

ESCROW AGREEMENT AND INSTRUCTIONS

This Escrow Agreement and Instructions, entered into this _____ day of _____, 20____, by and between

NAME(S) _____
(Type/Print)

MAILING
ADDRESS: _____
Address City State Zip

hereinafter referred to as Payor (Buyer); and

NAME(S) _____
(Type/Print)

MAILING
ADDRESS: _____
Address City State Zip

hereinafter referred to as Payee (Seller); and PANHANDLE ESCROW COMPANY, INC., hereinafter referred to as PEC or Escrow Holder,

WITNESSETH:

WHEREAS, the Payor and Payee have entered into an agreement to transfer certain property and said transfer is currently incomplete, and they deem it in their mutual best interest to appoint PEC as escrow holder for the deposit of certain pertinent documents necessary for completion of the transaction; and

WHEREAS, PEC is willing to act as escrow holder provided that the Payor and payee agree to make payment to PEC in accordance with the schedule of fees and charges of PEC in effect on the date of acceptance of this escrow and as hereafter changed or modified while this escrow remains open; and

WHEREAS, Payor and Payee agree that PEC's role as escrow holder is that of merely being an independent third party for the holding of pertinent documents and the collection and disbursement of funds received in its capacity as a collection agent,

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises contained herein, Payor, Payee and PEC hereby agree as follows:

1. RIGHTS AND DUTIES OF PANHANDLE ESCROW COMPANY, INC.

(a) Liability. It is expressly understood between Payor and Payee that PEC is to act as a depository only, and shall not be responsible or liable in any manner whatsoever for the sufficiency or correctness as to form, manner of execution or validity of any instrument deposited in this escrow, nor as to the identity, authority, or rights of any person executing same.

PEC assumes no responsibility, nor is it to be held liable as to the condition on the title to any of the property involved herein, nor as to any assessment, liens or encumbrances against said property while acting in its capacity of escrow holder; and that its duties shall be limited to the safekeeping of such money, instruments or other documents received by it in its capacity as escrow holder; and for delivery of same in accordance with these written escrow instructions. It is further agreed that PEC shall in no case or event be liable for the failure of any of the conditions of this escrow or damage or loss caused by the reasonable exercise of PEC's discretion in any particular matter.

PEC's only duty, liability and responsibility shall be to hold said property and/or documents, and money as herein directed and to pay and deliver the same to such persons and under such conditions as herein set forth. Specifically, PEC will not be bound in any way by contract between the Payor and Payee whether it has knowledge thereof or of its terms and conditions.

Without limiting the foregoing, PEC shall not be responsible for the following:

1. To notify any party of nonpayment;
2. For the deposit, procurement or renewal of insurance policies or any riders or additional clauses;
3. For payment of insurance premiums or taxes; and
4. PEC may confer with legal counsel with respect to the construction and interpretation of the foregoing

instructions, or its duties thereunder, and shall not be liable in any respect for following such advice. The Payor and Payee jointly and severally agree to pay all costs, expenses and attorney's fees that PEC may incur hereunder.

(b) Receipt of Payment. Any payment made in a form other than cash or its equivalent shall be credited on this escrow conditionally, and PEC shall not be required to disburse any monies received on this escrow pending receipt of cash or its equivalent.

Personal and/or Business checks of two thousand (\$2,000.00) dollars or more received by PEC shall be deposited immediately but may not be credited to the Payor's account for ten (10) working days following the date of deposit to allow time for the checks to clear. Interest and fees will continue to accrue during those ten days on the prior balance. Money orders, Cashier's check or Wire transfers for payment of any amount shall be credited to the Payor's account immediately upon receipt.

Should PEC disburse Payor's payment to Payee, and Payor's payment, in whatever form it is made, is dishonored for any reason, Payee agrees to return the amount of payment to PEC who shall then debit the Payor's account. In the event that Payee does not return the payment, PEC may retain the proceeds of the next payment for reimbursement or take any other appropriate action to recover from either Payor or Payee the amount disbursed, together with all costs and attorney's fees incurred in collection.

(c) Conditional Acceptance. Any instrument or document placed in escrow at this time, or hereafter, is accepted up on the condition that PEC may, at its option, for any reason, within 15 days from deposit of such instrument, refuse to accept the same, in which event PEC shall notify Payor and Payee in writing of such refusal and shall return such instrument or document, together with the fee paid in connection therewith, to the party depositing same.

