

Wayne County Title Agency, Inc.
141 E. Liberty Street
Wooster, OH 44691-4345
Phone 330-262-2916 Fax 330-263-1738

STANDARD CONDITIONS OF ACCEPTANCE OF ESCROW

File No.: _____

Premises _____

The undersigned parties agree that **Wayne County Title Agency, Inc.** ("Escrow Agent") shall act as settlement and/or escrow agent pursuant to written contract or agreement between the parties and such written mutual instructions as shall be accepted by Escrow Agent; provided, however, that unless specific written instructions to the contrary are accepted by Escrow Agent, the following conditions shall apply:

1. ESCROW DEPOSITS

If acting as escrowee, Escrow Agent shall be responsible for only such funds and documents it actually receives and shall have a lien on the funds and documents to secure payment of its fees and costs incurred while performing its escrow, settlement or title functions. Escrow Agent is not required to commence any settlement or title function or incur any other cost until all funds and documents required in escrow have been deposited. If any party shall fail to deposit in escrow any funds or documents within (a) the time required by the agreement or instructions, (b) 15 days after written notice of default, nonperformance or dispute from any party, or (c) 15 days after demand by Escrow Agent, Escrow Agent may terminate the escrow or decline to act further except pursuant to court order or written mutual agreement of the parties acceptable to Escrow Agent. Upon termination Escrow Agent may retain all funds, documents and property deposited in escrow until Escrow Agent's fees and costs are paid or secured to its satisfaction or, at its option, deduct such fees and costs from any such funds deposited in escrow. Thereafter, the balance of such funds, documents and property shall be returned to the depositing parties. The parties hereby agree to save Escrow Agent harmless from any loss or damage resulting from such termination or declination and hereby indemnify Escrow Agent for any loss, cost or damage including, without limitation, attorney fees and costs of litigation which Escrow Agent may incur.

2. ESCROWED FUNDS

Funds deposited in escrow shall not bear interest and may be deposited in escrow accounts in any depository which Escrow Agent may select. Escrow Agent shall not be liable for any loss or damage which may result by reason of such payment, including but not limited to loss or damage caused by bank closure or bank failure. All payments shall be made by checks written on such accounts, unless a party specifically requests payment by wire transfer, in which case an additional fee will be charged to such requesting party. Escrow Agent shall not be liable for any payment that is delayed or prevented by operation of law or other reason beyond its control. It is understood and agreed that Escrow Agent is not required

to open or maintain any special (e.g., interest bearing) account for any party, but that in the event Escrow Agent agrees to do so, then additional fees shall be charged to the requesting party. Unless otherwise instructed by the parties, any interest earned on special interest-bearing accounts shall accrue to the credit of the Buyer. Any funds deposited by persons or entities other than the Seller or Buyer and accepted by Escrow Agent shall be subject to the instructions of such depositing parties. Funds escrowed pending proof of payment of Seller's obligation(s) may be released to Buyer if such proof is not provided within 120 days of settlement.

3. **GOOD FUNDS**

Any and all funds, from any and all sources received by Escrow Agent are required to be in the form of a cashier's check payable to Wayne County Title Agency, Inc. or in the form of a wire transfer into the escrow account specified by Escrow Agent. Escrow Agent is authorized to receive funds and to disburse when all funds received are either available for immediate withdrawal as a matter of right from the financial institution in which the funds have been deposited or a financial institution upon which the funds are to be drawn ("Good Funds"). Escrow Agent is not required to finalize or close this transaction or release any documents or things of value prior to receipt of Good Funds, except as provided in Sections 10 and 11 of this document.

