



Panhandle Escrow Company, Inc.

LONG TERM ESCROW RESERVE ACCOUNT AGREEMENT

Please check the services desired: _____ INSURANCE RESERVE
_____ TAX RESERVE

BUYER and/or SELLER hereby agree, in addition to the scheduled monthly payments required under this escrow account, BUYER will pay to PANHANDLE ESCROW a sum equal to 1/12th of the annual taxes and/or of the annual insurance premium, said payment to be estimated by PANHANDLE ESCROW, without liability. PANHANDLE ESCROW agrees to deposit said sums in a trust account to pay said obligations annually as they become due and payable. BUYER and/or SELLER agree to pay PANHANDLE ESCROW fees for servicing the reserve account as set forth on the current fee schedule.

It shall be the BUYERS obligation to see that insurance is maintained on the property in the amount of reasonable value thereof for the mutual benefit of the BUYER and SELLER. PANHANDLE ESCROW is hereby authorized to pay the renewal premiums on this policy as they become due and payable upon presentation of the premium notices and to accept renewal policies written through the insurance agent for payment, unless notified by the BUYER in writing thirty (30) days prior to the expiration of the existing policy that a new insurance agency has been employed. The BUYER agrees to provide a replacement policy to PANHANDLE ESCROW thirty (30) days prior to the expiration of the existing insurance. It is understood that PANHANDLE ESCROW, has no liability to maintain adequate insurance coverage on the property, and is only liable for paying the tax and insurance premium invoices presented to it for payment, and then only provided there is sufficient funds in the account to make such payments.

CLOSING AGENT NOTE: Be sure to collect a sufficient sum from your closing to cover initial reserve requirements. PANHANDLE ESCROW will be paying taxes on a semi-annual basis and insurance premiums on an annual basis only. Reserve accounts will be established for monthly payment escrows only. The initial deposit to establish the account must be calculated as follows:

INSURANCE: 2/12TH of the annual insurance premium. Please obtain the renewal date and a copy of the existing policy. (Assuming the insurance has been purchased for a full year already.)

TAXES: (Please use the first payment due date for Idaho tax collection.)
Jan - 3/12th; Feb - 4/12th; Mar - 5/12th; Apr - 6/12th; May - 7/12th;
Jun - 2/12th; Jul - 3/12th; Aug - 4/12th; Sep - 5/12th; Oct - 6/12th;
Nov - 7/12th; Dec 2/12th OR a copy of the paid tax receipt and 2/12th
of the total tax amount. (Assuming the taxes have already been paid
current either in June or December.)

The initial monthly sum to be deposited into said reserve account shall be as follows:

RESERVE ACCOUNT SUMMARY

Reserve Account Set-up Fee \$ 50.00
_____ months insurance @ \$ _____ \$ _____
_____ months taxes @ \$ _____ \$ _____
Total Required to Establish Reserve Account \$ _____

The breakdown for the initial escrow payments shall be as follows:

Principal & Interest	Monthly Reserve	Escrow Fee	Reserve Fee	Total Payment
\$ _____ +	\$ _____ +	\$ _____ +	\$ <u>2.00</u> =	\$ _____

INSURANCE INFORMATION (Please include a copy of insurance binder)

Agent Name _____
Mailing address _____
City/State/Zip _____
Phone _____
Policy # _____

TAX INFORMATION (Please include a copy of latest tax bill if possible)

County/State Name _____
Mailing address _____
City/State/Zip _____
Parcel # _____

The reserve account will be reviewed annually and any change in the installment requirements will be effective with the next payment due after notification. At time of payoff, all funds remaining in reserve account will be refunded to buyer unless otherwise directed. If any of the above requirements are not met, **PANHANDLE ESCROW COMPANY** will be unable to accept the reserve account for set-up and will return any funds to the party submitting the escrow.

BUYER _____ DATE _____

BUYER _____ DATE _____

SELLER _____ DATE _____

SELLER _____ DATE _____