2. TERMS OF PAYMENT

(a) Interest. Interest is to be calculated at the rate of _____ (%) percent per annum and shall commence on _____, 20_____, and shall be computed on the unpaid principal balance to date of such payment each time that payment is made.

Principal and Interest **payments** (including any balloon payments) shall be payable as follows:

Late Charge (amount or percentage) _____ after _____ days.

(b) Application. All payments are first applied to escrow fees due, applicable late charges, accrued interest then due, and the balance to principal.

(c) Full and Final Payment. When PEC has received the entire principal balance of \$ _____ Dollars and interest for Payee, PEC is instructed to deliver all of the escrow documents, except the contract, subsequent assignment, supplemental agreements and escrow instructions to Payor, or his assigns, and thereby close the escrow.

(d) Payor **may** **OR** **may not prepay at any time.**

3. DISTRIBUTION OF FUNDS

Payments are to be paid to **PANHANDLE ESCROW COMPANY, INC., P.O. Box 1027, Sandpoint, Idaho 83864** and PEC is then instructed until further written notice signed by all Payees to disburse those payments as follows:

4. CONFLICTS OF PARTIES

If conflicting demands are made or notice served upon PEC by the Payor, Payee or any other interested parties with respect to this escrow agreement, the parties agree that PEC shall have the absolute right to either or both of the following:

- (a)** Withhold and stop any proceeding in, and performance of, this escrow agreement;
- (b)** File suit in interpleader or for declaratory judgement or relief, and obtain an order from a Court of competent jurisdiction requiring the parties to interplead and litigate in such court their several claims and rights among themselves. In the event such interpleader suit is brought, PEC shall be fully released and discharged from all obligation imposed upon them by virtue of this escrow agreement, and the Payor and Payee jointly and severally agree to pay PEC all costs, expenses and reasonable attorney's fees expended or incurred by PEC.

5. DEFAULT

(a) **Fee.** In the event that Default is claimed by either Payor or Payee, a minimum fee of \$ _____ shall be charged by PEC. In order to “cure” said default, the party claiming default shall be reimbursed said fee in addition to any other costs incurred.

(b) **Claim and Notice of Default.** Either party may claim default against the other by delivering only to PEC the minimum default fee, along with written notice, in duplicate, stating the nature of the default and how it may be cured, if at all. Notice of Default shall forthwith be sent by Certified Mail by **PANHANDLE ESCROW COMPANY, INC.** to the party against whom the default is claimed.

Payor and Payee agree that default shall be and is defined solely by them and the PEC shall merely accommodate such definition. Regardless of any claim of default, PEC may continue to receive, deposit and hold funds regarding this account, in trust, without crediting the account until joint resolution of the issue of default. Upon written notification of such resolution, PEC shall release monies and/or papers to Payees and credit the Payor’s account.

(c) **Cure.** The party against whom default is claimed shall have the time allotted in the herein documents to cure such default. In the event not time is provided for the cure of the default in the documents held in escrow, such period shall conclusively be deemed to be thirty (30) days. In any event, the Notice of Default shall state with specificity the time allotted for cure of said default.

In the event of a timely cure duly accepted by the party claiming default, this escrow agreement shall continue in full force and effect as though no default has occurred.

(d) **No Cure.** Any payments or other performances made after the due date or at variance with these instructions are subject to approval and acceptance by the party entitled to such payment or performance, but PEC shall have no duty or obligation to refuse any payment or any other performance tendered by either party hereto nor shall PEC be responsible for determining the sufficiency of any such payment or performance.

In the event a default remains uncured beyond the time allotted therefore, upon demand, PEC is hereby instructed and directed to deliver the pertinent documents being held in escrow to the party claiming default.

In the event of an unaccepted cure or an objection to the claim of default, PEC may, in its sole discretion, seek resolution by a Court of competent jurisdiction.

6. JOINT AGREEMENT

Prior to the close of escrow and upon unanimous written consent and instruction from the Payor and Payee to PEC, PEC may dispose of property and documents in accordance with said instruction. If so instructed, PEC may, at their option, impose a cancellation fee.