4. **SETTLEMENT CHARGES**

Escrow, settlement, title transfer, and recording costs shall be allocated according to the purchase agreement between the parties. If the allocation of costs is not specified in the purchase agreement or is unclear then the following allocation shall govern:

SELLER:

Seller shall be charged with its agreed costs per the purchase agreement between the Seller and Buyer. If the costs of closing or any other terms are not spelled out in the purchase agreement or are unclear then the following closing costs and adjustments shall be allocated to the Seller:

- One-half (1/2) of the Escrow Closing/Settlement fee, unless this is a VA Loan, in which case the Seller agrees to pay the full Escrow Closing/Settlement Fee;
- One-half (1/2) of the title examination fee;
- One-half (1/2) of the Owner's Title Insurance Premium and Title Commitment fee;
- Costs of Deed Preparation(s);
- County Transfer and conveyance fees;
- Real estate taxes and assessments (both general and special) due and payable at date of closing and tax proration credit to the Buyer through the day of closing on taxes and assessments (both general and special) not yet due and payable.
- Any Buyer's lender's costs that FHA or VA loans will not allow the Buyer to pay. In such case, the Seller herein agrees to pay all charges and costs required to meet the specifications of the governmental agency insuring the Buyer's loan that are not permitted to be charged to the Buyer.
- Costs of satisfying mortgages, liens and encumbrances, and any express mail or courier costs and release fees associated with any mortgage, lien or encumbrance.

- If closing is out of the area and any express mail or courier fees are necessary in order to close this transaction, Seller agrees to pay such fees.
- Anything else not listed above that Escrow Agent deems necessary (for example, additional information, documents or fees) or required by or on behalf of Seller to complete this transaction.

BUYER:

Buyer shall be charged with its agreed costs per the purchase agreement between the Seller and Buyer. If the closing costs or any other terms are not spelled out in the purchase agreement or are unclear then the following closing costs and adjustments shall be allocated to the Buyer:

- One-half (1/2) of the Escrow Closing/Settlement fee;
- One-half (1/2) of the title examination fee;
- One-half (1/2) of the Owner's Title Insurance Premium and Title Commitment fee;
- Any additional Title Premium or Endorsements required by Buyer's Lender;
- Buyer's Lender's costs;
- Recording Instrument of Conveyance (e.g., deed) and mortgages;
- If closing is out of the area and any express mail or courier fees are necessary in order to close Buyer's side of this transaction, Buyer agrees to pay such fees.
- Anything else not listed above that Escrow Agent deems necessary (for example, additional information, documents or fees) or required by or on behalf of Buyer to complete this transaction.

Escrow Agent shall be paid in full at the settlement for all title, escrow and settlement fees and costs and may withhold settlement and retain all funds and documents held as escrow or settlement Escrow Agent until such fees and costs are paid or secured to Escrow Agent's satisfaction. Provided the instructions accepted by Escrow Agent can be otherwise complied with, Escrow Agent will not withhold settlement of the transaction unless restrained by order of court, but shall not be liable to any party for failure to comply with unclear or conflicting instructions.

Regardless of any other agreement of the parties to this escrow to the contrary, it is understood that if the Buyer is getting a VA-insured mortgage then the entire escrow fee is chargeable to the Seller, unless otherwise provided for, since the Veterans Administration regulations preclude any charge to the Buyer for an escrow fee. Seller agrees to pay all charges and costs required to meet the specifications of the governmental agency insuring the Buyer's loan and not allocable as a charge to the Buyer, including any special assessments which may be a lien on said premises.

The cost of any extraordinary services or expense shall be borne by the party benefited thereby. Parties hereby agree that if the Escrow Agent is required to respond to any court action without fault of the Escrow Agent, that the Escrow Agent shall be reimbursed for all his costs and expenses including reasonable attorney fees, all of which shall be charged to the appropriate party.

5. **PRORATIONS OF TAXES & ASSESSMENTS, AND OTHER ITEMS.**

Prorations shall be calculated on the basis of the calendar year. Phrases such as

"to date of closing," "to date of transfer," "as of date of filing" and the like shall be construed to mean to and including the date title documents are filed for record or the closing date stated on the HUD-1 Settlement Statement. For purposes of proration, the Seller shall be considered the owner through and including the day of closing. Information obtained by Escrow Agent as to taxes, assessments, insurance, rents, interest and balance due on mortgages or other encumbrances may be relied upon in making payments or adjustments. Prorations of taxes or assessments shall be on the basis of the amount shown on the last available County Treasurer's tax duplicate. If current real estate taxes have been reduced as a result of Seller's entitlement to homestead, agricultural or other credits, proration shall be on the basis of such reduced amounts. The responsibility of the Escrow Agent as to real estate taxes and assessments is limited to proration and payment of the taxes and assessments shown on the last available County Treasurer's tax duplicate, when required by the Purchase Agreement and/or Escrow Instructions. If the premises to be transferred consist of or include a new plat or survey that splits an existing tax parcel, then the Escrow Agent may perform prorations of taxes, assessments, and CAUV recoupment charges based on estimates provided by the County Auditor's office, and all such prorations shall be conclusive as to the Escrow Agent and against the parties hereto. The Escrow Agent shall not be responsible for proration or adjustment of water, septic, municipal utilities and other utilities; such items shall be handled directly, outside of escrow, by the parties to the transaction or their agents.

