Agent to handle the final utility bills, Closing Agent is hereby instructed to do so.

Buyer Social Security Number

Buyer Social Security Number



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 incorporated herein by reference. 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 as listed in the Purchase and sale Agreement.**
3. **Title insurance.** You are instructed to order a preliminary commitment for a (X) ALTA Standard () ALTA Extended Owner's/Buyer's Policy of Title Insurance in the face amount of the purchase price. 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). 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 recognized 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, and 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 re-execute 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. **PROPERTY TAXES.** Property tax statements are mailed annually in February. Transfer of the property **does not** generate another statement. It is the new buyers responsibility to obtain the necessary information to pay taxes due by April 30th and October 31st of each year.
11. **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.
12. **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.
13. **VA/FHA TRANSACTIONS.** Under VA regulations, the Buyer cannot pay an escrow fee. Therefore, you are to charge the Seller for all of the 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.
14. **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.
15. **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 pro-rated between the Buyer and Seller outside of this escrow, should any such taxes be levied.
16. **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 Broker(s) written consent.
17. **NEW LOANS FOR BUYERS.** If there is a balance owed and there is a bank or mortgage company to whom payments are made, you **may or may not** receive a coupon book. Whether or not you receive a book or other notice of payment due, you should make your payment by the due date.
18. **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 King County Superior Court. 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.
19. **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.
20. **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 **relieves** you of any liability and/or responsibility for said compliance.

21. **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 10% of the sale price as otherwise required by the Federal Investment in Real Property Tax Act.
22. **REAL PROPERTY TRANSFER DISCLOSURE STATEMENT (FORM 17).** Buyer and Seller hereby acknowledge that the Seller has provided to the Buyer at least three (3) days prior to the signing of these Escrow Instructions, the Real Property Transfer Disclosure Statement.
23. **LEAD-BASED PAINT DISCLOSURE.** Purchaser 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.
24. **CONDOMINIUM.** If a condominium unit is involved in this transaction, Closing Agent is advised that the Purchaser 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 this purchase and Purchaser and Seller agree to hold Closing Agent harmless from any responsibility in connection with same.
25. **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 IN REGARD TO 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 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. **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.**
- F. **UTILITY CONNECTION CHARGES/UNASSESSED LOCAL IMPROVEMENT.** You have no responsibility to any water, sewer, or other utility hook-up 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 not (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.
- G. **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, in case 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.
- H. **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 pro-rated 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.

I. **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 18.22.070", an Escrow Agent, unless exempt 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.

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 (\$45.00 fee) or pick proceeds up on day of closing (after verification of recording - call after 4:30PM 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

Buyer / Seller

Buyer / Seller



Notice to Parties

The services of the closing agent under these instructions will be performed by a person certified as a Limited Practice Officer under the Admission to Practice Rule 12, adopted by the Washington State Supreme Court. Under that rule, Limited Practice Officers may only select, prepare and complete certain documents or forms that have been approved for their use. The specific documents prepared will be disclosed with the Supplement to Escrow Instructions and signed with closing documents.

You are further advised that:

- The Limited Practice Office is not acting as the advocate or representative of either (or any) of the parties.
- The documents prepared by the Limited Practice Officer will affect the legal rights of the parties.
- The parties' interest in the documents may differ.
- The parties have the right to be represented by lawyers of their own selection.
- The Limited Practice Office cannot give legal advice as the manner in which the documents affect the parties.

By signing these instructions, the parties acknowledge:

I have been specifically informed that the law forbids the closing agent from offering any advice concerning the merits of the transaction or the documents that will be used to close the transaction.

The closing agent has not offered any legal advice or referred me to any named attorney, but has clearly requested that I seek legal counsel if I have any doubt concerning the transaction or these instructions.

I have had adequate time and opportunity to read and understand these instructions and all other existing documents referred to in these instructions.

Buyer / Seller

Buyer / Seller