7. NOTICE

(a) **Written and Certified.** All notice required under the terms of this escrow agreement or by law shall be in writing, shall contain a clear and concise statement setting forth the reasons therefore and shall be sent by Certified Mail, Return Receipt Requested to the appropriate party at the address specified herein or at such other address as that party may designate in writing from time to time. It shall be the duty of the Payor and Payee to notify PEC of any change in address and to sufficiently identify the escrow concerned and the parties involved in said notification.

(b) **Compliance.** All notices, including the Notice of Default, must be given as hereinabove provided and at the expense of the party giving notice and PEC shall not be required to recognize service of notice given in any other manner. PEC shall not be responsible for any damages arising out of or relating to the failure of any party to comply with such notice and mailing requirements.

8. ASSIGNMENTS

In the event that Payor or Payee shall assign his rights under any documents deposited hereunder, or should any party create in a third party any right, title, interest, lien or encumbrance under any document deposited hereunder or in the property to be conveyed according to these escrow instructions, the party making such assignment shall be responsible for supplying PEC with proper documentation along with the assignment fee in order to effect a change in the original escrow instructions. PEC shall not, however be bound by any such notice given by a party hereto or third party and shall, under no circumstances and in no manner, be liable to the parties hereto or any third party for damages arising out of or related to its acts in connection with such assignment or creation of rights. PEC shall not be held to notice of any restrictions upon or prohibition against any such assignment or creation of rights contained in any document deposited hereunder.

9. DOCUMENTS TO BE PLACED IN ESCROW:

The following documents shall be placed with Panhandle Escrow Company, Inc. as Escrow Holder: _____

10. PHYSICAL ADDRESS OF PROPERTY: _____

11. COMPENSATION TO PANHANDLE ESCROW COMPANY, INC.

The Payor and Payee have agreed and do hereby agree that, in return for PEC acting as a depository, shall compensate PEC as follows;

SETUP FEE..... \$ _____

RESERVE ACCOUNT SETUP FEE (Additional Reserve Setup Document Required)..... \$ _____

FIRST ANNUAL FEE, PAID IN ADVANCE \$ _____

ADDITIONAL LEDGER/SPLIT DISBURSEMENT \$ _____

ADDITIONAL ESCROW SERVICES ARE AVAILABLE UPON REQUEST:

Tax and Insurance Reserve Account (Additional Reserve Setup Document Required)... \$ _____

Monthly Mailed Receipts PAYOR PAYEE BOTH \$ _____

Delinquency Monitoring..... \$ _____

Construction Draw Account (Additional Documentation Required) \$ _____

There will be an additional filing fee for any subsequent assignments and/or modifications, placed within the escrow. PEC reserves the right to increase the escrow fee in a reasonable amount after (1) year from the date hereof to accommodate increased service costs. PEC shall have, and is hereby granted, a first lien on the property above described, and all funds coming into the hands of PEC, for all compensation, fees, attorney’s fees and charges provided herein. PEC shall be under no obligation to deliver any of said property or monies until such lien has been paid and discharged, anything herein contained to the contrary notwithstanding.

THE ESCROW FEE SHALL BE PAID TO PEC BY: PAYOR PAYEE EQUALLY.

12. BINDING

This escrow agreement shall be binding up on and inure to the benefit of the parties hereto, their heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, each of the undersigned states that they have read the foregoing instructions and understands and agrees to them, and the parties hereto have affixed their hands as of the day and year first hereinabove written.

PAYOR (BUYER)

PAYEE (SELLER)

Signature

Signature

Print Name

Print Name

Tax Identification Number

Tax Identification Number

Phone Number

Phone Number

Email Address

Email Address

ADDITIONAL PARTIES

PAYOR (BUYER)

Signature

Print Name

Tax Identification Number

Phone Number

Email

PAYEE (SELLER)

Signature

Print Name

Tax Identification Number

Phone Number

Email

PAYOR (BUYER)

Signature

Print Name

Tax Identification Number

Phone Number

Email

PAYEE (SELLER)

Signature

Print Name

Tax Identification Number

Phone Number

Email

PAYOR (BUYER)

Signature

Print Name

Tax Identification Number

Phone Number

Email

PAYEE (SELLER)

Signature

Print Name

Tax Identification Number

Phone Number

Email

The above escrow instructions are received and accepted subject to the printed provisions herein before set forth this _____ day of _____, 20____.

PANHANDLE ESCROW COMPANY, INC.

By: _____