6. **HAZARD INSURANCE**

The Escrow Agent shall have no responsibility for insurance on real or personal property. It is the responsibility of the Seller to maintain fire and casualty insurance through the date of recording and the responsibility of the Buyer to acquire its own insurance coverage on the real property and any personal property to be effective on the date of closing.

7. **WATER AND SEWER CHARGES**

If instructed to do so, Wayne County Title Agency, Inc. shall withhold monies from Seller's proceeds for proof of payment of final water and/or sewer charges. However, Seller and Buyer hereby agree that Wayne County Title Agency, Inc. shall have no responsibility for payment of the final water and/or sewer charges or in the case of a water/sewer hold, the sum in excess of the amount held. Wayne County Title Agency, Inc. may charge a \$10.00 per month service fee to be deducted from said water/sewer hold money if unclaimed for a period of more than 120 days after closing until said fund has been exhausted.

8. **MORTGAGE ASSUMPTIONS AND SHORT SALES.**

The parties agree to obtain any consents required for the assumption of mortgage or transfer of property subject to mortgage, or any short sale lender approvals and hereby hold Escrow Agent harmless for any breach of mortgage conditions resulting from such assumption or transfer or from any short sale lender approvals or conditions.

9. **GOVERNMENT REQUIREMENTS**

The parties agree to comply with any requirement, restriction or limitation affecting the use, occupancy or transfer of the premises imposed by any municipal ordinances or other exercise of the so-called "police power" of any governmental authority, including, without limitation, zoning, "point of sale" or other inspections, environmental or health matters, existence or status of utilities or

other services. The parties hereby indemnify and hold Escrow Agent harmless from any ordinance or other form of government action requiring Escrow Agent to obtain consents, inspection reports or proof of compliance with any such law or regulation. The parties further indemnify and hold Escrow Agent harmless from all costs, attorney fees and awards resulting from demands or litigation arising from any alleged failure to comply with such laws, rules or requirements.

10. **IF CLOSING DOES NOT OCCUR OR FINALIZE**

If closing does not occur, Escrow Agent is authorized to return all monies and things of value and to shred or return all documents, to the depositing party and Escrow Agent will be relieved from any further duty, responsibility or liability in connection with these instructions.

11. **ESCROW AGENT NOT RESPONSIBLE FOR CERTAIN MATTERS.**

The undersigned parties acknowledge that Wayne County Title Agency, Inc. has no responsibility for transfer of possession of the property, the existence or condition of buildings and improvements, the existence or condition of personal property (including, without limitation, appliances, furnishings, fixtures, equipment, or contents), or the rights of parties in possession of the property. The Escrow Agent assumes no responsibility as to any title examination or completed evidence of title prepared by any title company or title examiner employed to carry out the title provisions of the sales agreement and/or escrow instructions. The undersigned parties acknowledge that although Wayne County Title Agency, Inc. is a licensed title insurance agent, its role as Escrow Agent does not implicitly insure or guarantee the status of title to the property; the only recourse of a party with respect to liens, encumbrances, defects, or other matters of title is by making a claim pursuant to the title insurance policy or other evidence or assurance of title obtained by or for the benefit of such party in connection with this transaction.

12. **FINAL HUD-1 SETTLEMENT STATEMENT**

The Final HUD-1 Settlement Statement and its addendums and supplemental statement(s), or in the case of a commercial real estate transaction, a Final Proceeds Statement (if a Final HUD-1 Settlement Statement is not used) or similar instrument with addendums and supplemental statement(s) may differ from the Estimated HUD-1 Settlement Statement or similar document signed at the closing of the real estate transaction. If Wayne County Title Agency, Inc. determines that there are additional amounts due and owing subsequent to closing (including but not limited to additional mortgage payoff amount, additional real estate taxes and/or assessments due, additional real estate commission owed, redemption of any promissory or earnest money notes) the part(ies) agree to remit to Wayne County Title Agency, Inc. said amount owed, or reimburse Wayne County Title Agency, Inc. for any amount expended by Wayne County Title Agency, Inc. to satisfy such amount due and owing.

13. **CONFLICTING DEMANDS.**

If any conflicting demands are made on the Escrow Agent, at its sole discretion, Escrow Agent may hold any monies, documents and things of value received from any party except Buyer's Lender. Escrow Agent shall retain such items until (1) receipt of mutual written instructions from Buyer and Seller, or (2) until a civil action between Buyer and Seller shall have been resolved in a Court of competent jurisdiction; or (3) in the alternative, Escrow Agent may, in its sole discretion, commence a civil action to interplead, or interplead in any existing civil action,

any documents, monies or other things of value received by Escrow Agent. Such deposit with the Court shall relieve Escrow Agent of all further liability and responsibility and Escrow Agent shall be entitled to all court costs and reasonable attorneys' fees.

14. **ESCROW AGENT DISCLAIMER.**

Escrow Agent shall not be responsible for:

- a. validity, collectability, genuineness of signature, negotiability or marketability of any stocks, bonds, currency, passbooks, checks, documents or negotiable instruments deposited in escrow or exchanged in settlement;
- b. any bank closure or bank failure;
- c. the identity of any person or the sufficiency of any agency;
- d. the existence, condition or identity of any buildings, fixtures, improvements or installations located or presumed to be on the premises; or the existence, conditions, title or delivery of any personal property;
- e. rights of parties in possession, easements or claims of easement, matters which would be disclosed by an accurate survey or inspection, or claims for mechanics' lien except as specifically insured in any title insurance policies issued by Escrow Agent;
- f. delay due to fire, strike, act of God, or any other cause beyond the control of Escrow Agent;
- g. adjustment and/or any charges for gas, electricity, water, heat and other public utilities;
- h. validity, legal effect, or desirability of any instrument deposited in escrow by any party or exchanged by the parties;
- i. the applicability, amount, or planning with respect to, any tax, including without limitation, income taxes, property taxes, or estate/inheritance taxes;
- j. anything not specifically assumed or agreed to in these Standard Conditions.

15. **FDIC WAIVER**

The undersigned hereby certifies that they are aware that the Federal Deposit Insurance Corporation's (FDIC) coverage applies only to a cumulative maximum amount of \$250,000.00 for each individual depositor for all of depositor's accounts at the same or related institution.

Wayne County Title Agency, Inc. assumes no responsibility for nor will depositor(s) hold same liable for, any loss occurring which arises from the fact that the amount of the above account may cause the aggregate amount of any individual depositor's accounts to exceed \$250,000.00 and that the excess amount is not insured.

We further understand that certain banking instructions such as, but not limited to, repurchase agreement and letters of credit are not covered at all by such insurance.

16. **LEGAL REPRESENTATION.**

The undersigned parties acknowledge that they are not being represented in this transaction by Keating Law Offices, LLP, or by any attorney in said firm (Louise W. Keating, Esq. and John T. Keating, Esq.) unless an attorney-client relationship is formed by a separate written engagement and fee agreement. Keating Law Offices, LLP hereby expressly disclaims the formation of any attorney-client relationship with any customer of Wayne County Title Agency, Inc. or any party to a transaction in which Wayne County Title Agency, Inc. is the title and/or escrow agent. All legal documents prepared and other legal services rendered by Keating Law Offices, LLP in connection with this transaction are prepared for and rendered to Wayne County Title Agency, Inc., which is the only client of Keating Law Offices, LLP in this transaction.

17. **EXECUTION OF STANDARD CONDITIONS OF ACCEPTANCE OF ESCROW.** These Standard Conditions of Acceptance of Escrow may be executed by each Buyer or Seller separately and when taken together shall be deemed a full and complete instrument.

THIS FORM HAS LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL, TAX OR OTHER COUNSEL BEFORE SIGNING.

SELLER (S):

BUYER (S) / BORROWER (S):
